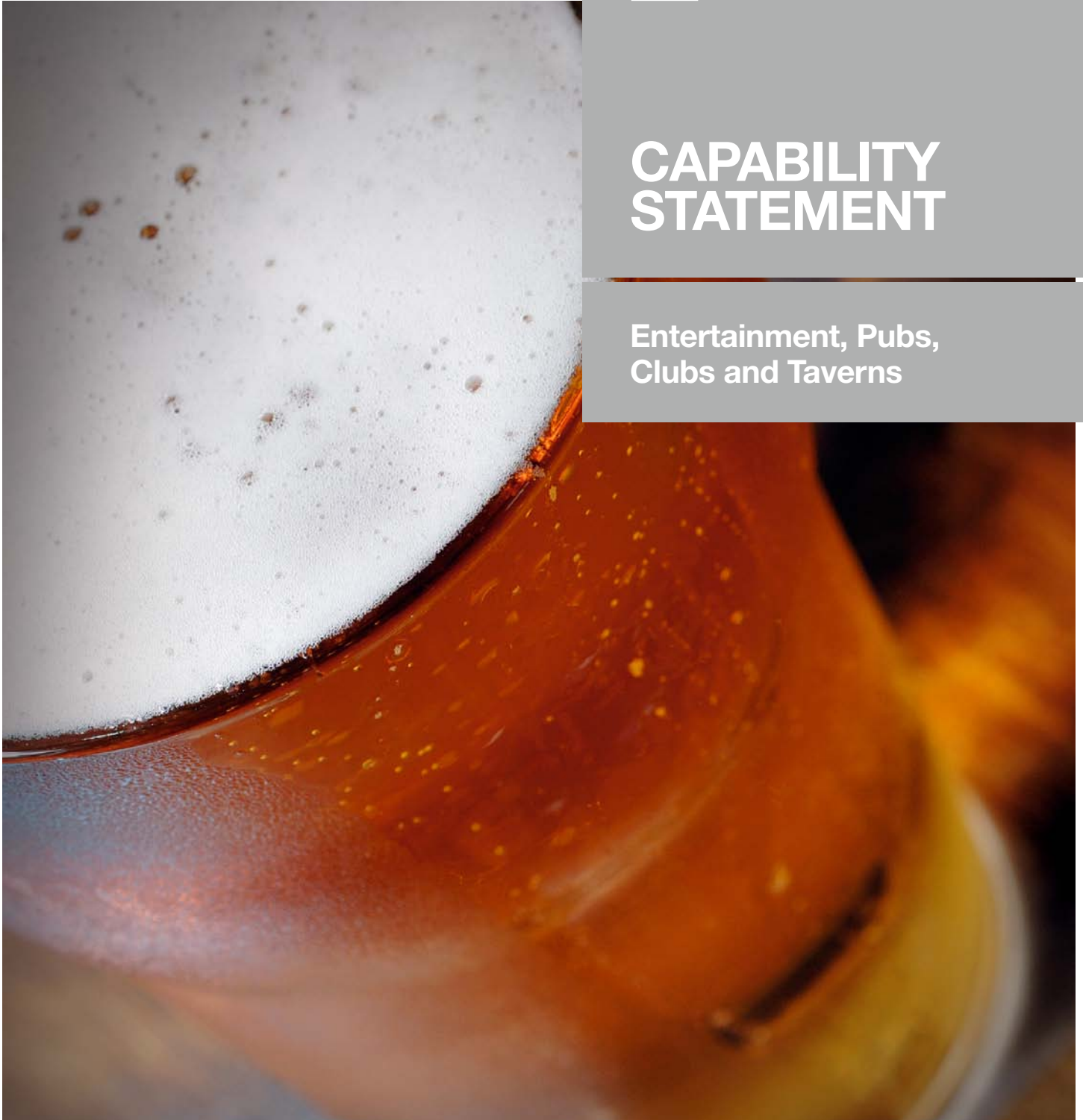


CAPABILITY STATEMENT

Entertainment, Pubs,
Clubs and Taverns



INDUSTRY SUMMARY

Although the Australian entertainment, pubs, clubs and taverns industry is an integral part of the Australian economy, it is confronted with challenges which will impact the future performance and profit of businesses operating in this industry.



The pubs, clubs and taverns industry covers a diverse range of businesses including licensed bars, hotels/pubs, taverns and wine bars that provide a range of services, including accommodation, liquor for on-premises and off-premises consumption, meals and gaming and wagering facilities.

This industry faces various difficulties that have, and will continue to, cause upheaval. For example, the increase in societal, liquor and regulatory changes (including government restrictions on the proliferation and use of gaming machines), high debt levels, competition from other industries that serve alcohol and the pressure from high licence fees to provide more police services, make it difficult for operators in this industry.

