



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-36F

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

SIXTH MONITOR'S REPORT

ERNST & YOUNG INC.

April 30, 2024

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INTRODUCTION

1. On July 17, 2023 (the “**Filing Date**”), pursuant to an order (the “**Initial Order**”) granted by the Supreme Court of British Columbia (the “**Court**”), the Joseph Richard Hospitality Group Ltd. and those 38 other petitioners listed hereto at **Appendix “A”** (each a “**Petitioner**”, and collectively, the “**Petitioners**” or “**JRG**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and Ernst & Young Inc. (“**EYI**”) was appointed monitor of the Petitioners (in such capacity, the “**Monitor**”).
2. Following the issuance of the Initial Order and a temporary stay of proceedings, the Petitioners made an application to Court seeking various relief, which included request to make certain amendments to the Initial Order.
3. On July 27, 2023, this Honourable Court pronounced the following orders:
 - a) an amended and restated initial order (“**ARIO**”) which, among other things,
 - i. granted an extension to the Initial Stay of Proceedings until and including September 29, 2023 (the “**Stay Period**”);
 - ii. increased the Administration Charge to \$400,000 to secure payment of the fees and disbursements of the Petitioners’ legal counsel, the Monitor, and the Monitor’s legal counsel;
 - iii. increased the Directors’ Charge to \$1,000,000 as security for claims that may be brought against the Petitioners’ directors and officers;
 - iv. created an Intercompany Charge as security for any payment or obligation incurred between any Petitioner;
 - v. elevated the priority of the Administration Charge and the Directors’ Charge in respect of the secured creditors who did not receive notice of the initial

order hearing, but who were provided notice of the July 27, 2023 application; and

vi. added Townhall Holdings (South Surrey) Ltd., Townhall Holdings (Coquitlam) Ltd., and Micky's Investments (Coquitlam) Ltd. (together, the **"Additional Petitioners"**) as Petitioners to this proceeding.

b) a Claims Process Order approving a claims process (the **"Claims Process"**) to identify and quantify creditors' claims against the Petitioners.

4. On August 30, 2023, this Honourable Court issued an Interim Financing Order which, among other things:

a) authorized the Petitioners to obtain and borrow under a credit facility (the **"Interim Financing Credit Agreement"**) from Canadian Western Bank (**"CWB"** or, the **"Interim Lender"**), provided that borrowings under such credit facility do not exceed \$500,000;

b) granted a charge (the **"Interim Financing Charge"**) to a maximum amount of \$500,000 plus interest and applicable fees, costs and other amounts payable under the Interim Financing Credit Agreement;

c) amended the ARIO such that the maximum amount of the Administration Charge is limited to \$250,000;

d) clarified the priority of the charges granted under the ARIO and Interim Financing Order as follows:

i. First: Administration Charge (to a maximum amount of \$250,000);

- ii. Second: Interim Financing Charge (to a maximum amount of \$500,000 plus interest and all applicable fees, costs and other amounts payable under the Interim Financing Credit Agreement);
 - iii. Third: Intercompany Charge; and
 - iv. Fourth: Directors' Charge (to a maximum amount of \$1,000,000).
- 5. On December 14, 2023, the Court pronounced a number of Orders in the CCAA proceedings, including a "**Creditors' Meeting Order**" which established a procedure for convening a meeting of creditors of the Companies (the "**Meeting**") for the purpose of voting on a Plan of Compromise and Arrangement filed on behalf of the Companies (the "**Plan**"). The Meeting was originally scheduled for February 29, 2024, but was postponed on two (2) occasions including most recently to April 29, 2024.
- 6. On March 8, 2024, this Honourable Court approved the sale of the "**Roosters Building**" is a strata property in Pitt Meadows, British Columbia with a civic address of 19040 Lougheed Highway, Pitt Meadows, British Columbia. The sale of the Roosters Building closed on April 12, 2024. After payment of conveyancing fees, commission, and property taxes, \$2,927,924.57 (the "**Sale Proceeds**") was transferred to the Monitor's trust account, to be held pending a distribution order.
- 7. The Monitor previously advised this Honourable Court that the Petitioners made proposals to each of their key stakeholders. The Petitioners focused on Canadian Western Bank ("**CWB**") and the Canada Revenue Agency ("**CRA**") as the entities who have filed the two most significant claims. The Petitioners have not been able to come to terms with these key stakeholders; and accordingly on April 26, 2024, the Monitor notified Affected Creditors in accordance with the Meeting Order that pursuant to paragraph 27 of the Meeting Order, the Chair (being the Monitor) postponed the Meeting indefinitely.

