



### Client / Matter

The clients, a national retail bank and a major supplier of pharmaceutical products, were first and second ranking secured creditors of a large pharmacy in Sydney.

### Appointment

We were jointly appointed Receivers and Managers to the pharmacy under a registered Bill of Sale by the first and second ranking secured creditors.

### Issue

The owner of the pharmacy had suffered personal issues and illness which was having a significant detrimental effect on the trading performance of the pharmacy.

The pharmacy had three secured creditors (of which we were jointly appointed by the first two ranking) and significant unsecured debts to its landlord, the Australian Taxation Office and other suppliers.

Our clients considered their security was at risk given the deteriorating trading performance of the pharmacy.

The relevant pharmacy legislation in New South Wales allowed a receiver to only trade a pharmacy for a period of three months, after which the pharmacy license is cancelled. This created a very tight timeframe in which to sell the asset.

### Solution/Outcome

Upon our appointment, we engaged the services of specialist pharmacy consultants. In conjunction with these consultants we achieved the following:

- took control of the pharmacy, replaced staff where necessary and proceeded to trade the pharmacy on a “business as usual” basis
- implemented several measures to improve the trading performance of the pharmacy
- contacted several local hospitals and nursing homes to provide comfort that the pharmacies would continue to supply to them and so protected a major revenue stream of the pharmacy
- ran a comprehensive sale program within a very tight timeframe
- quickly identified the preferred purchasers from over 50 expressions of interest received
- negotiated and settled a sale and played a key role in the new purchasers obtaining the necessary regulatory approval to trade the pharmacy

The pharmacy was sold with both appointors paid out in full and a partial repayment to the third ranking secured creditor.