The entertainment industry generates approximately \$1.9 billion per year and employs some 13,800 individuals. The main components of this industry include all forms of live performance from dance, fashion and music festivals to theatre and other entertainment venues such as cinemas, bowling alleys and other places of interest.

OUR EXPERTISE

Through our national experience in this industry, Taylor Woodings has developed an in-depth understanding of the specific requirements and business operations of entertainment, pub, club and tavern operators. We offer clients the full range of insolvency and corporate accounting services, including:

- **receiverships**
- **pre-lending reports**
- **investigating accountants reports**
- **restructuring and workout strategies**
- **valuations on leasehold pubs and hotels**
- **purchaser due diligence**
- **forensic advice**

Taylor Woodings has been involved in both formal and informal appointments for entertainment businesses, pubs, clubs and taverns around Australia. Through the management and sale of these types of businesses, we understand the internal operations associated with them, including:

- cash handling
- retailing
- compliance
- gaming and gaming taxes
- third party agency agreements
- GST
- security
- management
- human resources
- hospitality
- stock control
- insurance
- occupational health and safety

Clients can be confident in our thorough understanding of the intricacies associated with entertainment businesses, pubs, clubs and taverns. We have experience advising on complex assignments for all types of businesses in this industry, regardless of their size and location.

WHAT TAYLOR WOODINGS OFFERS

MANAGEMENT OF VENUES

The right management of entertainment, pubs, clubs and taverns is critical to the success of the business due to tight margins and operational challenges. When third party management is required, we ensure they understand our client's objectives and conduct themselves accordingly. Furthermore, we are constantly in direct control of all facets of the business.

Delivering an efficient outcome for businesses in this industry requires a thorough understanding of both high-level and low-level related areas. Taylor Woodings offers in-depth knowledge that stems from our significant experience in this industry.

THE RIGHT RELATIONSHIPS

Our experience has allowed us to form valuable relationships with consultants, agents, industry and regulatory bodies, valuers, real estate agents and other specialists. These relationships are integral to successfully obtaining valuable and timely advice and assistance for the operation of businesses. These relationships are also crucial to establishing an understanding of the ever-changing environment that entertainment businesses, pubs clubs and taverns operate in.

COMPREHENSIVE REVIEWS

We perform a thorough review of all internal and external operating practices to ensure compliance, protection, risk and performance are all addressed. This is essential in dealing with venues that may be subject to rigorous statutory compliance requirements.

We understand where obstacles can arise and how efficiencies can be gained to deliver a successful process.

TRACK RECORD

Taylor Woodings has undertaken many formal and informal roles in the entertainment, pubs, clubs and taverns industry, including business reviews and valuations for secured lenders, as well as formal appointments in which we have run a variety of licensed venues such as pubs and clubs. We also have a vast range of experience in marketing and selling entertainment and hospitality venues.

CASE STUDIES

The Woolpack Hotel, Sydney NSW

01

Taylor Woodings was appointed Receiver and Manager of The Woolpack Hotel in Sydney after the directors failed to pay interest or reduce debt.

Taylor Woodings successfully managed and realised the business after trading over a seven month period, in which time profitability levels increased.

During our appointment, we identified that there were yield pressures in the hotel market and there was going to be an increase in the number of hotels for sale in this particular area. With this knowledge, we placed the hotel on the market before other campaigns began.

We managed a successful six week sales campaign that resulted in a sale of \$3.2 million at a yield of approximately 11.6 per cent. This sale set a benchmark for Sydney pub sales in 2009.

Three Star Hotel, Regional WA

02

Taylor Woodings is Receiver and Manager of a regional, three star, 80 room accommodation resort with a range of food and beverage outlets.

Following our appointment, we undertook a review of the operating performance with the assistance of industry consultants. During this process, Taylor Woodings successfully:

- reviewed the hotel's systems and procedures, implemented additional controls and provided regular reporting to the bank
- worked closely with the hotel's management on marketing and other strategic operational issues, including capital expenditure projects in order to boost occupancy rates
- attended to all necessary liquor licensing and occupational health and safety requirements

In addition, Taylor Woodings implemented improved accounting and reporting systems, including KPI's, made operational changes to management and staffing, implemented a maintenance program and refreshed marketing initiatives.

The hotel is trading under the control of the Receivers and positive trading results are being used to reduce the banks' debt.

Bar and Restaurant Group, Sydney area NSW

03

Taylor Woodings was engaged to provide a going concern valuation and pre-lending review for a high profile multisite bar and restaurant group in New South Wales.

As part of our appointment, we performed a review of the businesses in the Group on an individual and group-wide basis. We also compiled a comprehensive report, which included extensive forecasting, business valuations and assessment of the bank's security position.

A favourable outcome was achieved for both the client and the borrower, which allowed the Group to obtain further debt funding and continue to grow and achieve ongoing success.

