

22 November 2022

## INITIAL INFORMATION FOR CREDITORS AND SUPPLIERS

### GRAND THEATRE COMPANY PTY LTD (ADMINISTRATORS APPOINTED) ACN 056 053 699 ("THE COMPANY")

The purpose of this document is to provide you with information about the voluntary administration of the Company and your rights as a creditor.

## APPOINTMENT OF VOLUNTARY ADMINISTRATORS

Daniel Hillston Woodhouse and I of this office were appointed as Joint and Several Voluntary Administrators of the Company on 18 November 2022 by a resolution of the Company's directors.

A copy of my Declaration of Independence, Relevant Relationships and Indemnities ("DIRRI") is **attached**. The DIRRI assists you to understand any relevant relationships that I have, and any indemnities or upfront payments that have been provided to me. I have considered each relationship and it is my opinion that none of the relationships disclosed in the DIRRI result in a conflict of interest or duty or affect my independence.

## VOLUNTARY ADMINISTRATION

Voluntary administration is a process under the law which allows companies unable to pay their debts, or likely to become unable to pay their debts to appoint an independent, qualified person (called a voluntary administrator) to take control of the company and its operations. This process allows breathing space to work out the best outcome for all stakeholders and involves the voluntary administrators calling creditors' meetings over the following 20 business days at which creditors decide the future of the company. The creditors will determine if the company:

- a) Be returned to the director(s); or
- b) Be placed into liquidation; or
- c) Enter into a Deed of Company Arrangement.

According to the Company's records, you may be a creditor of the Company.

#### FTI Consulting (Australia) Pty Limited

ABN 49 160 397 811 | ACN 160 397 811 | AFSL Authorised Representative # 001269325

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*Liability limited by a scheme approved under Professional Standards Legislation.*

## WHAT HAPPENS TO YOUR DEBT?

All creditors of the Company are now creditors in the Voluntary Administration. As a creditor, you have certain rights, although your debt will be dealt with in the Voluntary Administration. Further information regarding your rights as a creditor is **enclosed** with this circular.

It is important to note that a voluntary administration creates restrictions on creditors being able to enforce their rights. You generally cannot enforce your claim, recover your property, enforce your security, commence an action to place the Company into liquidation or act on a personal guarantee. Please refer to Important statements for all creditors and suppliers **attached**.

If you have leased property to the Company, have a retention of title claim or hold a Personal Property Security in relation to the Company, please contact my staff as soon as possible. Further information is **enclosed** - please refer to Requirements for parties with security interests and other claims **attached**.

## OPERATIONS AND TRADING

The directors of the Company have advised that the impact of COVID-19 and associated Government health directions and capacity limits had a substantial impact on the financial health of the Company's business. The movie industry produced significantly less product throughout this period. Movie releases were often delayed and received less marketing and reduced distribution, or were quickly distributed to streaming services.

The impact of COVID-19, along with below forecast trading performance over the past 4 to 6 months resulted in a working capital shortfall and led to the directors' decision to appoint administrators.

The Administrators have now taken control of the operations of the Company and requested the directors to prepare a report on the Company's business, property, affairs and financial circumstances.

The Administrators are continuing to operate three cinemas whilst a potential sale and / or recapitalisation are pursued. In this regard, we note the following changes to operations implemented by the Administrators:

- Grand Cinemas Armadale and Joondalup have been closed and will remain closed for the foreseeable future; and
- Grand Cinemas Warwick, Currambine and Bunbury will continue to trade whilst the Administrators undertake an immediate review of the Company's financial position and operations to determine the best way forward.

It is our current view that this will provide an optimum return to all creditors of the Company. Your continued cooperation and support is essential to achieving a going concern sale and / or recapitalisation and we thank you in advance for your support.

If you are a supplier or employee, you will receive a separate communication on how this appointment impacts your ongoing dealings with the Company. Please refer to Important statements for all creditors and suppliers **attached**.

## MEETINGS OF CREDITORS

As Voluntary Administrator, I am required to hold two meetings of creditors.

### *First meeting of creditors*

When a Company enters into voluntary administration, the administrators are required to convene a first meeting of creditors within eight (8) business days after the commencement of the voluntary administration.

The First Meeting of the Creditors will be held at 11:00AM (AWST) on Wednesday, 30 November 2022 at FTI Consulting, Level 47 Central Park, 152-158 St Georges Terrace, Perth WA 6000.

In this regard, please find **enclosed** the following documents:

- a) Notice of First Meeting of Creditors of the Company under Administration;
- b) Form - Appointment of Proxy; and
- c) Formal Proof of Debt or Claim Form.

If you intend to appoint another person to act on your behalf at the meeting, or you are a corporate creditor, you are required to complete and return the **enclosed** proxy form appointing your representative to [matt.ottaviano@fticonsulting.com](mailto:matt.ottaviano@fticonsulting.com) or by fax to 08 9321 8544 no later than 4:00PM (AWST) on 29 November 2022.

You can appoint anyone who is attending the meeting as your proxy and direct them how you wish your vote to be cast. If you choose to do this, they must cast your vote as directed.

Creditors are required to lodge proofs of debt for voting purposes no later than 4:00PM (AWST) on 29 November 2022, failing which they may be excluded from voting at the meeting. A Proof of Debt or Claim Form is **attached** for this purpose. Proofs of Debt may be sent to FTI Consulting, [matt.ottaviano@fticonsulting.com](mailto:matt.ottaviano@fticonsulting.com) or by fax to 08 9321 8544.

General information regarding the conduct of meetings of creditors and the completion of proxy forms and proof of debt forms is **enclosed** and can also be found on our website at <http://www.fticonsulting-asia.com>.

Statutory notices and advertisements about the Company will be published on ASIC's Published Notices website at <https://publishednotices.asic.gov.au/>.

### *Second meeting of creditors*

A second meeting of creditors will be held, at which creditors will vote on the future of the Company. Details of that meeting and a Report to Creditors on the Company's business, property, affairs and financial circumstances will be sent to you in due course.

## **COSTS OF THE VOLUNTARY ADMINISTRATION PROCESS**

**Attached** to this circular is my Initial Remuneration Notice, which provides you with information about how I propose to be paid for undertaking the Voluntary Administration.

I will seek approval of my remuneration at the second meeting of creditors. I will provide you with further information regarding my remuneration before that meeting, detailing the tasks that I have attended to and will be required to attend to, and the costs of those tasks.

If you have any information that you think may help with the administration of the Company, the going concern sale or help the administrators with the investigations into the Company's affairs, please contact us. Our details are **attached** – please refer to Administrators' background and contact details.



Ian Francis

Joint and Several Voluntary Administrator

## NOTICES AND ATTACHMENTS INCLUDED IN THIS CIRCULAR

The administration will be conducted on the basis of the information contained in the following notices and attachments:

- **Administrators' background and contact details**
- **Important statements for all creditors and suppliers**
- **Requirements for parties with security interests and other claims**
- **Administrators' trading procedures.** This includes the specimen signatures of the Administrators and their authorised persons.
- **Details and notices for the first meeting of creditors**
  - Notice of First Meeting of Creditors of the Company under Administration;
  - Form - Appointment of Proxy;
  - Formal Proof of Debt or Claim Form (for voting purposes); and
  - Guidance notes for completing proxy and proof of debt or claim forms.
- **Independence and remuneration disclosures**
  - Initial advice to creditors – basis of remuneration;
  - FTI Consulting Standard Rate schedule; and
  - The Administrators' Declaration of Independence, Relevant Relationships and Indemnities.
- **Information sheets about your rights and the voluntary administration process**
  - Information regarding your rights as a creditor;
  - Information sheet called *"Insolvency information for directors, employees, creditors and shareholders"*; and
  - Additional information sheets on the administration process can be obtained at [www.asic.gov.au](http://www.asic.gov.au) (search for "insolvency information sheets") or [www.arita.com.au/creditors](http://www.arita.com.au/creditors).

