



SBR Case Study

Hospitality - Bar & Bistro



The business is a small family owned company that has been operating a Bar and Bistro in Southern Tasmania from leased premises for the past 8.5 years. Since opening, various other venues in the local area have ceased trading and the business is the only licensed venue in the area which now has several new subdivisions being established and is growing considerably in size.

Debt

Total debt within this SBR was approx \$140,862 owing to the ATO.

Background

The business was adversely impacted by the COVID pandemic, due to restrictions placed over trade which in turn saw the business experience a significant decrease in customer numbers particularly with restrictions around social distancing and the inability to attend live events.

There were also significant costs incurred due to sick leave with staff downtime.

The business was required to terminate staff due to a decrease in available work and in an attempt to decrease rising wages costs. The inability to have live music and events for a period of 12–18 months as well and the restrictions imposed around social distancing, led to less patrons being able to be on site at any one time and a decrease in revenue.

Post COVID and upon the lifting of government restrictions around trade in the hospitality sector, the business experienced a significant decrease in customer numbers particularly with concerns surrounding COVID among the elderly demographic customer base.

Proposal

The proposal provided for weekly instalments over a 12 month period making a total commitment of \$41,600.

Creditors voted to accept the restructure proposal which resulted in a 28.05c/\$ return.

Outcome

The business has continued to trade profitably, even seeing an increase in takings in excess of what they were achieving when first opening, and has taken various steps to improve its position moving forward and to ensure ongoing profitability, including:

- The Director has taken a more active role in the business.
- Review of pricing, menu offerings and portion sizes.
- Reviewing marketing and increasing presence on social media to attract new clientele and to re-engage with clientele that may have dropped away since COVID.
- Review of Bistro operating hours, led to the implementation of a 6 week trial period for opening for Saturday lunches and ceased operating the Bistro on a Tuesday evening.
- Conducted a detailed analysis of operating expenditure in order to achieve further costs savings, therefore reducing overheads.



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