8. The Stay of Proceedings has been extended from time to time in the within proceedings and the current Stay Period expires May 8, 2024.
9. On April 26, 2024, the Petitioners filed a Notice of Application (the “**April 26 Notice of Application**”) returnable May 1, 2024, seeking an order(s) for a brief extension of the Stay Period from May 8, 2024 to May 27, 2024 (the “**Stay Extension Order**”) in order to finalize consultation with key stakeholders regarding next steps, which the Monitor expects will involve a Sales Process and a more active role for key secured creditors.

PURPOSE OF THIS REPORT

10. The purpose of this Fourth Report is to provide this Honourable Court with:
 - a) condensed background information with respect to the Petitioners;
 - b) the Petitioners’ statement of projected cash flow (the “**Seventh Cash Flow Forecast**”) for the period from April 29, 2024 to May 6, 2024 (the “**Seventh Cash Flow Period**”). The Fourth Cash Flow Forecast, together with its underlying assumptions, is attached hereto as **Appendix “A”**; and
 - c) the Monitor’s recommendations.
11. EYI is filing this report (the “**Seventh Report**”) in its capacity as court-appointed Monitor of the Petitioners. Court materials filed in these proceedings, including the materials filed by the Petitioners in support of the ARIO, are available at the website established by the Monitor in respect of these proceedings at: www.ey.com/ca/JRG (the “**Monitor’s Website**”).
12. This report should be read in connection with the materials filed with this Honourable Court in connection with the April 26 Notice of Application, including Moreno #3.

13. Capitalized terms not otherwise defined in this Seventh Report have the meanings given to them in the Initial Order, the ARIO, the First Report, the Second Report, the Third Report, Fourth Report, the Fifth Report, the Sixth Report, and the various materials filed by the Petitioners in support of the April 26 Notice of Application.
14. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars.

TERMS OF REFERENCE

15. In preparing this Seventh Report and making the comments herein, the Monitor has been provided with, and has herein relied upon, unaudited financial information, books, records and financial information prepared by the Petitioners, discussions with management of the Petitioners, and information from other third-party sources (collectively, the “**Information**”).
16. Except as described in this Seventh Report, the Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian auditing standards pursuant to the Chartered Professional Accountants of Canada Handbook.
17. Future oriented financial information referred to in this Seventh Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not readily and currently ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be material.
18. Unless otherwise indicated, the Monitor’s understanding of factual matters expressed in this Seventh Report concerning the Petitioners and their business is based on the Information, and not independent factual determinations made by the Monitor.

19. For the purposes of this report, “**Management**” means Mr. André Bourque (“**Mr. Bourque**”) and Mr. Ryan Moreno (“**Mr. Moreno**”), both founders of JRG, as well as Mr. Alfred Zagloul (the current Chief Financial Officer “**CFO**”) and Mr. George Tachejian (“**Mr. Tachejian**”) (Vice President).

CONDENSED BACKGROUND INFORMATION

20. The Petitioners operate a series of restaurants, pubs, liquor stores, events and hospitality businesses, and wineries in the Lower Mainland region of British Columbia. They are collectively known as the “**Joseph Richard Group**”, which was founded by Mr. Bourque and Mr. Moreno in 2009. JRG is known throughout the lower mainland for their style of upscale-casual pub restaurants.
21. In particular, the First Bourque Affidavit describes that the Petitioners operate 22 establishments and ventures (the “**Hospitality Entities**”), which are primarily held in companies owned in whole or part by Joseph Richard Investments Ltd. (“**JRIL**”) and Joseph Richard Hospitality Group Ltd. (“**Hospitality**”).
22. The First Report of the Monitor describes that the Petitioners have two (2) primary “**Secured Creditors**” as follows:
- a) Canadian Western Bank (“**CWB**”) who, according to the Proof of Claim filed by CWB, was owed approximately \$36.2 million under three separate facilities advanced to the Petitioners; and
 - b) Bank of Montreal (“**BMO**”) who, according to the Proof of Claim filed by CWB, was owed approximately \$2.3 million by Petitioners.
23. The Petitioners’ assets including the following holding companies, entities and enterprises that possess real property or are currently in operation:

Enterprise	PPR Registrations by	
	CWB	BMO
JRG Cloverdale Holdings Ltd. (“ JRGCVL ”), which owns a building located at 5708 176 th Street in Surrey (the “ Clover Building ”) that houses the current head office of the JRG as well as the Henry (see below).	X	
1164312 B.C. Ltd. (“ 116 ”) which owned a strata development (the “ Roosters Building ”) in Pitt Meadows The Roosters Building has since been sold.	X	
JRG Cloverdale Ventures Ltd., which operates the Henry, a bar in Surrey located in the Clover Building.	X	
S & L Kitchen & Bar Holdings Abbotsford Ltd., which operates S+L Kitchen & Bar Abbotsford, in a leased facility in Abbotsford, British Columbia.	X	
S & L Kitchen & Bar Holdings Langley Ltd., which operates S+L Kitchen & Bar Langley, in a leased facility in Langley, British Columbia.	X	
S & L Kitchen & Bar Holdings South Surrey Ltd. , which operates S+L Kitchen & Bar South Surrey, in a leased facility in Surrey.	X	
Livelyhood Public House Ltd., which operated Livelyhood, a pub restaurant in a leased facility Port Moody. This entity has since ceased operations in CCAA.	X	
Oak & Thorne Public House Ltd. which operates Oak & Thorne, a bar in a leased facility Langley.	X	
Whiskey Charlie Holdings Ltd., which operates Whiskey Charlie, a café in a leased facility at the Pitt Meadows Airport in Pitt Meadows.	X	
The Italian Osteria and Cheese Bar Ltd., which operates The Italian Osteria & Cheesebar, a restaurant in a leased Langley.	X	
Steveston Hospitality Services Ltd., which operates the following ventures under a management agreement: <ul style="list-style-type: none"> • the Steveston Café and Hotel, a hotel in Richmond, British Columbia • the Steveston Hotel Liquor Store, a liquor store in Richmond • the Buck & Ear, a bar in Richmond. 	X	
Townhall Holdings (Abbotsford) Ltd., which operates Townhall Abbotsford, a pub restaurant in a leased facility Abbotsford.	X	
Townhall Holdings (Chilliwack) Ltd., which operates Townhall Chilliwack, a pub restaurant in a leased facility in Chilliwack.	X	
Townhall Holdings (Maple Ridge) Ltd., which operates Townhall Maple Ridge, a pub restaurant in a leased Maple Ridge.	X	

Townhall Holdings Ltd., which operates Townhall Langley in a leased facility in Langley.	X	
JRG Glass House Estates Winery Ltd., which operates a winery in a leased facility in Langley.		X ¹
JRG Queens LRS Ventures Ltd., which operates a liquor store in a leased facility New Westminster.		X
Blank Canvas Catering Ltd., which operates Blank Canvas Catering, a private dining and catering company in the Lower Mainland.		X
JRG Ledgeview Holdings Ltd., which operates under a management agreement Tavern on the Green, a pub restaurant, and Hillside Event Space, a private event space, both at the Ledgeview golf course in Abbotsford.		X
JRG Clover Station LRS Ltd., which operates a liquor store in a leased facility Surrey.		

24. As is noted above, one of the Petitioners is JRG Clover Station LRS Ltd. (the “**Clover Station Liquor Store**”), which operates a liquor store in a leased facility Surrey. Neither BMO nor CWB have registered in the BC PPR against the Clover Station Liquor Store. The Province of British Columbia (the “**Province**”) registered a security interest in the Personal Property Registry of the Clover Station Liquor Store on June 22, 2023.
25. Whiskey Charlie Holdings Ltd. (“**Whiskey Charlie**”) also does not have against it a registration in the BC PPR by BMO or CWB, and has no other registered secured creditors. Whiskey Charlie operates a café out of the Pitt Meadows airport, on leased premises. Whiskey Charlie’s assets consist of minimal equipment. All proofs of claim filed against Whiskey Charlie Holdings Ltd. are for less than \$2,000.
26. There are also two Petitioners without ongoing operations in respect of which BMO or CWB has not filed registrations in the BC PPR – Oceanside Yacht Club and Public House Ltd. and

¹ BMO’s original PPR registration dated July 26, 2021 was in the name of "JRG Glass House Estate Winery Ltd." On August 15, 2023, during the stay period, a provincial Crown charge was filed pursuant to the provincial *Sales Tax Act* in the PPR against "JRG Glass House Estates Winery Ltd." On February 13, 2024, during the stay period, BMO amended its PPR registration to name "JRG Glass House Estates Winery Ltd." as the debtor.

Townhall Holdings (Coquitlam) Ltd. These entities hold no assets and have no realizable value.