## **ADMINISTRATORS' BACKGROUND AND CONTACT DETAILS**

### **ABOUT US**

Ian Francis and Daniel Woodhouse are Senior Managing Directors at FTI Consulting (Australia) Pty Ltd. They are both Registered Liquidators and also Professional Members of the Australian Restructuring Insolvency and Turnaround Association.

FTI Consulting specialises in corporate finance and restructuring and is part of FTI Consulting, Inc. a global business advisory firm dedicated to helping organisations protect and enhance enterprise value. You can find out more at [www.fticonsulting-asia.com](http://www.fticonsulting-asia.com).

### **CREDITOR ENQUIRIES – FIRST MEETING OF CREDITORS AND GENERAL MATTERS**

For queries about the forthcoming meeting or the administration generally, please contact Matthew Ottaviano by one of the following methods:

Telephone: (08) 9321 8533

Email: [matt.ottaviano@fticonsulting.com](mailto:matt.ottaviano@fticonsulting.com)

Post: PO Box Z5486

Facsimile: (08) 9321 8544

## **IMPORTANT STATEMENTS FOR ALL CREDITORS AND SUPPLIERS**

### **NO ADOPTION OF ANY CONTRACTS OR ASSUMPTION OF LIABILITIES OF THE COMPANY BY THE ADMINISTRATORS**

The Administrators are not personally adopting, and will not adopt, any agreement or contract that you may have with the Company. The Administrators will not be liable for any liability of the Company under any agreement or contract with you.

Any payments made by the Administrators for any goods or services does not constitute, nor in any way imply, adoption of any contract or an assumption of any liability of the Company by the Administrators.

### **EXISTING DEBTS AND CLAIMS CANNOT BE PAID BY ADMINISTRATORS**

The Administrators cannot pay any creditor's debts or claims that arise from circumstances or arrangements that were in place with the Company before the Administrators' appointment. Payment of these amounts will depend on the outcome of the administration.

### **NO SET-OFF AGAINST PRE-APPOINTMENT DEBTS OR CLAIMS**

Any amounts due from you to the Company must not under any circumstances be set-off against amounts due from the Company to you.

### **PROTECTION OF COMPANY PROPERTY AND GENERAL RESTRICTIONS ON THIRD PARTY RIGHTS DURING THE ADMINISTRATION**

Without leave of the Court, or the Administrators' written consent:

- A proceeding in a court against the Company or in relation to any of its property cannot be begun or proceeded with;
- Except for perishable property – owners, lessors and creditors with security interests in the Company's property cannot enforce their security interest, sell any such property they hold, and are not entitled to take possession or otherwise recover such property; and
- No enforcement process in relation to property of the Company can be begun or proceeded with.

*See sections 440B to 440F of the Corporations Act 2001 for further details.*

## **REQUIREMENTS FOR PARTIES WITH SECURITY INTERESTS AND OTHER CLAIMS PARTIES WHO ARE REQUIRED TO CONTACT US**

Please contact Matthew Ottaviano at [matt.ottaviano@fticonsulting.com](mailto:matt.ottaviano@fticonsulting.com) or on (08) 9321 8533 as soon as possible if you:

- Have supplied any goods or collateral to the Company and you have registered a security interest in such property on the Personal Property Security Register (“PPSR”);
- Are otherwise claiming security or proprietary rights in any asset or property owned by or in possession of the Company;
- Lease or hire goods or property to the Company;
- Are claiming a lien over property of the Company; and/or
- Have commenced legal proceedings against the Company.

We have written to all parties who have registered a security interest on the PPSR.

## **PARTIES WITH PMSI, RETENTION OF TITLE AND CONSIGNMENT CLAIMS OVER PROPERTY**

Parties with these claims are requested as soon as possible to:

1. Give us details of the items supplied to the Company (including any features by which that property is able to be identified, for example - serial number/s) and which remain unpaid for; and
2. Provide details of your registration on the PPSR with all relevant supporting documents.

## **GENERAL STATEMENT**

The Administrators will consider the information and details provided to them in support of any claims. Where a claim is valid and not disputed, the Administrators will comply with their obligations at law. This should not be interpreted as, in any way, limiting or restricting the rights of the Administrators or the Company, whose rights are expressly reserved.

Please note the Administrators may require payment of their reasonable expenses and remuneration incurred in the identification, preservation and distribution of property to secured parties, purchasers and/or other persons that the property belongs to. This also includes circumstances where property (such as inventory, for example) is made available for collection.

Affected parties should seek their own advice as applicable and as they deem appropriate.



## **ADMINISTRATORS' TRADING PROCEDURES**

### **PURCHASE ORDER TO BE ISSUED TO SUPPLIERS FOR GOODS AND SERVICES**

The Company will raise a purchase order for goods and services that are required during the period of administration. Goods supplied or services rendered to the Company after our appointment will be paid in accordance with these procedures provided that:

1. A purchase order has been issued for the applicable good or service;
2. The purchase order has been signed by the Administrators or our authorised signatories. The specimen signatures of our authorised representatives for this purpose are included with this circular; and
3. The Administrators' liability does not exceed the amount specified on the purchase order.

### **NEW ACCOUNTS AND OTHER ACCOUNTING PROCEDURES TO BE FOLLOWED**

Suppliers must comply with the following procedures:

1. Close any existing accounts against the Company. These accounts will be for goods supplied and services rendered up to and including the date of appointment;
2. Open a new account for the Company with the words "Administrators Appointed" added after the Company's name. This new account is to be used for goods supplied and services rendered to the respective Company during the period of administration;
3. Update contact details for the Company within your systems to also include the Administrators' contact details; and
4. Please ensure your invoices include the Administrators' purchase order number. This will likely be a new number sequence to help demarcate pre and post-appointment orders.

### **PAYMENTS AND ACCEPTANCE OF LIABILITY FOR GOODS OR SERVICES**

Validly authorised liabilities created after our appointment in accordance with these procedures will be paid in accordance with your/the Company's usual terms unless we determine otherwise.

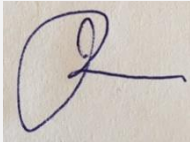
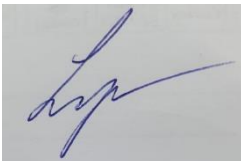
All payments made by the Company or Administrators must be applied against liabilities incurred by the Administrators. These payments cannot be set-off against any other claims against or liabilities incurred by the Company.

If you have current orders or bookings with the Company (including goods in transit or pending delivery), you will need a new purchase order to be issued in accordance with these procedures (and before any goods or services are provided) before the Administrators will accept liability.

It is your responsibility to contact us if you require clarification about any of these arrangements.

## ADMINISTRATORS' TRADING PROCEDURES – AUTHORISED PERSONS

The following persons are authorised to sign purchase orders for the Company:

| Name             | Signature                                                                           | Order Limit (\$) |
|------------------|-------------------------------------------------------------------------------------|------------------|
| Ian Francis      |    | No limit         |
| Daniel Woodhouse |    | No limit         |
| Sebastian Hyde   |    | No limit         |
| Jacque Sinclair  |   | No limit         |
| Nicholas Sayer   |  | No limit         |

## **DETAILS AND NOTICES FOR THE FIRST MEETING OF CREDITORS**

### **NOTICE OF THE FIRST MEETING OF CREDITORS OF COMPANY UNDER ADMINISTRATION**

The agenda for the meeting is set out in the notice. Please arrive at the meeting venue at least 15 minutes before the scheduled commencement time in order to sign-in.

Virtual meeting facilities will be made available at the meeting via online teleconferencing. If you or the person you have appointed is intending on accessing the meeting via teleconference, please advise the Administrators' office via email at [matt.ottaviano@fticonsulting.com](mailto:matt.ottaviano@fticonsulting.com) by no later than Tuesday, 29 November 2022.

