



**Focus on Furniture Pty Ltd (Administrators Appointed)
ACN 089 394 712
and associated entities listed in Schedule 1
(collectively known as the Focus Group).**

Suppliers Frequently Asked Questions

15 May 2019

Barry Kogan, Katherine Sozou and Matthew Caddy were appointed Joint and Several Voluntary Administrators (**Administrators**) of the Focus Group on 15 May 2019 following a resolution of its board of directors.

The purpose of this document is to answer some frequently asked questions that suppliers may have about the Administration.

This information sheet covers the following key areas:

- operations;
- administration process; and
- suppliers.

As Administrators, we act as agents of the Focus Group. The Administrators are not adopting any contract that exists, or may have existed, between any party and Focus Group.

Please note that this document will be revised periodically by the Administrators and is subject to change. Any revised documents will be made available in store and on Administrators' website:

www.mcgrathnicol.com/creditors/focusgroup/

Queries

Supplier queries should be directed in the first instance to their usual contact within the Focus Group.

Queries can also be emailed to FocusSuppliers@mcgrathnicol.com.

The Administrators or the Focus Group staff may respond directly or by update to this FAQ. The Administrators will also add to this document as required and updated versions will be provided to stores.



OPERATIONS

Is the business continuing to trade?

Yes.

The Administrators are working 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.

The Administrators are conducting an urgent review, including a possible exit of unprofitable stores in New South Wales, Queensland and Victoria.

How soon will a decision be made about the future of the Focus Group?

No timetable has been set at this time. The Administrators will provide updates throughout the administration.

ADMINISTRATION PROCESS

What has happened to Focus Group? Why did the administration come about?

The Directors resolved to appoint the Voluntary Administrators following sustained challenges to the Focus on Furniture business, stemming from New South Wales and Queensland operations.

As part of the administration process, these stores will likely be exited in order to make the overall group sustainable, profitable performance.

What is a voluntary administration?

Voluntary administration is an insolvency procedure where the directors of an insolvent company (i.e. one that is unable to pay its debts) appoint an external administrator called a 'Voluntary Administrator'.

The role of the Voluntary Administrator is to investigate the Focus Group's affairs to assess the potential for rehabilitation or recapitalisation, to report to creditors and to recommend to creditors whether the Focus Group should enter into a Deed of Company Arrangement, go into liquidation or be returned to the directors.

For more information regarding administrations, please visit www.asic.gov.au.

What is the role/authority of the Focus Group directors? Do we take direction from them or from the Administrators?

The Administrators make all financial and strategic decisions relating to the Focus Group and have ultimate executive control of the Focus Group. The Focus Group's directors' duties are suspended while the Focus Group is in Administration.

The Administrators continue to work with the Focus Group management and employees should continue to report to their store / operations managers.

Who is McGrathNicol?

McGrathNicol is an independent advisory and restructuring firm specialising in Advisory, Forensic, Transactions, Restructuring and Insolvency.

Where can I get information in relation to the administration?

Information will periodically be posted to the Administrators' website:

<http://www.mcgrathnicol.com/creditors/focusgroup/>.



What is the first meeting of creditors?

The Administrators are required to hold a meeting of creditors within 8 business days of their appointment. You will receive formal notification of the meeting details over the next few days.

At the meeting, creditors are given the opportunity to replace the Administrators with alternative administrators and to form a committee of inspection. A committee of inspection may be formed, following a vote of creditors, to consult with the Administrators and receive reports on the conduct of the administration. A committee of inspection can also approve the Administrators' fees.

What is the second meeting of creditors?

The Administrators are required to hold a second meeting of creditors within approximately 1 month of their appointment. You will receive formal notification of the meeting details ahead of that time.

The purpose of this meeting is predominantly for creditors to determine the future of the Focus Group. The options available to creditors can include returning control of Focus Group back to its directors; executing a Deed of Company Arrangement if one is proposed; or, placing Focus Group into liquidation.

Should I attend the creditor meetings?

Creditors are entitled to attend the meetings of creditors or appoint a proxy on their behalf. A proxy form will be provided to you together with notice of the meeting.

SUPPLIERS

What is the process for receiving orders from the Focus Group?

The process for orders under Administration is:

- open a new account(s) in the name of the entity to which you provide goods or services followed immediately by (Administrators Appointed). For example, suppliers of Focus on Furniture Pty Ltd would name the administration period account "Focus on Furniture Pty Ltd (Administrators Appointed)".
- purchase orders will be provided but must be authorised by an authorised signatory (please refer circular to supplies for authorised signatories)

When issuing invoices for supply after the appointment of Administrators, please ensure the above company name is used on invoices and that a copy of the invoice is sent to your usual address as well as to FocusSuppliers@mcgrathnicol.com (along with a copy of the authorised purchase order and delivery docket to ensure no delays in processing for payment).

What should I do with deliveries received?

If the stock has been prepaid, the delivery should be accepted. If the stock has not been paid for, please consult with the Administrators and their representatives.

Who is authorised to place orders?

Please refer to the circular to supplies for authorised signatories. These are currently: Barry Kogan, Katherine Sozou, Matthew Caddy, Rajiv Goyal, Alison Wong, Stuart Johnstone, Lauren Del Monte and Ben Lee.

Will outstanding supplier accounts be paid?

The amount outstanding at the date of the Administrators' appointment is an unsecured debt of the Focus Group and unfortunately cannot be paid. Please refer to the circular to creditors dated 15 May 2019 for further information.

I have received a payment; can I apply this to amounts owed to me?

No, all payments made by the Administrators must be applied to post-appointment supply.



How do suppliers lodge a claim?

To lodge a claim suppliers must complete a proof of debt or claim form. These are available on the Administrators website and attached to the circular to creditors dated 15 May 2019. These can be forwarded to FocusSuppliers@mcgrathnicol.com or left with the sales assistant who can arrange for these to be passed to the Administrators.

Focus Group has an amount outstanding, why should suppliers continue to trade with the Administrators?

Under the Corporations Act 2001, the Administrators' are personally liable for debts incurred post 15 May 2019 with their express authority (i.e. have been ordered via an authorised purchase order).

Accordingly, any orders authorised by the Administrators will be paid.



Schedule 1 – Entities over which the Administrators are appointed

Company	ACN
E-Commerce Ventures Pty Limited	154 473 364
Focus On Furniture Pty Ltd	089 394 712
Beds Online Australia Pty Limited	122 205 029
Pillows Online Australia Pty Limited	158 267 013
Trusted Web Sites Pty Ltd	158 267 675
Pacific Global Furniture Pty Limited	106 668 026
Oz Retail Pty Ltd	161 618 293
Furniture Online Australia Pty Ltd	151 871 313
Loveadeal Pty Ltd	107 198 578
Best Furniture Group Pty Limited	101 571 699
D. Gallery Pty Limited	131 012 318
United Furniture Warehouse Pty Ltd	127 727 959