



No. S235026
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

AND

**IN THE MATTER OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985
c. C-44 and THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, c.57**

AND

**IN THE MATTER OF THE JOSEPH RICHARD HOSPITALITY GROUP LTD AND
THOSE PARTIES LISTED ON SCHEDULE "A"**

PETITIONERS

MONITOR'S SIXTH REPORT TO COURT

January 24, 2025

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I. INTRODUCTION AND PURPOSE OF THE REPORT

Introduction

1. On July 17, 2023, the Joseph Richard Hospitality Group Ltd. and the other petitioners listed on **Appendix A** (the “**Petitioners**”) and the entities listed in **Appendix B** (the “**Non-Petitioners**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an order granted by the Supreme Court of British Columbia (the “**Court**”). Ernst & Young Inc. (“**EY**”) was originally appointed as the court-appointed monitor of the Petitioners.
2. The background to these CCAA proceedings, including the various orders granted, is attached as **Appendix C**.
3. On May 9, 2024, the Court granted orders that, among other things:
 - i. substituted MNP Ltd. as the court-appointed monitor of the Petitioners (the “**Monitor**”) in place of Ernst & Young Inc.;
 - ii. granted the Monitor enhanced powers;
 - iii. extended the stay of proceedings (the “**Stay**”) to August 30, 2024;
 - iv. granted a new administration charge in the amount of \$250,000 to secure the fees of the Monitor and its legal counsel (the “**New Administration Charge**”);
 - v. increased the interim financing facility from Canadian Western Bank (“**CWB**”) and corresponding interim finance charge from \$500,000 to \$750,000; and,
 - vi. authorized and directed the Monitor to implement a sales process for the sale of substantially all of the Petitioners’ assets (the “**Sales Process**”).
4. On June 7, 2024, the Court granted an order that approved the engagement of MNP Corporate Finance Inc. (“**MNPCF**”) to assist with the Sales Process and inclusion of MNPCF’s fees in the New Administration Charge.
5. The Monitor, with the assistance of MNPCF, conducted the Sales Process in accordance with this Court’s Orders.
6. The Monitor negotiated the offer from 1174869 B.C. Ltd. and its related entities (collectively “**117 BC**”). On October 23, 2024, the Monitor and 117 BC finalized a purchase agreement on October 23, 2024 (the “**Asset Purchase Agreement**”), subject to Court approval.

7. On October 28, 2024, the Court granted a series of Orders that, among other things:
 - i. extended the Stay to December 2, 2024;
 - ii. increased the New Administrative Charge to \$400,000;
 - iii. authorized the Monitor to repay all amounts outstanding under the interim financing facility secured by the Interim Financing Charge;
 - iv. approved the sale of the businesses contemplated in the Asset Purchase Agreement to 117 BC (the “**Asset Transaction**”); and,
 - v. approved the sale of the real estate property located at 5708 176 Street and 5747 176A Street, Surrey, British Columbia (the “**Clover Building**”) to 117 BC (the “**Real Estate Transaction**” and together with the Asset Transaction, the “**Sale Transactions**”).

8. On November 28, 2024, the Monitor filed a Notice of Application (the “**December Application**”) returnable December 2, 2024 and this Court granted an Order that, among other things:
 - i. extended the Stay to January 31, 2025; and
 - ii. approved an addendum to the Asset Purchase Agreement that, among others things, increased the purchase price contemplated thereunder by \$75,000 to \$7.3 million.

9. At the December Application, the Monitor sought the authority for the Monitor to Assign the Petitioners and Non-Petitioners into bankruptcy, which was adjourned generally.

10. As a result of the Sale Transactions closing, the Petitioners and Non-Petitioners no longer have active operations.

11. On January 24, 2025, the Monitor filed a Notice of Application returnable January 28, 2025 (the “**Initial Distribution Order Application**”), seeking an Order (the “**Initial Distribution Order**”) that, among other things:
 - i. extends the Stay to March 31, 2025; and
 - ii. authorizes the Monitor to make the Initial Distribution (as defined herein).

