

October 2021

Communique

Welcome to our latest bulletin on what's happening at Helm Advisory and the latest news in the restructuring and turnaround industry.

The Good and the Bad Phoenix



At the end of all these lockdowns, some businesses will bounce around and some bounce back.

Just like the 2020 experience, the businesses which could work remotely and receive government funding will survive and are expected to thrive post lockdown; some even managed to pay their executives bonuses during this period. Some of these businesses included banks and cunning retailers who had their businesses already set up on the internet.

However, there will be many in the SME market that are not that well connected to the internet. They were hit in 2020 and utilised Job Keeper and Job Saver payments to the best of their ability. On the second coming of the lockdowns, they are further away from the world of normality especially in the two largest state economies of Australia, Victoria and New South Wales.

What is in store for the bounce of a dead company that have mortally wounded balance sheets? They can either walk away from their companies and businesses OR they can isolate their business from the company and attempt to save it.

If the business assets are moved for insufficient or nil value this could well be viewed as an illegal Phoenix or, in legislation terminology, a creditor defeating disposition.

There are specific provisions in the Corporations Act 2001 to discourage such behavior and both civil and criminal penalties may apply.

If consideration is provided for market value, a business can be protected and creditors of the company may participate in a dividend. This can be done by a Restructuring Practitioner, Deed Administrator, Liquidator or by the Court.

So if you know of anyone that got whacked by the second lockdown caused by the Delta strain and they are still waiting for a road to recovery, they should talk to us.

Saving the business is saving a SMEs future. The restructuring via a VA or restructuring plan may be the answer.

The advice to business managers that may be experiencing stress remains consistent. Seek advice sooner rather than later at [Helm Restructuring](#)
Please give us a call before they hit the WALL!

Take The Time – Nothing To Be Lost By Lodging



With the Covid-19 vaccine take-up fast approaching the level where lockdowns and other restrictions will be eased or removed, business should return to normality or at least a stable ‘new norm’.

The legal and self-imposed moratoriums on collecting of debts and foreclosures by the ATO, financial institutions and others should follow close behind. With that will come insolvencies and the issuance of proof of debt forms to creditors.

In our experience, many creditors don’t bother taking the time to complete proofs of debt taking a skeptical view that there will be no dividend distribution. In many instances, this is not the case. Often, particularly after further investigation, debtors and undisclosed assets are discovered leading to at least a partial distribution to creditors. With the fall out from Covid-19, a number of previously healthy businesses run by honest individuals will unfortunately fail. In these situations, there may be more assets available for distribution.

We would encourage creditors to take the time to fill out the relatively simple proof of debt forms and attach supporting documentation. Where you or your client’s claim is complex and material, Helm can assist. Such assistance can include liaising with the insolvency practitioner, attending creditors’ meetings and advising creditors whether they have a valid claim. This can be particularly useful where the creditor may have debts owing to the insolvent business and there may be mutual rights of offset.

Take the time - Nothing to be lost by lodging.

As is our motto, we can steer your client or you on a course to recovery. Contact [Helm Restructuring](#) now for assistance.

Meet one of our intrepid world travellers – Senior Accountant Christine Chen



Christine Chen is a Senior Accountant at Helm Advisory. Christine holds a Masters of Commerce (Business Management and Financial Crime) from Macquarie University. She is a CPA and a student member of ARITA, currently enrolled in the Advanced Insolvency course.

She joined the firm in 2018 and brings with her both local and overseas work experiences in various parts of accounting such as accounts payables, private equity fund administration and SME accounting. Although like many it is a career path she had not initially thought of, working in restructuring has been a very rewarding experience for her. Christine enjoys the wide interactions she has with various stakeholders.

She has had experience dealing with various forms of corporate insolvencies in the SME space. She was also involved in providing advisory services to distressed directors to assist other liquidators in the conduct of their companies' liquidations. She is a talented multi-lingual person who has assisted many people from a Chinese background.

Christine enjoys exploring new settings and adventure. She loves her Zumba classes before the pandemic and has now resorted to outdoor running in her neighbourhood. During the pandemic, she has picked up new hobbies such as floral arrangement, painting by numbers and Kali (Filipino martial arts).

Christine comes from Singapore. The photo was taken at Gardens by the Bay in Singapore. Like everyone else she cannot wait until state and international borders re-open again.

Going live on Thursday 25 November 2021, Helm's 6th Annual Black Tie Event

Helm Advisory

INVITES YOU TO CELEBRATE OUR
6TH ANNUAL BLACK TIE EVENT

THURSDAY 25TH NOVEMBER 2021
5.30PM TO 9.00PM

QVB CABARET BALLROOM
LEVEL 3 NORTH END
455 GEORGE STREET SYDNEY

DRESS CODE
OVER THE TOP MOULIN
ROUGE

LIMITED SEATS | RSVP NOW TO
[KANDYCE.STRICKLAND@HELMADVISORY.COM.AU](mailto:kandyce.strickland@helmadvisory.com.au)



It's time to celebrate with us, our freedom from lockdown, at the historic QVB The Tea Room. With a Moulin Rouge theme and cabaret, it promises to be a night to remember.

Tickets are limited and filling fast.

RSVP to kandyce.strickland@helmadvisory.com.au to avoid disappointment.

We can help you now

If you have clients who are experiencing difficulty in paying their debts and/or need to restructure their business, please contact me.



Philip Hosking

[0434 407 748](tel:0434407748)

Helm Advisory

Suite 2 Level 16, 60 Carrington Street Sydney



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