### **FORM - APPOINTMENT OF PROXY**

This form should be completed if you intend to appoint another person to act on your behalf at the meeting, or if you are a corporate creditor.

### **FORMAL PROOF OF DEBT OR CLAIM FORM**

This form allows you to tell us what you are owed by the Company. You must send us a completed form if you wish to vote at the meeting.

Return to:

Matthew Ottaviano, FTI Consulting

Email: [matt.ottaviano@fticonsulting.com](mailto:matt.ottaviano@fticonsulting.com)

Fax: (08) 9321 8544

**NOTICE OF FIRST MEETING OF CREDITORS OF THE COMPANY UNDER ADMINISTRATION**

**GRAND THEATRE COMPANY PTY LTD (ADMINISTRATORS APPOINTED) ACN 056 053 699**

**("THE COMPANY")**

On 18 November 2022, the Company, under Section 436A, appointed Ian Francis and Daniel Woodhouse of FTI Consulting, Level 47 Central Park, 152-158 St Georges Terrace, Perth, WA, as Joint and Several Voluntary Administrators of the Company.

- 1) Notice is now given that a first meeting of the creditors of the Company will be held at 11:00AM (AWST) on 30 November 2022 at FTI Consulting, Level 47 Central Park, 152-158 St Georges Terrace, Perth, WA.
- 2) The purpose of the meeting is to determine:
  - a) Whether to appoint a committee of inspection; and
  - b) If so, who are to be the committee's members.
- 3) At the meeting, creditors may also, by resolution:
  - a) Remove the administrators from office; and
  - b) Appoint someone else as administrator(s) of the Company.
- 4) Discuss any other relevant business which may arise.

Dated this 22nd day of November 2022.



Ian Francis

Joint and Several Voluntary Administrator

C/- FTI Consulting

Level 47, Central Park

152-158 St Georges Terrace

PERTH WA 6000

## FORM - APPOINTMENT OF PROXY

GRAND THEATRE COMPANY PTY LTD (ADMINISTRATORS APPOINTED) ACN 056 053 699

("THE COMPANY")

I/We \_\_\_\_\_ (name of signatory)  
 of \_\_\_\_\_ (creditor name)  
 a creditor of the Company, appoint \_\_\_\_\_ (name of proxy)  
 of \_\_\_\_\_ (address of proxy)  
 or in his/her absence \_\_\_\_\_ (details of alternate proxy)

as my/our ☐ general proxy or ☐ special proxy to vote at the meeting of creditors of the Company to be held on 30 November 2022 at 11:00AM (AWST) or at any adjournment of that meeting.

| Voting instructions - for special proxy only                                                       | For                      | Against                  | Abstain                  |
|----------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| <b>Resolution</b>                                                                                  |                          |                          |                          |
| 1. To appoint a committee of inspection.                                                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. To remove the Administrators and appoint someone else as administrator(s) of the above company. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

\*I/\*We authorise \*my/\*our proxy to vote as a general proxy on resolutions other than those specified above (delete if not required)

Dated: .....

.....  
 Name and signature of authorised person

.....  
 Name and signature of authorised person

**CERTIFICATE OF WITNESS** – only complete if the person given the proxy is blind or incapable of writing.

I, ..... of .....  
 certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

Dated: .....

Signature of witness: .....

Description: .....

Place of residence: .....

FORM 535 – FORMAL PROOF OF DEBT OR CLAIM

GRAND THEATRE COMPANY PTY LTD (ADMINISTRATORS APPOINTED) ACN 056 053 699

("THE COMPANY")

To the Administrators of Grand Theatre Company Pty Ltd (Administrators Appointed) ACN 056 053 699 ("the Company")

1. This is to state that the Company was on 18 November 2022, and still is, justly and truly indebted to: .....

.....  
(full name, ABN and address of the creditor and, if applicable, the creditor's partners)

for \$ .....(dollars and cents)

Particulars of the debt are:

| Date | Consideration              | Amount (\$/c) | Remarks                                             |
|------|----------------------------|---------------|-----------------------------------------------------|
|      | (state how the debt arose) |               | (include details of voucher substantiating payment) |

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following: .....

.....  
(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).

| Date | Drawer | Acceptor | Amount (\$/c) | Due Date |
|------|--------|----------|---------------|----------|
|------|--------|----------|---------------|----------|

3. Signed by (select correct option):

- ☐ I am the creditor personally
- ☐ I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied
- ☐ I am the creditor's agent authorised in writing to make this statement in writing. I know the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Signature: ..... Dated: .....

Name: ..... Occupation: .....

Address: .....

\* If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor

| RECEIVE REPORTS BY EMAIL                                                                | YES                      | NO                       |
|-----------------------------------------------------------------------------------------|--------------------------|--------------------------|
| Do you wish to receive all future reports and correspondence from our office via email? | <input type="checkbox"/> | <input type="checkbox"/> |
| Email: .....                                                                            |                          |                          |

If being used for the purpose of voting at a meeting:

- a) Is the debt you are claiming assigned to you? ☐ Yes ☐ No
- b) If yes, attach written evidence of the debt, the assignment and consideration given. ☐ Attached
- c) If yes, what value of consideration did you give for the assignment (eg, what amount did you pay for the debt?) \$ .....
- d) If yes, are you a related party creditor of the Company? ☐ Yes ☐ No  
(If you are unsure contact the Administrators)

## **GUIDANCE NOTES FOR COMPLETING PROXY AND PROOF OF DEBT OR CLAIM FORMS**

### **FORM - APPOINTMENT OF PROXY**

A person can appoint another person to attend the meeting on their behalf by completing the Form of proxy.

If the creditor is a company or a firm, a person needs to be appointed to represent the company.

This representative needs to be appointed by completing the Form of Proxy in accordance with section 127 of the *Corporations Act 2001* ("the Act"). Alternatively, the appointed person must be authorised to act as a representative for the company per section 250D of the Act.

The Form of proxy is valid only for the meeting indicated (or any adjournment).

You may appoint either a general proxy (a person who may vote at their discretion on motions at the meeting) or a special proxy (who must vote according to your directions). If you appoint a special proxy, you should indicate on the form what directions you have given. In many instances, there will be a box or section on the proxy form where you can mark how you want your proxy to vote for you.

If you are unable to attend the meeting and you do not have a representative who can attend on your behalf, you may if you wish, appoint any person, including the Chairperson of the Meeting, as either your general or special proxy.

### **INFORMAL PROOF OF DEBT OR CLAIM FORM**

The proof of debt submitted during an administration is informal in that it does not mean that the Administrator has agreed with your proof for the purpose of making a dividend distribution.

It is used for voting purposes at any meetings of creditors and also to help establish the overall level of creditor claims in the administration. In the event there are monies to be distributed to creditors in the future, you will need to submit a Formal Proof of Debt or Claim form.

You should include a description of how your debt/claim arose, whether you are claiming a security interest in property and if you have any guarantees and indemnities for the debt. If you need more space, you can attach any additional details you wish to include – just make sure that you mention this on the Form so we know what you've attached and how many pages.

You should provide supporting documents that substantiate what you are owed by the Company. This may include things like account statements, unpaid invoices and their corresponding purchase orders, PPSR registration, agreements/terms of trade, contracts, lease or hire agreements, court order or judgment, guarantee or loan document, emails/other correspondence with the Company.

*If you need help in completing the forms or if you are uncertain what information you should attach, please email or telephone the nominated FTI Consulting contact person.*

# **INITIAL ADVICE TO CREDITORS – BASIS OF ADMINISTRATORS' REMUNERATION**

## **REMUNERATION METHODS**

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner. They are:

### **Time based / hourly rates**

This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

### **Fixed fee**

The total fee charged is normally quoted at the commencement of the voluntary administration and is the total cost for the voluntary administration. Sometimes a practitioner will finalise a voluntary administration for a fixed fee.

### **Percentage**

The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.

### **Contingency**

The practitioner's fee is structured to be contingent on a particular outcome being achieved.