Purpose of Report

12. The purpose of this Sixth Monitor's Report dated January 24, 2025 (the "**Sixth Report**") is to provide this Court with information regarding:
 - i. the Monitor's activities since the Fifth Monitor's Report dated November 28, 2024 (the "**Fifth Report**");
 - ii. an update on the Sale Transactions;
 - iii. the Initial Distribution Order Application and the Monitor's comments and recommendations in regards to the Initial Distribution Order;
 - iv. the Petitioners' actual receipts and disbursements for the period from November 25, 2024 to January 19, 2025, as compared to the cash flow forecast attached to the Fifth Report as Appendix "E" (the "**Fifth Report Cash Flow**"); and
 - v. the cash flow forecast for the period of January 20, 2025 to April 6, 2025.

Terms of Reference

13. In preparing this Sixth Report, the Monitor has been provided with and relied upon information received from the Petitioners including financial information prepared by the Petitioners, none of which has been audited. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such information contained in this Sixth Report.
14. Certain information referred to in this Sixth Report consists of forecasts and projections. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of the information.
15. This Sixth Report has been prepared for the use of this Court and the Petitioners' stakeholders as general information relating to the restructuring proceedings. Accordingly, this Fifth Report may not be appropriate for any other purpose. The Monitor assumes no responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Sixth Report contrary to the provisions of this paragraph.

16. For the purposes of this Sixth Report, “**Management**” refers to Mr. Andre Bourque, Mr. Ryan Moreno, Mr. Alfred Zagloul and Mr. George Tachejian.
17. This Sixth Report should be read in conjunction with the previous reports of Ernst & Young Inc. and the Monitor filed in these CCAA proceedings.

II. UPDATE ON MONITOR’S ACTIVITIES SINCE THE FIFTH REPORT

18. Since the Fifth Report, the Monitor has performed the following activities, among others:
 - i. corresponded and liaised with various stakeholders, including:
 - a. Management;
 - b. CWB;
 - c. BMO Bank of Montreal;
 - d. Canada Revenue Agency;
 - e. other creditors; and
 - f. landlords;
 - ii. closed the Real Estate Transaction, as detailed further herein;
 - iii. liaised with 117 BC and the Petitioners to reconcile the Post-Closing Adjustments (as defined below);
 - iv. liaised with the Petitioners and the provincial and federal crown in respect to post-filing taxes owing by the Petitioners, including assisting the Canada Revenue Agency (the “**CRA**”) in their audit of the Petitioners’ payroll source deduction filings;
 - v. made payments in respect to the Petitioners’ post-filing obligations; and,
 - vi. prepared this Sixth Report.

III. UPDATE ON THE SALE TRANSACTIONS

19. As detailed in the Fifth Report, the Monitor closed the Asset Transaction on October 31, 2024.
20. The Asset Purchase Agreement contemplated a reconciliation and calculation of post-closing adjustments, including amounts owing to payment services providers for payment transaction fees, that remain outstanding at closing of the Asset Transaction (the “**Post-Closing Adjustments**”). Since the Fifth Report, the Monitor and 117 BC have been reconciling the Post-Closing Adjustments. The Monitor anticipates finalizing the Post-

Closing Adjustments (subject to any disputes that may arise with 117 BC) within the next two weeks.

21. As detailed further herein, the Monitor made a number of payments in relation to the Asset Transaction to the provincial and federal crown for post-filing taxes owing by the Petitioners.
22. On December 17, 2024, the Real Estate Transaction closed, resulting in proceeds of \$6.6 million, net of commissions and other closing adjustments.
23. All material aspects of the Asset Transaction or the Real Estate Transaction are concluded except finalization of the Post-Closing Adjustments.
24. The Province of British Columbia and the CRA have agreed that they will not be seeking a priority charge with respect to pre-May 9, 2024 outstanding tax arrears on the basis that the Monitor adjourned its application to seek the power to bankrupt the Petitioner entities.
25. As such, the proceeds from the Asset Transaction and the Real Estate Transaction can be distributed subject only to the Payroll Audit (as defined below).

IV. INITIAL DISTRIBUTION ORDER APPLICATION

Sale Proceeds

26. Pursuant to the Sale Transactions, the Monitor currently holds total proceeds of \$9.4 million (the “**Sale Proceeds**”):
 - i. \$2.8 million in relation to the Asset Transaction (the “**Asset Sale Proceeds**”); and
 - ii. \$6.6 million in relation to the Real Estate Transaction (the “**Real Estate Proceeds**”).
27. The legal counsel of the former monitor, EY, completed an independent review of the security held by the Petitioners’ secured creditors and opined that the security granted by the Petitioners created a valid and enforceable security interest, subject to the customary assumptions and qualifications.