27. Additional background information on JRG and the CCAA Proceedings is available on the Monitor's Website.

CANADA REVENUE AGENCY ARREARS

28. The Sixth Report of the Monitor noted material declines in the Petitioners revenue compared to forecast. These negative revenue trends continue to persist which has caused the Petitioners to fall behind in their post-filing obligations the Canada Revenue Agency (the "CRA"). The Monitor is of the view that the revenue declines are reflective of the state of the economy which is consistent with other operators.
29. Based on recent correspondence with the CRA, the Monitor estimates that the post-filing arrears owing to CRA at April 26, 2024, amount to approximately \$90,000 to \$205,000, depending on the application of source deduction payments to pre-filing and post-filing periods, plus interest and penalties which the CRA calculates as \$77,565.38, but may vary with respect to application of pre-filing and post-filing periods.
30. For example, it appears that payments \$124,000 of payments made post filing were applied to pre-filing pay periods. It also appears that there are unreconciled differences respecting filed employee T4 statements related to 2023 that are included in the post-filing amounts that have been calculated by the CRA that may be attributable to the pre-filing period.
31. The CRA's notes also indicate that a trust exam is in progress, to confirm the total post CCAA arrears. The amounts are owing against approximately 15 accounts and may require a fulsome analysis.

- 32. Management further estimates that approximately \$250,000 is owing in relation to the petitioners' unpaid post-filing Provincial Sales Taxes ("**PST**") as of April 26, 2024.
- 33. The Petitioners intended to pay all CRA and PST obligations in the normal course but, a) persistent inflation and high interest rates have continue to materially impact the Petitioners more than they anticipated, b) the Petitioners have no immediate source of financing to address these shortfalls, and c) it became apparent in late March / early April that advancing the CCAA plan was not feasible and some form of Sales Process would be undertaken.

PROFESSIONAL FEE ARREARS

- 34. In addition to the CRA and PST arrears, the Petitioners are behind on payments to the restructuring professionals, as follows:

	Total Billings*	WIP	Paid to date	Retainer	Net
Farris - Petitioners' Counsel	498,325	30,500	185,000	75,000	268,825
EY - Court Appointed Monitor	155,000	30,000	-	-	185,000
Bennett Jones - Monitor's Counsel	163,318	27,214	-	-	190,532
	816,643	87,714	185,000	75,000	644,357

* Includes GST and PST, as applicable, and disbursements

- 35. The amount currently owing to professionals is in excess of the current Administration Charge of \$250,000. The Monitor and Petitioners' counsel have provided imbedded discounts and did not take payments in recent months that were offered by the Petitioners given the factors described above.
- 36. The Petitioners were holding approximately \$300,000 in cash as of the end of business April 29, 2024. There are significant daily fluctuations in cash balances.

THE SEVENTH REPORT CASH FLOW FORECAST

37. Management, with the assistance of the Monitor, has prepared the Seventh Report Cash Flow Forecast for the period of April 29, 2024 to May 26, 2024 (the “**Forecast Period**”). A copy of the Fifth Cash Flow Forecast is attached hereto as **Appendix “B”** and is summarized below:

	Total
Opening Balance	110,000
Receipts	
Restaurants and operations	2,400,000
Sales Taxes	240,000
Other receipts	40,000
Total Receipts	2,680,000
Operating Disbursements	
Cost of Goods Sold - Restaurants and operations	(720,000)
Labour	(944,000)
G&A	(500,000)
Rent	(250,000)
Contingency	(40,000)
Total Operating Disbursements	(2,454,000)
Restructuring Disbursements	
Professional Fees	-
Total Restructuring Disbursements	-
Financing Receipts / (Disbursements)	
DIP Facility - principal draw / (repayment)	-
Total Financing Receipts / (Disbursements)	-
Net Cash Flow	226,000
Closing Cash Balance	336,000

38. Based on the Monitor’s view of the Seventh Report Cash Flow Forecast and the assumptions set out in the notes thereto, nothing has come to its attention that causes it to believe that, in all material respects:
- a) the probable and hypothetical assumptions set forth therein are not consistent with the purposes of the Seventh Report Cash Flow Forecast;

- b) as at the date of this Seventh Monitor's Report, the probable and hypothetical assumptions developed by Management are not suitably supported and consistent with the plans of the Petitioners or do not provide a reasonable basis for the Seventh Report Cash Flow Forecast; and
 - c) the Seventh Report Cash Flow Forecast does not reflect the probable and hypothetical assumptions.
39. As described in the Terms of Reference section above, since the Seventh Report Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the probable and hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Seventh Report Cash Flow Forecast will be achieved.
40. The Seventh Report Cash Flow Forecast has been prepared solely for the purposes described above and readers are cautioned that it may not be appropriate for other purposes.