## **METHOD PROPOSED**

We propose that our remuneration is calculated on a time basis. We believe this method is appropriate as it ensures that only the actual work performed is charged for. There are also various tasks required to be completed which do not involve the realisation of assets, such as reporting to ASIC, undertaking investigations, corresponding with creditors and answering their queries, and completing other statutory tasks required by law.



## ESTIMATE OF REMUNERATION FOR THE VOLUNTARY ADMINISTRATION

We estimate our remuneration for undertaking the a will be approximately \$250,000 (exclusive of GST), subject to the following variables which may have a significant effect on this estimate and that we are unable to determine at this stage:

- The full scope and extent of necessary work (from experience, unforeseen matters typically arise and may require us to perform additional work beyond that currently anticipated).
- The extent of the business operations continuing after appointment;
- The actual length of the administration itself (including whether or not the second meeting of creditors is adjourned); and
- The extent of work necessary to assess any deed of company arrangement that may be proposed.

Prior to my appointment, I provided an estimate of the cost of the administration to the directors. This estimate is consistent with the estimate provided to the directors prior to my appointment.

I received an indemnity of \$50,000 from the Company's directors to contribute to the estimated costs in the circumstances there are insufficient asset in the Company to meet the Voluntary Administration costs. This has been disclosed in my declaration of relevant relationships and indemnities. Approved remuneration may exceed the amount of this indemnity and can be paid from the assets of the voluntary administration after approval by creditors or the Court.

## EXPLANATION OF HOURLY RATES

The rates for our remuneration calculation are attached together with a general guide showing the qualifications and experience of staff that will be engaged in the voluntary administration and the role they take in the voluntary administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

## DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees - these are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs.

I am not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, I must be satisfied that these disbursements are appropriate, justified and reasonable.

I am required to obtain creditors' approval for the payment of internal disbursements which were not charged at cost (and which may therefore have a profit or advantage attached to them), prior to these disbursements being paid from the administration. These disbursements typically would include internal photocopying, printing and facsimile costs. However, as we do not charge our external administrations for internally-generated FTI disbursements where they have not been charged at cost (such as photocopying and printing charges for the use of internal photocopiers, printers, etc.), creditor approval is not required.

Details of the basis of recovering internal and external disbursements in this administration are provided in the table below. Full details of any actual costs incurred will be provided with future reporting.

#### FTI Disbursements Schedule

| Disbursement type                                | Charge Type                | Charge Rate (excl GST)             |
|--------------------------------------------------|----------------------------|------------------------------------|
| Advertising                                      | External, non-professional | At cost                            |
| ASIC Industry Funding Model Levy – metric events | External, non-professional | At cost (at prescribed ASIC rates) |
| Couriers and deliveries                          | External, non-professional | At cost                            |
| Data Room Charges                                | External, professional     | At cost                            |
| Facsimile                                        | Internal (FTI)             | Not charged                        |
| Legal Fees                                       | External, professional     | At cost                            |
| Mail out                                         | Internal (FTI)             | 20 cents per email                 |
| Postage                                          | External, non-professional | At cost                            |
| Photocopying – internal                          | Internal (FTI)             | Not charged                        |
| Photocopying – outsourced                        | External, non-professional | At cost                            |
| Printing – internal                              | Internal (FTI)             | Not charged                        |
| Printing – outsourced                            | External, non-professional | At cost                            |
| Records costs – storage, destruction, boxes      | External, non-professional | At cost                            |
| Search fees                                      | External, non-professional | At cost                            |
| Staff motor vehicle use - mileage                | Cents per km               | At prescribed ATO rates            |
| Staff travel - accommodation, meals etc          | External, non-professional | At cost                            |
| Stationery and other incidental disbursements    | External, non-professional | At cost                            |
| Telephone                                        | Internal (FTI)             | Not charged                        |
| Valuation Fees                                   | External, professional     | At cost                            |

|                                                     |  |         |
|-----------------------------------------------------|--|---------|
| Other externally provided professional services     |  | At Cost |
| Other externally provided non-professional services |  | At Cost |

## FTI Consulting CF&R Standard Rates effective 1 July 2022 (excluding GST)

| Typical classification             | Standard Rates \$/hour | General guide to classifications                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Senior Managing Director/Appointee | 740                    | Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.                                                                                                                                                                     |
| Managing Director                  | 680                    | Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.                                                                                                            |
| Senior Director                    | 620                    | Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.                           |
| Director                           | 550                    | Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.                  |
| Senior Consultant 2                | 500                    | Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.                                                                                                 |
| Senior Consultant 1                | 450                    | Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.                                                                                                                                                                                                                   |
| Consultant 2                       | 405                    | Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.                                                                                                                                                                                               |
| Consultant 1                       | 375                    | Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.                                                                                                                                                                                                                                                                                                              |
| Associate 2                        | 350                    | Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.                                                                                                                                                                                                                                                                                                                                 |
| Associate 1                        | 315                    | Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.                                                                                                                                                                                                                                                                                                                                  |
| Treasury                           | 300                    | Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities. |
| Junior Associate                   | 250                    | Undergraduate in the latter stage of their university degree.                                                                                                                                                                                                                                                                                                                                                                                     |
| Administration 2                   | 250                    | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.                                                                                                                                                       |

| Typical classification | Standard Rates \$/hour | General guide to classifications                                                                                                                                                         |
|------------------------|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Administration 1       | 210                    | Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills. |
| Junior Accountant      | 210                    | Undergraduate in the early stage of their university degree.                                                                                                                             |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

## DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

### GRAND THEATRE COMPANY PTY LTD (ADMINISTRATORS APPOINTED)

ACN 056 053 699

(“THE COMPANY”)

The purpose of this document is to assist creditors with understanding any relevant relationships that we have with parties who are closely connected to the Company and any indemnities or upfront payments that have been provided to us. None of the relationships disclosed in this document are such that our independence is affected.

This information is provided so you have trust and confidence in our independence and, if not, you can ask for further explanation or information and can act to remove and replace us if you wish.

This declaration is made in respect of ourselves, our fellow Senior Managing Directors/Managing Directors, FTI Consulting (Australia) Pty Ltd (FTI Consulting or Firm) and associated entities, as detailed in **Annexure A**.

We are Professional Members of the Australian Restructuring Insolvency and Turnaround Association (ARITA). We acknowledge that we are bound by the ARITA Code of Professional Practice.

### Independence

We have assessed our independence and we are not aware of any reasons that would prevent us from accepting this appointment.

There are no other known relevant relationships, including personal, business and professional relationships that should be disclosed beyond those we have disclosed in this document.

### Circumstances of appointment

#### How we were referred this appointment

This appointment was referred to FTI Consulting by Mr Colin Stiles, a Director of the Company.

We believe that this referral does not result in us having a conflict of interest or duty because:

- There is no expectation, agreement or understanding between us and Mr Stiles regarding the conduct of the administration and we are free to act independently and in accordance with the law and applicable professional standards.

- FTI Consulting has not been referred another external administration from Mr Stiles and is not reliant upon future referrals from him. This engagement is not financially significant to FTI Consulting and the receiving or otherwise of other future referrals from Mr Stiles is not material to FTI Consulting.

Did we meet with the Company, the directors or their advisers before we were appointed?

☒ Yes ☐ No

#### **Initial Engagement – September 2021 to December 2021**

On 6 September 2021, Mr Francis was contacted by Mr Stiles to arrange a meeting to discuss the Company's current circumstances. A meeting was held on 8 September 2021 at the Company's office in Warwick at which Mr Stiles provided a brief overview of the Company's financial position and Mr Francis discussed FTI Consulting's credentials.

