

### **Background & Problem**

The business had a high profile and emerged successfully in terms of presence from the dot.com times, but had accumulated large losses and a ravaged balance sheet with a negative balance sheet of some £0.9m on a turnover of £2.6m.

### **Action Taken**

Creditors of the business were successfully managed and negotiated with, in order to reschedule payments over a period of time, to get some breathing space. The cash generation of the business was able to be used to further advance the company, whilst a strategic focus was placed on the core strengths and true revenue drivers, culminating in the appointment of a Managing Director to better define and capitalise on this focus.

### **The Result**

The company produced an audited profit of 500k on a turnover of 3.3m to March 2004, with the negative asset value on the balance sheet now turned positive. This was without any further investment in the business, and without a need to resort to any insolvency actions. The company has recently received £4m of investment at a very generous valuation.

**If you want to find out more about any of the areas covered in this case study  
and how we can support your business – contact us today.**