Registered Clubs, Sydney area NSW

04

Taylor Woodings was appointed Voluntary Administrator of a number of registered clubs in New South Wales, including Manly Fishing and Sporting Club and the Hunters Hill Club.

The clubs were under financial pressure due to declining membership numbers and poor trading, resulting from regulatory changes that directly impacted on the cashflow of the business. In many cases, the clubs held substantial non-liquid assets, mainly property.

Taylor Woodings was appointed to assist in the restructuring of the clubs through a Deed of Company Arrangement (DOCA) process.

As a result of the DOCA process all clubs were able to continue trading, which was a favourable outcome.

OUR TEAM



Quentin Olde

Partner in Charge, Sydney – Team Leader
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Quentin understands the key drivers and issues that impact the entertainment, pubs, clubs and taverns industry. He has been appointed as Receiver and Manager or Voluntary Administrator to many businesses over his career including the Hunters Hill Club, the Manly Fishing and Sporting Club, the Woolpack Hotel, Skyways Restaurant and Bar, the Cauliflower Hotel and the Tura Beach Hotel. Quentin has undertaken numerous valuations of hotel assets on behalf of financiers and owners. Quentin is regularly sought as an independent expert in disputes in the industry.



Ross Blakeley

Partner in Charge, Melbourne
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With 20 years experience in restructuring and insolvency, Ross has provided advice to numerous entertainment related entities, including gaming, restaurants, licensed premises and live entertainment venues. For example, Ross was appointed Voluntary Administrator and Liquidator of the Cornerstone Hotels Group and he also conducted a due diligence on behalf of a major financier of a live entertainment venue.



Mark Englebert

Partner, Perth
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Mark has significant corporate advisory and restructuring experience and has provided strategic advice to financiers on all types of insolvency appointments. He has traded hotels and bars as part of formal appointments and undertaken extensive investigating accountant work on multiple pub and restaurant operations.



Ian Morton

Senior Manager, Melbourne
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Ian has significant experience in the entertainment, pubs, clubs and taverns industry having acted for a range of financiers, directors and creditors in both formal insolvency and informal advisory roles. Ian's experience includes trading and selling a portfolio of 16 venues in metropolitan and regional Victoria. He has also undertaken extensive research into the recent changes to Victorian gaming legislation and can identify potential gaming-related issues. Ian has also worked on the administration of a United Kingdom-based tour operator.



Liam Healey

Manager, Sydney
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Liam has gained broad experience in this industry working on a number of formal and informal advisory appointments in respect of pubs and clubs. Liam has had a key role in the valuation of a high profile hospitality group in Sydney and in the receivership and sale of a number of hotels. In addition, Liam has worked on the administration and restructure of a number of licensed clubs.



Simon Kasprowicz

Manager, Brisbane
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Simon has gained experience on a number of both formal and informal advisory appointments in the entertainment, pubs, clubs and taverns industry. He has managed several pub receiverships. For example, he has been involved in the valuation of a high profile Sydney chain of bars and managed the sale of a prominent tourism focused restaurant.

ABOUT US

Taylor Woodings is an independent, national Chartered Accounting firm providing clients specialist services in Restructuring, Corporate Recovery, Advisory and Transaction Services and Forensic Accounting. With offices in Sydney, Perth, Melbourne and Brisbane, we offer our clients a truly national service.

Taylor Woodings is committed to delivering timely, relevant and innovative strategies to meet our individual clients' needs. With our *one-firm, one-focus* philosophy, we share resources, technical staff and specialist knowledge to ensure clients receive a full-service offering regardless of their geographic location.

Our experience extends across Australia's key industries of agriculture, manufacturing, health, mining and property. We work with all types of organisations within Australia and overseas, from small family businesses to publicly listed ASX and multinational companies, on both complex and straightforward assignments.

Taylor Woodings has established working relationships, essential to delivering successful outcomes for clients, with national and regional retail banks, investment banks, corporate advisory firms, law firms, accounting firms and specialist consultants.

Taylor Woodings is a national partnership that is supported by a dedicated and expert team of advisers. We maintain an efficient internal structure and allocate the most appropriate resource to assignments. This approach provides clients with direct access to senior, specialist advice and cost effective solutions that place our clients' objectives first.

We have an affiliation with TW Gerry Rea Partners, a specialist insolvency and litigation support firm in New Zealand. We also have a joint venture arrangement with Allen Capital, an independent corporate advisory and private equity investment firm. Taylor Woodings is a member of the international insolvency network, hww Insolvency Co-operation Partners, which is represented in 21 countries around the world.

RESTRUCTURING | CORPORATE RECOVERY | ADVISORY AND TRANSACTION SERVICES | FORENSIC ACCOUNTING

SYDNEY PERTH MELBOURNE BRISBANE

taylorwoodings.com.au