On 29 September 2021, a proposal was provided by FTI Consulting to conduct a limited scope review whereby FTI Consulting would:

| Issue                               | Scope                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial Performance and Forecasts | <p>1.1 Review the FY21 performance and discuss with management;</p> <p>1.2 Review the FY22 forecast including assumptions made, perform a sensitivity analysis and test the reasonableness of the assumptions and express an opinion regarding the achievability of the forecast;</p> <p>1.3 Express a view as to whether the Company will be profitable in FY22 and service loans and liabilities accumulated for the period ending FY21;</p> <p>1.4 Consider and recommend other potential financial options that maybe available in addressing the financial position of the Company;</p> <p>1.5 Prepare a report regarding the above and present same to the Company's board.</p> |
| Landlords                           | <p>2.1 Review the financial position and forecasts and discuss with management, recommend a suggested approach for rental assistance;</p> <p>2.2 Present a suggested plan for assistance to be sought from the landlords for the Company for their review and approval and, to extent required, negotiate with the landlords.</p>                                                                                                                                                                                                                                                                                                                                                     |
| FTI Strategic Communications        | <p>3.1 To assist with the Company with its discussions with its landlords and potentially Government Agencies.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

FTI Consulting was engaged by the Company on 30 September 2021.

The work ultimately conducted by FTI Consulting did not extend to the full scope as agreed in the engagement letter of 30 September 2021 and as set out above.

In particular, FTI Consulting did not perform the work as requested in points 1.3, 1.4, 2.2 and 3.1 (refer below for further information). FTI Consulting has not expressed any opinions during the period of their engagement and

have simply provided assistance to the Company with its proposals to its landlords. Further details are provided below.

On 6 October 2021, Mr Francis and Mr Nathan Stubing, a Managing Director of FTI, met with Mr Stiles, Mr Aaron Stiles and Ms Natalie Heuer, the Directors of the Company, (Directors) to discuss the current circumstances of the Company and the engagement of FTI Consulting. The meeting served the purpose of understanding and obtaining sufficient information about the financial position and performance of the Company.

On 26 October 2021 an interim report was issued to the Company which provided a high-level review of the Company's financial performance, forecasts and landlord position.

There were further meetings and correspondence between FTI Consulting and the Company to:

- obtain further information to assist with FTI Consulting's review of the Company's financial performance and position; and
- assist with the preparation of a template letter for each of the landlords. The purpose of the letters was to provide the background to the Company's current circumstances and outline the Company's proposals for rent relief. The template was prepared by FTI Consulting based on the Company's information. The Company then reviewed and amended the template letter to ensure it accurately reflected the Company's position and proposal. Following review by the Company's solicitor, the Company issued them directly to the landlords. FTI Consulting was not involved in any direct negotiations with the Landlords, aside from attending one meeting in an observer capacity (described further below).

On 2 November 2021, Mr Francis and Mr Stubing were inadvertently copied into an email from Mr Brett Molony, a director at Palisade Corporate Law, which included advice to the Directors regarding safe harbour. At no stage, has FTI Consulting provided safe harbour advice to the Directors and this is the only email of this nature received by FTI Consulting.

On 16 November 2021, Mr Stubing and Mr Benjamin Van Heurck, an associate of FTI Consulting attended a meeting with the Directors and a landlord for Bunbury Grand Cinemas. FTI Consulting attended in an observer capacity only. The purpose of the meeting was for the landlord to seek clarity on the Company's proposal and ask questions of the Director.

FTI Consulting issued a further report on 3 December 2021. The report detailed:

- FTI Consulting's review of the Company's financial performance and position;
- a SWOT analysis by location;
- an analysis of the Company's forecasts for FY22; and
- background information regarding the Company's proposals to its landlords and the current position.

It is noted that:

- The report did not extend to the full scope agreed in the engagement letter of 30 September 2021 and as set out above and did not express any opinions from FTI Consulting.



- In respect to the Company's landlords, FTI Consulting simply provided assistance to the Company with its proposals to its landlords.
- The nature of the advice given is such that it would not be subject to review and challenge during the course of our appointment.

FTI Consulting held a number of meetings and correspondence with the Company, the Directors and its advisors during the period 6 September 2021 and 22 December 2022 as detailed in **Annexure B**.

On 31 March 2022 we were paid \$20,000 (excluding GST) for our abovementioned advice.

### **Subsequent Engagement – November 2022**

On or around 4 October 2022, Mr Francis was contacted by Mr Colin Stiles to undertake a further review for the Company, the scope of which was to:

- review the financial performance of the business and individual cinemas for the FY22 and FY23 year to date periods;
- review the current financial position of the business including landlord and other creditor arrears; and
- prepare a report regarding the above and present same to the Company's board.

FTI Consulting was engaged by the Company on 26 October 2022. Requests for information were issued to the Company and compiled with, however, given its current financial circumstances and the landlords' position on rent arrears, no written report was issued to the Company.

Meetings were held on 15 November 2022 and 16 November 2022 between Mr Francis and Sebastian Hyde, a Senior Director of FTI Consulting, and the Directors to obtain information from the Company in relation to its current position, explain the various forms of insolvency appointments, the options available, and the consequences of each appointment type.

On 17 November 2022, Mr Francis and Mr Hyde met with the Directors and Andrew Graham, David Gilbert and James Heelan of the Commonwealth Bank of Australia (CBA) to discuss the Company's current financial position and recent trading performance and the CBA's position with respect to supporting the Company in a voluntary administration setting.

On 18 November 2022, Mr Francis and Mr Daniel Woodhouse, a Senior Managing Director of FTI, were appointed as administrators of the Company.

We were paid \$10,000 (excluding GST) in advance for work to be performed post 7 November 2022. We have incurred fees in excess of this sum which has been written off.

In our opinion, these meetings and assistance do not affect our independence for the following reasons:

- The Courts and relevant professional bodies recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment.

- The nature of the advice provided to the Company is such that it would not be subject to review and challenge during the course of our appointment.
- No advice has been given to the directors in their capacity as directors of the Company, or in relation to their personal circumstances.
- The pre-appointment advice will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the appointment as Administrators of the Company in an objective and impartial manner.

We have provided no other information or advice to the Company, the Directors and its advisors prior to our appointment beyond that outlined in this DIRRI.

## Declaration of Relationships

Within the previous 2 years we or our firm have had a relationship with:

|                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                        | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br><br>FTI Consulting was engaged by the Company in September 2021 to provide a review of the Company's current financial circumstances prior to our appointment as Voluntary Administrators of Company. (refer comments above).<br><br>We are of the view that the review will have significant benefits to the conduct of the Voluntary Administration, particularly as this will offer cost savings and facilitate a comprehensive and accurate understanding of the activities and financial position of the Company.<br><br>This relationship does not influence our ability to be able to comply with the statutory and fiduciary obligations associated with the appointment as Voluntary Administrators of the Company in an objective and impartial manner. |
| The Company                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| The Directors                                                                                                          | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Any associates of the Company?                                                                                         | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| A former insolvency practitioner appointed to the Company?                                                             | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| A secured creditor entitled to enforce a security over the whole or substantially the whole of the Company's property? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br><br>FTI Consulting has held relationships with the CBA by virtue of the nature of its business. FTI Consulting undertakes corporate recovery and advisory from time to time on instructions from CBA. CBA has Personal Property Securities Register ("PPSR") over the Company's assets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

We believe that this relationship does not result in a conflict of interest or duty because:

- Each professional engagement undertaken for CBA in relation to a particular entity or group of entities is conducted on an entirely separate basis, which has no bearing on this appointment;
- These engagements are only commenced after full regard is given to potential conflicts of interest in relation to all interested stakeholders; and
- FTI Consulting has not undertaken an engagement for CBA with respect to the Company.

Given these abovementioned factors, our independence in acting as Administrators of the Company had not been affected.

### Do we have any other relationships that we consider are relevant to creditors assessing our independence?

☐ Yes ☒ No

### Indemnities and up-front payments

We have been provided with the following indemnity to conduct the administration:

| Name                                          | Relationship with the Company | Nature of indemnity or payment                                                                                                                                                                                    |
|-----------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Colin Stiles<br>Aaron Stiles<br>Natalie Heuer | Directors of the Company      | The Directors have agreed to pay the sum of \$50,000 to the Administrators in the circumstances that there are no funds available from the realisation of Company assets to conduct the administration generally. |

This does not include any indemnities I may be entitled to under the law. We have not received any other indemnities or upfront payments.