Payroll Source Deduction Audit

28. As detailed in the Fourth Report of the Monitor dated October 24, 2024 (the “**Fourth Report**”), the Petitioners experienced a significant decrease in revenue and had insufficient funds to pay all of their post-filing tax obligations (the “**Post-Filing Tax**”).

Arrears”). Since the Fourth Report, the Monitor used the Asset Sale Proceeds to pay all outstanding Post-Filing Tax Arrears arising for the period since its appointment to present.

29. In December 2024, the CRA commenced an audit of the Petitioners’ payroll remittance status, including amounts owing before and during these CCAA proceedings (the “**Payroll Audit**”). The Monitor has assisted the CRA with their Payroll Audit. The CRA anticipates completing the Payroll Audit within the next 4 weeks, however, the CRA cannot guarantee the exact timing.
30. The Monitor is of the view that distributions with respect to the Asset Sale Proceeds cannot be made until the Payroll Audit has been completed.
31. The Payroll Audit only relates to the Petitioner entities that carried on the hospitality business and had active employees. The Clover Building was held by a real estate holding company, JRG Cloverdale Holdings Ltd. (“**Cloverdale Holdings**”), which did not have any employees or active business operations from which Post-Filing Tax Arrears could arise. Accordingly, the Monitor is only seeking an interim distribution order to distribute the Real Estate Proceeds, as discussed below.

Interim Distribution Order

32. The Monitor seeks the Initial Distribution Order whereby, among other things:
 - i. the Monitor is authorized and directed to distribute to CWB:
 - a. the Real Estate Proceeds of \$6.6 million, less a holdback of \$50,000 to pay professional fees secured by the New Administration Charge; and
 - b. \$810,000 from the Asset Sale Proceeds pursuant to the Interim Financing Charge as repayment of the interim financing facility; and
33. In respect to the balance of funds held in trust by the Monitor (i.e., the balance of the Asset Sale Proceeds), the Monitor contemplates seeking a final distribution Order from this Court following the completion of the Payroll Audit.

V. FORECAST CASH FLOW

Actual vs. Forecast Cash Flow

34. The table below is a summary of actual versus forecast cash flows for the period of November 25, 2024 to January 19, 2025:

	\$000's		
	Actual	Forecast	Variance
Receipts			
Net Proceeds from Sale of Clover Building	6,615	6,619	(4)
Other Receipts	123	-	123
	6,738	6,619	119
Disbursements			
Professional Fees	(428)	(650)	222
Sales Tax	(138)	(185)	47
Labour	(97)	(100)	3
Interim Financing	-	(800)	800
Post-Filing Payments	-	(275)	275
Contingency	-	-	-
	(663)	(2,010)	1,347
Net Cash Flow	6,076	4,609	1,467
Opening Cash Position	3,361	3,361	-
Closing Cash Position	9,436	7,970	1,467

35. The following are key variances for the period:

- i. Other Receipts: the variance relates to the certain post-closing adjustments that were estimated as at the date of the Fifth Report that ultimately were not due;
- ii. Professional Fees: the variance is due to timing of payment of the Monitor’s professional fees. These professional fees have been included in the Forecast Cash Flow (defined below) during the week ending March 2, 2025;
- iii. Interim Financing: the variance is due to timing. The Interim Financing is now estimated to be paid during the week of February 2, 2025 in the Forecast Cash Flow rather than December 15, 2024 as projected in the Fifth Report; and,
- iv. Post-Filing Payments: the addition of post-filing payments is to account for outstanding invoices relating business operations incurred prior to the completion of the Asset Transaction. The Monitor has been working with the Petitioners to reconcile the final amount of Post-Filing Payments and estimates the total amount to ultimately be paid to be approximately \$500,000.

Forecast Cash Flow

36. The Monitor has prepared forecast cash flow on a weekly basis for the period January 20, 2025 to April 6, 2025 (the “**Forecast Cash Flow**”), which is summarized below:

	\$000's
Receipts	-
Disbursements	
Post-Filing Payments	(500)
Post-Closing Adjustments	(50)
Sales Tax	(32)
Professional Fees	(225)
DIP Facility Repayment	(810)
Payment to Secured Creditor - Clover Building Proceeds	(6,565)
	<u>(8,182)</u>
Net Cash Flow	(8,182)
Opening Cash Position	<u>9,436</u>
Forecast Closing Position	<u>1,254</u>

