

Independent Business Review and Debt Advisory Services to a private school

The Scope

Harley Reed was approached by the directors of a private boarding school in Ghana to support with management of its lenders and provide options for restructuring the debt.

The Approach

A team from Harley Reed conducted a short working capital review and engaged the lenders of the school to agree time to conduct a detailed independent business review in order to provide options – supported by evidence from the working capital review of the ability to operate in the short term with minimal collateral leakage for the lenders.

A six week period was agreed and Harley Reed conducted an in-depth review spanning:

- Commercial aspects – understanding the wider education market drivers, competitive market position, community relationships and assessing the directors’ business plan
- Operational aspects – assessment of the management team and ability to deliver their strategy, staff quality and strength, regulatory positions of the school, infrastructure and value proposition
- Financial aspects – a review of the underlying financial performance and trends, as well as assessment of actual and contingent liabilities. Due diligence on the forecast, sensitivities, and underlying management assumptions. Assessment on opinion on the financial requirements for the business, collateral availability and coverage, and options for restructuring.

The Outcome

Our team delivered a report to the client which was fact checked and with the client agreement the report was provided to the lenders. Meetings with the lenders resulted in the core recommendations being adopted and the debt was restructured. This included a write-off of a significant amount of accrued interest as well as an increase in the term loan.