Dated this 22<sup>nd</sup> day of November 2022



Ian Francis



Daniel Woodhouse

*Notes:*

- 1. The assessment of independence has been made based on an evaluation of the significance of any threats to independence and in accordance with the requirements of the relevant legislation and professional Standards.*
- 2. If circumstances change, or new information is identified, we are required under the Corporations Act 2001 or Bankruptcy Act and ARITA's Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors. For creditors' voluntary liquidations and voluntary administrations, this document and any updated versions of this document are required to be lodged with ASIC.*

## **ANNEXURE A**

### **FTI Consulting (Australia) Pty Ltd and associated entities**

FTI Consulting Inc (ultimate holding entity)

FTI Consulting – FD Australia Holdings Pty Ltd

FTI Consulting (Australia) Pty Ltd

FTI Technology (Sydney) Pty Ltd

FTI Consulting (Perth) Pty Ltd

FTI Consulting (Sydney) Pty Ltd

FTI Capital Advisors (Australia) Pty Ltd

FTI Consulting Australia Nominees Pty Ltd

## Annexure B

### Interactions between FTI Consulting staff and Company representatives/other third parties during the period 6 September 2021 to 18 November 2022

| Date             | Medium            | FTI Consulting attendees      | External attendees                                                                 | Agenda/purpose/discussion                                                                                                                                                                                    |
|------------------|-------------------|-------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6 September 2021 | Call              | Ian Francis                   | Colin Stiles                                                                       | <ul style="list-style-type: none"> <li>Call to arrange a meeting to discuss the Company's current circumstances</li> </ul>                                                                                   |
| 8 September 2021 | In person meeting | Ian Francis<br>Nathan Stubing | Colin Stiles<br>Aaron Stiles<br>Todd Stiles                                        | <ul style="list-style-type: none"> <li>Mr Stiles provided a brief overview of the Company's financial position and Mr Francis discussed FTI Consulting's credentials</li> </ul>                              |
| 5 October 2021   | Email             | Ian Francis                   | Julie-Anne Pedulla<br>Colin Stiles<br>Aaron Stiles                                 | <ul style="list-style-type: none"> <li>Provide 2021/2022 financial budgets</li> </ul>                                                                                                                        |
| 6 October 2021   | In person meeting | Ian Francis<br>Nathan Stubing | Colin Stiles<br>Julie-Anne Pedulla<br>Aaron Stiles<br>Todd Stiles<br>Paul Colreavy | <ul style="list-style-type: none"> <li>Introduction and general background regarding the Company and proposed engagement</li> <li>Obtained information regarding the Company's financial position</li> </ul> |
| 8 October 2021   | Email             | Ian Francis<br>Nathan Stubing | Colin Stiles<br>Julie-Anne Pedulla<br>Aaron Stiles                                 | <ul style="list-style-type: none"> <li>Obtained further information regarding the Company's financial position and trading performance</li> </ul>                                                            |
| 11 October 2021  | Calls             | Nathan Stubing                | Julie-Anne Pedulla<br>Colin Stiles                                                 | <ul style="list-style-type: none"> <li>Obtained further information regarding the Company's financial position and trading performance</li> </ul>                                                            |
| 12 October 2021  | Email             | Ian Francis                   | Julie-Anne Pedulla                                                                 | <ul style="list-style-type: none"> <li>Obtained further information regarding the Company's financial position and trading performance</li> </ul>                                                            |
| 13 October 2021  | In person meeting | Ian Francis                   | Colin Stiles<br>Julie-Anne Pedulla<br>Aaron Stiles<br>Todd Stiles                  | <ul style="list-style-type: none"> <li>Discussed Company's financial position and trading performance and the proposed engagement</li> </ul>                                                                 |

|                 |                   |                               |                                                                   |                                                                                                                                                                                                                                                                                                                                        |
|-----------------|-------------------|-------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 |                   |                               | Paul Colreavy                                                     |                                                                                                                                                                                                                                                                                                                                        |
| 18 October 2021 | In person meeting | Nathan Stubing                | Julie-Anne Pedulla                                                | ■ Discussed Company's financial forecasts                                                                                                                                                                                                                                                                                              |
| 19 October 2021 | Call              | Ian Francis                   | Colin Stiles                                                      | ■ Discussed landlord position                                                                                                                                                                                                                                                                                                          |
| 19 October 2021 | In person meeting | Nathan Stubing                | Julie-Anne Pedulla<br>Paul Colreavy                               | ■ Discussed the Company's financial forecasts                                                                                                                                                                                                                                                                                          |
| 25 October 2021 | Email             | Ian Francis<br>Nathan Stubing | Colin Stiles<br>Julie-Anne Pedulla<br>Aaron Stiles<br>Todd Stiles | ■ Email from Company which provides historic and current data for each of its landlords/leases and some alternative rent support proposals<br>■ Requests FTI Consulting to provide an interim report to the Board                                                                                                                      |
| 26 October 2021 | Email             | Ian Francis                   | Colin Stiles                                                      | ■ Interim report and update on landlord position                                                                                                                                                                                                                                                                                       |
| 28 October 2021 | Call              | Ian Francis                   | Colin Stiles                                                      | ■ Update on the status of our engagement                                                                                                                                                                                                                                                                                               |
| 28 October 2021 | Call              | Ian Francis                   | Brett Molony                                                      | ■ Update on the status of our engagement. Mr Molony states that intends to provide legal advice to the board of directors.                                                                                                                                                                                                             |
| 28 October 2021 | Email             | Ian Francis<br>Nathan Stubing | Colin Stiles<br>Julie-Anne Pedulla<br>Aaron Stiles<br>Todd Stiles | ■ Email from FTI Consulting states that a template letter to the landlords has been prepared and that Mr Molony will review and amend accordingly                                                                                                                                                                                      |
| 29 October 2021 | Call              | Nathan Stubing                | Colin Stiles<br>Julie-Anne Pedulla<br>Aaron Stiles                | ■ Discussed the Company's financial forecasts                                                                                                                                                                                                                                                                                          |
| 29 October 2021 | Emails            | Nathan Stubing<br>Ian Francis | Colin Stiles<br>Julie-Anne Pedulla<br>Aaron Stiles<br>Todd Stiles | ■ Email from FTI Consulting attaches a template framework which provides the background to and outline the company's proposal to its landlords. Company is to amend where necessary and seek legal advice.<br>■ Notes that the Company is to ensure they accurately reflect the company's final intended proposals to these landlords. |
| 29 October 2021 | Email             | Nathan Stubing<br>Ian Francis | Colin Stiles<br>Julie-Anne Pedulla<br>Aaron Stiles<br>Todd Stiles | ■ Company response which states that the Company will make amendments to the template framework                                                                                                                                                                                                                                        |