37. A copy of the weekly Forecast Cash Flow including notes and assumptions is attached as **Appendix D**.
38. Based on the Monitor’s view of the Forecast Cash Flow, and the assumptions set out in the notes thereto, the Monitor believes that in all material respects:
- i. the probable and hypothetical assumptions set forth therein are consistent with the purposes of the Forecast Cash Flow;
 - ii. the probable and hypothetical assumptions developed by Management are suitably supported and consistent with the plans of the Petitioners or provide a reasonable basis for the Forecast Cash Flow; and
 - iii. the Forecast Cash Flow reflects the probable and hypothetical assumptions.
39. Since the Forecast Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to the accuracy of the Forecast Cash Flow. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Sixth Report, or relied upon by us in preparing this Sixth Report.

40. The Forecast Cash Flow has been prepared solely for the purpose described above and may not be appropriate for other purposes.

VI. EXTENSION OF STAY OF PROCEEDINGS

41. The stay of proceedings currently expires on January 31, 2025. A stay extension is being sought to March 31, 2025 (the “**Stay Extension**”).

42. The Monitor supports the Stay Extension to allow the Petitioners and the Monitor sufficient time to:

- i. work with the CRA on the completion of the Payroll Audit; and
- ii. prepare an application to Court to distribute the balance of the Asset Sale Proceeds.

43. The Monitor does not believe any of the Petitioners’ creditors will be materially prejudiced by the Stay Extension, in particular given that operations have ceased.

44. The Petitioners have sufficient funds available from the Sale Proceeds for the Stay Extension sought.

45. The Monitor believes that the Petitioners have continued to act in good faith and with due diligence during the course of these CCAA proceedings.

VII. RECOMMENDATIONS

46. The Monitor recommends that the Court:

- i. grant the Interim Distribution Order; and,
- ii. extend the Stay to March 31, 2025.

All of which is respectfully submitted to this Court this 24th day of January, 2025.

MNP Ltd.

in its capacity as Monitor of the Joseph Richard Hospitality Group and those Petitioners listed on **Appendix A** and not in its personal capacity.

Per:



Mario Mainella, CPA, CIRP, LIT

Per:

Kevin Koo, CPA, CIRP, LIT

Appendix A
List of Petitioners

List of Petitioners

1138279 B.C. Ltd.
1164312 B.C. Ltd.
Ad Prolem Capital Investments Ltd.
Clover 67 Private Dining Room Ltd.
Edith & Arthur Public House Ltd.
Joseph Bourque Investments Ltd.
Joseph Richard Hospitality Group Ltd.
Joseph Richard Investments Ltd
Joseph Richard IP Holdings Ltd.
Joseph Richard Management Ltd.
JRG Canteen Virtual Kitchen Ltd.
JRG Clover Station LRS Ltd.
JRG Cloverdale Holdings Ltd.
JRG Cloverdale Ventures Ltd.
JRG Foodhall (Vancouver) Ventures Ltd.
JRG Glass House Estates Winery Ltd.
JRG Ledgeview Holdings Ltd.
JRG Steveston Hotels Ltd.
JRG Systems Ltd.
JRG Whiskey Charlie Cafe, Pitt Meadows Ltd.
Livelyhood Public House Ltd.
Micky's Investments (Coquitlam) Ltd.
Monkey See Tiki Bar Ltd.
Oak & Thorne Public House Ltd.
Oceanside Yacht Club And Public House Ltd.
S & L Kitchen & Bar Holdings Abbotsford Ltd.
S & L Kitchen & Bar Holdings Langley Ltd.
S & L Kitchen & Bar Holdings South Surrey Ltd.
Steveston Hospitality Services Ltd.
Sudo Asian Kitchen Holdings (Langley) Ltd.
The Italian Osteria and Cheese Bar Ltd.
The Phat Bird Public House Ltd.
The Study Public House Ltd.
Townhall Holdings (Abbotsford) Ltd.
Townhall Holdings (Chilliwack) Ltd.
Townhall Holdings (Coquitlam) Ltd.
Townhall Holdings (Maple Ridge) Ltd.
Townhall Holdings (South Surrey) Ltd.
Townhall Holdings Ltd.
Whiskey Charlie Holdings Ltd.

Appendix B
Non – Petitioner Entities

Non-Petitioner Entities:

Blank Canvas Catering Ltd.
JRG Queens LRS Ventures Ltd.
JRG Chilliwack Holdings Ltd.
JRG Growth Ventures Ltd.
JRG Published Holdings Ltd.
JRG Whip Holdings Ltd.

