



McGrathNicol

MEDIA RELEASE

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Focus on Furniture appoints McGrathNicol as Voluntary Administrators, intending to refocus on commercially sustainable, core business.

McGrathNicol Restructuring today announced that the Directors of furniture retailer, Focus on Furniture, have appointed McGrathNicol Partners; Barry Kogan, Kathy Sozou and Matthew Caddy as Voluntary Administrators (Administrators).

Focus on Furniture operates 38 retail outlets, 4 distribution centres/warehouses in Victoria, New South Wales, Queensland, South Australia and the Australian Capital Territory.

It operates under the Focus on Furniture and BedsOnline brands.

The appointment follows sustained challenges to the Focus on Furniture business, stemming from New South Wales and Queensland operations.

The Administrators will work with the company and its management team to restructure its physical store footprint, and recalibrate the network to the core, profitable locations in Victoria, regional New South Wales, South Australia and the Australian Capital Territory, whilst intending to maintain national coverage via its online store.

McGrathNicol Partner and Administrator, Barry Kogan, said: "As an urgent priority we will be conducting a review of options for the business, including a possible exit of unprofitable stores in New South Wales and Queensland. It is clear that Focus on Furniture outlets in these states are struggling to compete effectively and on a profitable basis in the face of unsustainably high rents".

"Importantly, irrespective of location, during the administration period all deposits paid for furniture items will be honoured in full and orders placed will be delivered as planned. Gift cards will also remain redeemable at all Focus on Furniture stores," Mr Kogan said.

"Long-term, the intention will be to refocus the business on the core platform of Victoria, South Australia and the Australian Capital Territory where operations are profitable. Stores in these regions will continue to trade on a 'business as usual' basis during the restructuring process" Mr Kogan said.

Suppliers and creditors

Suppliers are asked to ensure that they supply in accordance with the Administrators' circular to suppliers, available on the McGrathNicol and Focus on Furniture websites.

A first statutory meeting of creditors must be held within eight business days after the administration begins and is expected to take place on Monday, 27 May 2019. Meeting notices setting out the time and location for the first meeting of creditors will be distributed to the company's creditors over coming days.

Contact details and further information

Information will be uploaded to the McGrathNicol website (www.mcgrathnicol.com).

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