|                                    |                          |                                       |                                                                                   |                                                                                                                                                                                                                                                                                                                                |
|------------------------------------|--------------------------|---------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 30 October 2021                    | Email                    | Nathan Stubing<br>Ian Francis         | Colin Stiles<br>Julie-Anne Pedulla<br>Aaron Stiles<br>Todd Stiles                 | <ul style="list-style-type: none"> <li>The Company provides its amendments to the template framework</li> </ul>                                                                                                                                                                                                                |
| 31 October 2021                    | Email                    | Nathan Stubing<br>Ian Francis         | Colin Stiles<br>Julie-Anne Pedulla<br>Aaron Stiles<br>Todd Stiles                 | <ul style="list-style-type: none"> <li>FTI Consulting's analysis of the projections based on the Company's records</li> </ul>                                                                                                                                                                                                  |
| 31 October 2021                    | Email                    | Nathan Stubing<br>Ian Francis         | Colin Stiles<br>Julie-Anne Pedulla<br>Aaron Stiles<br>Todd Stiles<br>Brett Molony | <ul style="list-style-type: none"> <li>Email from the Company to its legal advisor requesting him to review and amend the letter to the landlords</li> </ul>                                                                                                                                                                   |
| 1 November 2021 to 4 November 2021 | Various emails           | Nathan Stubing<br>Ian Francis         | Colin Stiles<br>Julie-Anne Pedulla<br>Aaron Stiles<br>Todd Stiles                 | <ul style="list-style-type: none"> <li>Company provides sales reports to FTI Consulting for October 2021</li> <li>Company advises that amendments have been made by them to the landlord letters</li> <li>Further amendments made by Company to landlord letters. Advises that the Company has sought legal advice.</li> </ul> |
| 2 November 2021                    | Call                     | Ian Francis                           | Colin Stiles                                                                      | <ul style="list-style-type: none"> <li>Discussed landlord letters and legal position</li> </ul>                                                                                                                                                                                                                                |
| 3 November 2021                    | In person meeting / Call | Ian Francis<br>Nathan Stubing         | Colin Stiles                                                                      | <ul style="list-style-type: none"> <li>Discussed Company's proposal to landlords</li> </ul>                                                                                                                                                                                                                                    |
| 15 November 2021                   | Call                     | Ian Francis                           | Colin Stiles                                                                      | <ul style="list-style-type: none"> <li>Update on landlord position</li> </ul>                                                                                                                                                                                                                                                  |
| 16 November 2021                   | In person meeting        | Nathan Stubing<br>Benjamin Van Heurck | Colin Stiles<br>Aaron Stiles<br>Bunbury landlord plus representative              | <ul style="list-style-type: none"> <li>FTI Consulting attends as an observer</li> </ul>                                                                                                                                                                                                                                        |
| 18 November 2021                   | Email                    | Nathan Stubing                        | Colin Stiles<br>Aaron Stiles                                                      | <ul style="list-style-type: none"> <li>Update on landlord position</li> </ul>                                                                                                                                                                                                                                                  |
| 19 November 2021                   | Email                    | Nathan Stubing                        | Colin Stiles                                                                      | <ul style="list-style-type: none"> <li>Update on landlord position</li> </ul>                                                                                                                                                                                                                                                  |



|                                      |                   |                               |                                                                                                 |                                                                                                                                                                                                          |
|--------------------------------------|-------------------|-------------------------------|-------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 22 November 2021                     | Call              | Ian Francis<br>Nathan Stubing | Colin Stiles<br>Aaron Stiles                                                                    | ■ Update on landlord position                                                                                                                                                                            |
| 2 December 2021                      | Email             | Nathan Stubing                | Colin Stiles                                                                                    | ■ Correspondence in relation to the deeds of agreement between the Company and the landlords                                                                                                             |
| 7 December 2021                      | Call              | Ian Francis                   | Colin Stiles                                                                                    | ■ Update on status of Company                                                                                                                                                                            |
| 14 December 2021                     | Call              | Ian Francis                   | Colin Stiles                                                                                    | ■ Update on landlord position                                                                                                                                                                            |
| 15 December 2021                     | In person meeting | Ian Francis<br>Nathan Stubing | Colin Stiles<br>Julie-Anne Pedulla<br>Aaron Stiles<br>Todd Stiles                               | ■ Discussed Company's financial position and trading performance, forecasts and landlord position                                                                                                        |
| 22 December 2021                     | In person meeting | Ian Francis<br>Nathan Stubing | Colin Stiles<br>Julie-Anne Pedulla<br>Aaron Stiles<br>Todd Stiles                               | ■ Discussed Company's financial position and trading performance, forecasts and landlord position                                                                                                        |
| 19 January 2022<br>& 31 January 2022 | Email             | Ian Francis<br>Nathan Stubing | Colin Stiles                                                                                    | ■ Correspondence regarding proposal to provide ongoing monitoring of the Company's financial performance by FTI Consulting. The Company did not agree to engage FTI Consulting's services for this work. |
| On or about 4 October 2022           | Call              | Ian Francis                   | Colin Stiles                                                                                    | ■ Call to arrange meeting to discuss Company's current circumstances                                                                                                                                     |
| 4 October 2022                       | Email             | Ian Francis                   | Colin Stiles<br>Todd Stiles<br>Aaron Stiles<br>Natalie Heuer<br>Anthony Tribbick                | ■ Update from Company on its current circumstances including financial position, performance and landlord position                                                                                       |
| 5 October 2022                       | In person meeting | Ian Francis                   | Colin Stiles<br>Todd Stiles<br>Aaron Stiles<br>Emma Stiles<br>Natalie Heuer<br>Anthony Tribbick | ■ Update on the Company's position was provided                                                                                                                                                          |

|                 |                   |             |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------|-------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6 October 2022  | Email             | Ian Francis | Colin Stiles<br>Todd Stiles<br>Aaron Stiles<br>Emma Stiles<br>Natalie Heuer<br>Anthony Tribbick                                | ■ FTI Consulting copied into an email with the Company which sets out information in relation to the landlord bank guarantees and position                                                                                                                                                                                                                                          |
| 10 October 2022 | Emails            | Ian Francis | Colin Stiles<br>Todd Stiles<br>Aaron Stiles<br>Emma Stiles<br>Natalie Heuer<br>Tony Tribbick<br>Julie-Anne Pedulla             | ■ Request for recent management accounts and landlord position and information subsequently received                                                                                                                                                                                                                                                                                |
| 10 October 2022 | Emails            | Ian Francis | Colin Stiles<br>Aaron Stiles                                                                                                   | ■ Information in relation to the landlord bank guarantees                                                                                                                                                                                                                                                                                                                           |
| 12 October 2022 | In person meeting | Ian Francis | Colin Stiles<br>Aaron Stiles<br>Natalie Heuer<br>Brett Molony<br>Todd Stiles<br>Paul Colreavy<br>Dan Crack<br>Anthony Tribbick | ■ A meeting was held to advise of the Company's financial position. It was agreed that FTI Consulting would be engaged to review the Company's financial position and FTI Consulting would provide a letter of engagement. Following that meeting the Company provided an update to the landlords as to the Company's trading position after seeking legal advice from Brett Molony |
| 13 October 2022 | Email             | Ian Francis | Colin Stiles                                                                                                                   | ■ Draft letter of engagement was provided                                                                                                                                                                                                                                                                                                                                           |
| 13 October 2022 | Email             | Ian Francis | Colin Stiles<br>Aaron Stiles<br>Natalie Heuer<br>Todd Stiles<br>Brett Molony                                                   | ■ Email from Company setting out its current position                                                                                                                                                                                                                                                                                                                               |
| 25 October 2022 | Email             | Ian Francis | Colin Stiles                                                                                                                   | ■ Letter of engagement was signed by Colin Stiles                                                                                                                                                                                                                                                                                                                                   |
| 27 October 2022 | Email             | Ian Francis | Colin Stiles                                                                                                                   | ■ Request for information issued                                                                                                                                                                                                                                                                                                                                                    |