Appendix C
Background to these CCAA Proceedings

**IN THE MATTER OF THE CCAA PROCEEDINGS OF
JOSEPH RICHARD HOSPITALITY GROUP LTD.**

MONITOR'S SIXTH REPORT TO COURT – APPENDIX C

1. On July 17, 2023 (the “**Filing Date**”), this Honourable Court made an order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”) granting the Joseph Richard Hospitality Group Ltd. and the 38 other petitioners listed at **Appendix A** (each a “**Petitioner**”, and collectively, the “**Petitioners**” or “**JRG**”) protection under the CCAA. The Initial Order appointed Ernst & Young Inc. (“**EYI**”) as monitor of JRG.
2. On July 27, 2023, the Court granted:
 - i. A Claims Process Order to approve a claims process; and
 - ii. An Amended and Restated Initial Order (“**ARIO**”) that:
 - a. Extended the Stay period to September 29, 2023 (the “**Stay Period**”);
 - b. Increased the Administration Charge to \$400,000 to secure the fees of the Petitioners’ legal counsel, EYI, and EYI’s legal counsel;
 - c. Increased the Directors’ Charge to \$1,000,000 to secure against potential claims against the Petitioners’ directors and officers;
 - d. Created an Intercompany Charge to secure against payments or obligations incurred between Petitioners; and,
 - e. Included Townhall Holdings (South Surrey) Ltd., Townhall Holdings (Coquitlam) Ltd., and Micky’s Investments (Coquitlam) Ltd. as Petitioners in the proceeding.

3. On August 30, 2023, the Court granted an order that:
 - i. Approved an interim financing facility and a correspondence Interim Financing Charge to a maximum of \$500,000 to be provided by Canadian Western Bank (“**CWB**”);
 - ii. Amended ARIO to limit the Administration Charge to a maximum amount of \$250,000; and,
 - iii. Stated the priority of charges granted as follows:
 - a. First: Administration Charge (to a maximum of \$250,000);
 - b. Second: Interim Financing Charge;
 - c. Third: Intercompany Charge; and
 - d. Fourth: Directors’ Charge (to a maximum of \$1,000,000).
4. On September 28, 2023, the Court granted an order extending the Stay Period to November 30, 2023.
5. On November 30, 2023, the Court granted an order extending the Stay Period to December 22, 2023.
6. On December 14, 2023, the Court pronounced several Orders, including a “**Creditors’ Meeting Order**”, establishing a process for a meeting of creditors to vote on a Plan of Compromise and Arrangement (the “**Plan**”). The meeting was originally set for February 29, 2024, but was postponed on two occasions. On April 26, 2024, the meeting was postponed indefinitely as it was unlikely that the Petitioners would be able to file a Plan that would be approved by its creditors. The Court also granted an order extending the Stay Period to March 8, 2024.
7. On March 8, 2024, the Court granted an order that:
 - i. approved the sale of the strata property located at 19040 Lougheed Highway, Pitt Meadows (the “**Roosters Building**”). This sale closed on April 12, 2024. After deducting conveyancing fees, commissions, and property taxes, the net sales proceeds of \$2,927,924.57 were transferred to EYI’s trust account; and,
 - ii. extended the Stay Period to May 8, 2024.
8. On May 9, 2024, the Court granted orders that among other things:
 - i. substituted MNP Ltd. as the court-appointed monitor of the Petitioners (the “**Monitor**”) in place of EYI;

- ii. granted the Monitor enhanced powers;
 - iii. extended the stay of proceedings to August 30, 2024;
 - iv. granted a new administration charge in the amount of \$250,000 to secure the fees of the Monitor and its legal counsel (the “**New Administration Charge**”);
 - v. increased the interim financing facility from CWB and corresponding interim finance charge from \$500,000 to \$750,000; and,
 - vi. authorized and directed the Monitor to implement a sales process (the “**Sales Process**”).
9. On May 9, 2024, the Court also granted an order that approved the distribution of those net sales proceeds from the sale of the Roosters Building (the “Distribution Order”) as follows:
 - i. Payment to Farris LLP, EYI, and Bennett Jones LLP (collectively the “**Administration Charge Beneficiaries**”) in the amount of \$250,000 in respect of the Administration Charge;
 - ii. Payment to the Administration Charge Beneficiaries in the amount of \$75,000 for final satisfaction of amounts owed to the Administration Charge Beneficiaries;
 - iii. Payment to the Administration Charge Beneficiaries for costs incurred in relation to the application for the Distribution Order; and
 - iv. Payment of the remaining balance to CWB for their secured debt against the Roosters Building.
10. On June 7, 2024, the Court granted an order that approved the engagement of MNP Corporate Finance Inc. (“**MNPCF**”) to assist with the Sales Process and inclusion of MNPCF’s fees in the New Administration Charge.
11. On August 26, 2024, the Monitor sought and obtained an extension of the stay of proceedings to November 1, 2024 as additional time was required to finalize the purchase agreement.
12. On October 28, 2024, the Court granted an order that, among other things:
 - i. extended the stay of proceedings to December 2, 2024;
 - ii. increased the New Administrative Charge to \$400,000;
 - iii. authorized the Monitor to repay all amounts outstanding under the interim financing facility secured by the Interim Financing Charge;