STAY EXTENSION

41. The Stay is currently set to expire May 8, 2024. The Stay Extension is sought in order to allow the Petitioners to advance their restructuring, and, in particular, to allow discussions with major stakeholders to continue to allow for a restructuring of the Petitioners.
42. Despite their best and good-faith efforts, the Petitioners have not been able to negotiate meaningful compromises with CWB and the CRA. Consequently, a going concern sale or sales process appear to be the only paths forward for the Petitioners, particularly given the economic environment and recent operating performance. The Monitor understands that, at the request of CWB, the Petitioners expect to bring an application as early as possible, and subject to this Honourable Court's availability, for, amongst other things, an Order which

replaces EY as Monitor and concurrently grants the replacement Monitor with enhanced powers to market and sell the Petitioners' assets.

43. The Monitor understands that the Petitioners and CWB are finalizing the details with respect to this application, but the Monitor concurs this approach is less costly path forward for the Petitioners than the current status quo, properly reflects a transition from a restructuring to a marketing process, and a quick stay extension is necessary to formalize and implement a going concern procedure to preserve approximately 650 jobs.
44. The Monitor also understands the Petitioners have been working diligently to find investors for the business. The Petitioners have received one letters of intent (“**LOI**”) that will be reviewed with stakeholders during the short extension period; and the Petitioners expect to receive another LOI in the near term. The Monitor has reviewed the LOI received and notes that it is from a credible party, and the conditions are customary.
45. The Monitor has considered the onus on the Petitioners to demonstrate that the Stay Extension is appropriate, having regard to:
 - a) the circumstances that may justify granting the Stay Extension; and
 - b) whether the Petitioners have acted, and are acting, in good faith and with due diligence to advance its restructuring.
46. In the Monitor’s view: (a) the Stay Extension is appropriate and is indeed necessary to allow the Petitioners’ restructuring to continue as proposed, and to maintain their enterprise value meanwhile; and (b) the Petitioners have acted and continue to act and operate in good faith and with due diligence to advance their restructuring since the date of the Initial Order.

CONCLUSION AND RECOMMENDATIONS

47. For the reasons stated herein, the Monitor supports the relief sought by the Petitioners at the and recommends that this Honourable Court grant the relief sought.

All of which is respectfully submitted this 30th day of April, 2024.

ERNST & YOUNG INC.

in its capacity as Monitor
of Joseph Richard Hospitality Group
and those Petitioners listed in Appendix "A"
and not in its personal or corporate capacity

Per:

A handwritten signature in black ink, appearing to be 'M Bell', written over a light blue horizontal line.

Michael Bell, CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX "A"

Schedule "A"
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.
Lowercase Capital Consulting 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.

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 "B"

In the matter of the CCAA Proceedings of Joseph Richard Group					
Third Cash Flow Forecast					
For the Period to May 26, 2024 (the "Revised Forecast Period")					
\$CAD					
	05-May-24	12-May-24	19-May-24	26-May-24	Total
Opening Balance	110,000	246,000	101,000	356,000	110,000
Receipts					
Restaurants and operations 1	600,000	600,000	600,000	600,000	2,400,000
Sales Taxes	60,000	60,000	60,000	60,000	240,000
Other receipts 2	10,000	10,000	10,000	10,000	40,000
Total Receipts	670,000	670,000	670,000	670,000	2,680,000
Operating Disbursements					
Cost of Goods Sold - Restaurants and operations 3	(180,000)	(180,000)	(180,000)	(180,000)	(720,000)
Labour 4	(94,000)	(375,000)	(100,000)	(375,000)	(944,000)
G&A 5	(125,000)	(125,000)	(125,000)	(125,000)	(500,000)
Rent 6	(125,000)	(125,000)	-	-	(250,000)
Contingency 7	(10,000)	(10,000)	(10,000)	(10,000)	(40,000)
Total Operating Disbursements	(534,000)	(815,000)	(415,000)	(690,000)	(2,454,000)
Restructuring Disbursements					
Professional Fees 8	-	-	-	-	-
Total Restructuring Disbursements	-	-	-	-	-
Financing Receipts / (Disbursements)					
DIP Facility - principal draw / (repayment) 9	-	-	-	-	-
Total Financing Receipts / (Disbursements)	-	-	-	-	-
Net Cash Flow	136,000	(145,000)	255,000	(20,000)	226,000
Closing Cash Balance	246,000	101,000	356,000	336,000	336,000

Notes:

- 1 JRG is forecasting revenues consistent with recent periods.
- 2 Miscellaneous receipts and supplier rebates.
- 3 Cost of Goods Sold calculated as 29% of revenues.
- 3 Labour consists of all Joseph Richard Group salaries and wages, as well as source deductions relating to the April 22 pay period
- 4 G&A consists of administrative and operational costs.
- 5 Rent consists of operating location rent and lease payments.
- 6 The Cash Flow Forecast incorporates a contingency in the amount of \$10K per week.
- 8 The Company is not forecasting to pay professional fees over this period.