|                  |                   |                                                   |                                                                                                            |                                                                                                                                                                                                                                                                                                       |
|------------------|-------------------|---------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                  |                   | Sebastian Hyde                                    | Aaron Stiles                                                                                               |                                                                                                                                                                                                                                                                                                       |
| 1 November 2022  | Email             | Ian Francis                                       | Julie-Anne Pedulla                                                                                         | ■ Request for information issued                                                                                                                                                                                                                                                                      |
| 3 November 2022  | Email             | Ian Francis<br>Sebastian Hyde                     | Colin Stiles<br>Julie-Anne Pedulla<br>Aaron Stiles                                                         | ■ Correspondence regarding timing of information request documents                                                                                                                                                                                                                                    |
| 9 November 2022  | Call              | Sebastian Hyde                                    | Aaron Stiles<br>Julie-Anne Pedulla                                                                         | ■ Discussed information request for documents                                                                                                                                                                                                                                                         |
| 10 November 2022 | Email             | Sebastian Hyde                                    | Julie-Anne Pedulla                                                                                         | ■ Request for information                                                                                                                                                                                                                                                                             |
| 14 November 2022 | Call              | Ian Francis                                       | Colin Stiles                                                                                               | ■ Phone call from Colin Stiles requesting a meeting with FTI Consulting                                                                                                                                                                                                                               |
| 14 November 2022 | Email             | Sebastian Hyde                                    | Aaron Stiles<br>Julie-Anne Pedulla                                                                         | ■ Company information received                                                                                                                                                                                                                                                                        |
| 15 November 2022 | In person meeting | Ian Francis<br>Sebastian Hyde<br>Daniel Woodhouse | Colin Stiles<br>Aaron Stiles<br>Natalie Heuer<br>Brett Molony<br>Todd Stiles<br>Paul Colreavy<br>Dan Crack | ■ Discussed Company's financial position and trading performance, forecasts and landlord position as well as the voluntary administration process                                                                                                                                                     |
| 16 November 2022 | In person meeting | Ian Francis<br>Sebastian Hyde<br>Daniel Woodhouse | Colin Stiles<br>Aaron Stiles<br>Natalie Heuer<br>Brett Molony<br>Todd Stiles<br>Paul Colreavy<br>Dan Crack | ■ Discussed Company's financial position and trading performance, forecasts and landlord position<br>■ Explained the various forms of insolvency appointments, the options available, and the consequences of an insolvency appointment<br>■ Outlined the process following an insolvency appointment |
| 17 November 2022 | Emails            | Sebastian Hyde                                    | Julie-Anne Pedulla                                                                                         | ■ Requests for information                                                                                                                                                                                                                                                                            |
| 17 November 2022 | In person meeting | Ian Francis<br>Sebastian Hyde                     | Colin Stiles<br>Aaron Stiles<br>Natalie Heuer<br>David Gilbert                                             | ■ Discussed Company's financial position and trading performance, forecasts, landlord position and voluntary administration process                                                                                                                                                                   |

|                  |                   |                                                   |                               |                                                           |
|------------------|-------------------|---------------------------------------------------|-------------------------------|-----------------------------------------------------------|
|                  |                   |                                                   | Andrew Graham<br>James Heelan |                                                           |
| 18 November 2022 | In person meeting | Ian Francis<br>Sebastian Hyde<br>Jacquie Sinclair | Colin Stiles<br>Aaron Stiles  | ■ Request received to act as Administrator of the Company |

#### Non FTI Consulting staff positions held at the date of interactions

| Name               | Position/title held                              | Representing |
|--------------------|--------------------------------------------------|--------------|
| Colin Stiles       | Director                                         | The Company  |
| Aaron Stiles       | Director                                         | The Company  |
| Natalie Heuer      | Director                                         | The Company  |
| Emma Stiles        | Company Secretary                                | The Company  |
| Anthony Tribbick   | Director (former)                                | The Company  |
| Todd Stiles        | General Manager                                  | The Company  |
| Julie-Anne Pedulla | Financial Controller                             | The Company  |
| Paul Colreavy      | Employee                                         | The Company  |
| Dan Crack          | Technical Manager                                | The Company  |
| Brett Molony       | Director, Palisade Corporate Law                 | The Company  |
| Andrew Graham      | Executive Manager Corporate, Business & Services | CBA          |
| David Gilbert      | Senior Manager                                   | CBA          |
| James Heelan       | Relationship Manager                             | CBA          |

# Creditor Rights in Voluntary Administrations

As a creditor, you have rights to request meetings and information or take certain actions:



## Right to request information

Information is communicated to creditors in a voluntary administration through reports and meetings.

In a voluntary administration, two meetings of creditors are automatically held. You should expect to receive reports and notice of these meetings:

- The first meeting is held within 8 business days of the voluntary administrator's appointment. A notice of meeting and other information for this meeting will be issued to all known creditors.
- The second, or decision, meeting is usually held within 6 weeks of the appointment, unless an extension is granted. At this meeting, creditors will get to make a decision about the company's future. Prior to this meeting the voluntary administrator will provide creditors with a notice of the meeting and a detailed report to assist in making your decision.

Important information will be communicated to creditors prior to and during these meetings. Creditors are unable to request additional meetings in a voluntary administration.

Creditors have the right to request information at any time. A voluntary administrator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the voluntary administration, and the provision of the information would not cause the voluntary administrator to breach their duties.

A voluntary administrator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the voluntary administrator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

## Requests must be reasonable.

### They are not reasonable if:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) the information requested would be privileged from production in legal proceedings
- (c) disclosure would found an action for breach of confidence
- (d) there is not sufficient available property to comply with the request
- (e) the information has already been provided
- (f) the information is required to be provided under law within 20 business days of the request
- (g) the request is vexatious

If a request is not reasonable due to (d), (e) or (f) above, the voluntary administrator must comply if the creditor meets the cost of complying with the request.

Otherwise, a voluntary administrator must inform a creditor if their information request is not reasonable and the reason why.

## Right to give directions to voluntary administrator

Creditors, by resolution, may give a voluntary administrator directions in relation to a voluntary administration. A voluntary administrator must have regard to these directions, but they are not required to comply with the directions.

If a voluntary administrator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons for not complying.

An individual creditor cannot provide a direction to a voluntary administrator.

## Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a voluntary administrator's remuneration or a cost or expense incurred in a voluntary administration. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

The cost of the reviewing liquidator is paid from the assets of the voluntary administration, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the voluntary administrator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

## Right to replace voluntary administrator

At the first meeting, creditors have the right to remove a voluntary administrator and appoint another registered liquidator to act as voluntary administrator.

A creditor must ensure that they have a consent from another registered liquidator prior to the first meeting if they wish to seek the removal and replacement of a voluntary administrator.

Creditors also have the opportunity to replace a voluntary administrator at the second meeting of creditors:

- If creditors vote to accept a proposed deed of company arrangement, they can appoint a different registered liquidator as the deed administrator.
- If creditors vote to place the company into liquidation, they can appoint a different registered liquidator as the liquidator.

It is however usual for the voluntary administrator to act as deed administrator or liquidator. It would be expected that additional costs would be incurred by an alternate deed administrator or liquidator to gain the level of knowledge of the voluntary administrator.

Like with the first meeting, a creditor must ensure that they have a consent from another registered liquidator prior to the second meeting if they wish to seek to appoint an alternative registered liquidator as deed administrator or liquidator.

**For more information, go to [www.arita.com.au/creditors](http://www.arita.com.au/creditors).  
Specific queries about the voluntary administration should be directed to the voluntary administrator's office.**

[Home](#)> [Regulatory resources](#)> [Insolvency](#)> [Insolvency information for directors, employees, creditors and shareholders](#)

# Insolvency information for directors, employees, creditors and shareholders

This information sheet (INFO 39) lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

## List of information sheets

- [INFO 41](#) Insolvency: A glossary of terms
- [INFO 42](#) Insolvency: A guide for directors
- [INFO 43](#) Insolvency: A guide for shareholders
- [INFO 45](#) Liquidation: A guide for creditors
- [INFO 46](#) Liquidation: A guide for employees
- [INFO 54](#) Receivership: A guide for creditors
- [INFO 55](#) Receivership: A guide for employees
- [INFO 74](#) Voluntary administration: A guide for creditors
- [INFO 75](#) Voluntary administration: A guide for employees
- [INFO 84](#) Independence of external administrators: A guide for creditors
- [INFO 85](#) Approving fees: A guide for creditors

## Where can I get more information?

Further information is available from the [ARITA website](#). The ARITA website also contains the [ARITA Code of Professional Practice for Insolvency Practitioners](#).

This is **Information Sheet 39 (INFO 39)** updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

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