- iv. approved the sale of the businesses contemplated in the Asset Purchase Agreement to 117 BC; and,
 - v. approved the sale of the real estate property located at 5708 176 Street and 5747 176A Street, Surrey, British Columbia to 117 BC.
13. On November 28, 2024, the Monitor filed a Notice of Application returnable December 2, 2024 and this Court granted an Order that, among other things:
- i. extended the Stay to January 31, 2025; and
 - ii. approved an addendum to the Asset Purchase Agreement that, among other things, increased the purchase price contemplated thereunder by \$75,000 to \$7.3 million.

Appendix D
Forecast Cash Flow
For the Period January 20, 2025 to April 6, 2025

In the matter of the CCAA Proceedings of Joseph Richard Group
Cash Flow Forecast For the Period from January 20, 2025 to April 6, 2025
SCAD

	Actuals		Forecast												Total Actual Forecast	
	Apr 29, 2024 to Jan 19, 2025		Jan 20, 2025 to Apr 6, 2025													
	26-Jan-25	02-Feb-25	09-Feb-25	16-Feb-25	23-Feb-25	02-Mar-25	09-Mar-25	16-Mar-25	23-Mar-25	30-Mar-25	06-Apr-25	Total Forecast				
Receipts																
1 Net Proceeds from Proposed Sale of Clover Building		6,615,333	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Net Proceeds from Proposed Sale of the Businesses		4,406,570	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restaurants and operations		14,344,739	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales Taxes		1,438,171	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Receipts		123,091	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts		26,928,204														
Operating Disbursements																
Cost of Goods Sold		(4,842,658)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour		(5,976,980)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G&A		(3,432,048)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent		(1,999,031)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales Tax		(1,165,146)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post-Filing Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post-Closing Adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Disbursements		(17,415,842)														
Restructuring Disbursements																
Professional Fees		(600,432)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Restructuring Disbursements		(600,432)														
Financing Receipts / (Disbursements)																
DIP Facility - principal draw / (repayment)		450,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP Facility - fees		(15,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment to Secured Creditor in respect of the Clover Building		-	(6,565,333)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Financing Receipts / (Disbursements)		435,000														
Net Cash Flow		9,346,930														
Opening Balance		89,507														
Closing Cash Balance		9,436,437														

Notes

- Sales proceeds from sale of the Clover Building for \$7.325 million less realtor commissions of \$231K and property taxes of \$482K.
- Sales proceeds from sale of the Operating Businesses for \$4.15 million plus an estimated post closing adjustment of \$250,000.
- Labour consists of all Joseph Richard Group salaries and wages, including insurance and benefits, and includes anticipated payment of final payroll, post-filing source deductions and any payroll related obligations.
- The Post-Filing Payments relate to outstanding invoices relating to the ongoing costs of the businesses incurred prior to the sale / winddown of the entities post-CCAA filing. The Monitor is in the process of reconciling the amounts with the Petitioners.
- Post-Closing Adjustments relate to the final estimated amount owing to 117 BC for the final post-closing adjustment and reconciliation.
- Professional Fees are estimated costs of the Monitor, its legal counsel and MINPCF.
- DIP financing relates to the principal amounts borrowed from CWB during the period April 29, 2024 to August 11, 2024. Prior to April 29, 2024, JRG had borrowed \$300,000. As at the date of this Report, JRG has borrowed the full amount of the DIP financing of \$750,000. The Forecast Cash Flow includes full repayment of the DIP Facility of approximately \$810,000 including interest.