



Grant Thornton

An instinct for growth™

ALL CREDITORS

19 August 2019

Dear Sir/Madam

**The Ralan Group Pty. Ltd. & Associated Entities (Administrators Appointed)
(Collectively “the Group” refer to Schedule 1)**

I refer to the appointment of Phillip Campbell-Wilson, Graham Killer and I as Joint and Several Administrators of the Group on 30 July 2019.

Proposed extension to the convening period

Pursuant to Section 439A of the Corporation Act 2001 (“the Act”), we are required to convene the second meeting of the creditors of the Companies (“Second Meeting”) by 4 September 2019.

As foreshadowed at the first meeting of creditors, we will shortly be applying to the Federal Court of Australia for an Order extending the period to convene the Second Meeting, pursuant to Section 439A(6) of the Act, up to 4 December 2019.

The basis for seeking the extension of the convening period is as follows:

1. Due to the size and complexity of the Group, an extension of the convening period will allow sufficient time for us to further investigate the business, property, affairs and financial circumstances of the Group;
2. It will allow the Voluntary Administrators further time to investigate possible recovery actions and claims available to the Group, in particular in light of treatment and release of deposits paid by purchasers; and
3. It will also allow further time to facilitate the sale of any of the entities within the Group or the associated assets, or, alternatively, a recapitalisation (including by way of deed of company arrangement). It is the Voluntary Administrators’ view, based upon experience and preliminary discussions with interested parties, that not only is a longer expressions of interest campaign necessary, but the sale of assets whilst the Group are in administration could avoid any destruction to the value of those assets should the Group be placed into liquidation prematurely.

As at the date of this letter, the Court intends to hear the application on Wednesday, 21 August 2019. Further details concerning the Court application will be made available to you on the Grant Thornton Australia website: <https://www.grantthornton.com.au/en/creditors-information/creditors-information-n-t/the-ralan-group-pty-ltd/>

ABN-41 127 556 389 ACN-127 556 389

Grant Thornton Australia Ltd ABN 41 127 556 389 ACN 127 556 389 ‘Grant Thornton’ refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another’s acts or omissions. In the Australian context only, the use of the term ‘Grant Thornton’ may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

**Grant Thornton Australia
Limited**
Level 17
383 Kent Street
Sydney NSW 2000
T +61 2 8297 2400

www.grantthornton.com.au

Updated Declaration of Independence and Relevant Indemnities ("DIRRI")

We enclose a copy of our updated DIRRI dated 7 August 2019.

If you require any information concerning the Court application, or if you have an objection to the extension of the convening period being sought, please contact this office as soon as possible and prior to 9am on 21 August 2019 in any event.

Should you have any queries in relation to the above, please contact ralan@au.gt.com.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Said Jahani', written over a horizontal line.

Said Jahani
Joint and Several Administrator
Encl.

Schedule 1 - The Ralan Group Pty Ltd Associated Entities

Name	ACN
Garryspillane Pty Ltd	617 899 671
Menuefast Pty Limited	120 005 996
Ralan (Culworth) Pty Ltd	132 108 322
Ralan 888 Pty Ltd	151 868 432
Ralan Arncliffe Pty Ltd	159 766 757
Ralan Beaconsfield Pty Ltd	162 589 620
Ralan Boundary Street Pty Ltd	165 480 240
Ralan Budds Beach Holdings Pty Ltd	604 082 297
Ralan Budds Beach No.1 Pty Ltd	604 085 663
Ralan Budds Beach No.2 Pty Ltd	604 083 374
Ralan Budds Beach No.3 Pty Ltd	604 083 570
Ralan Burwood Pty Limited	133 423 515
Ralan Capital Investment Pty Ltd	603 501 444
Ralan Cecil Street Pty Ltd	165 117 251
Ralan Cherry Street Pty Ltd	139 868 107
Ralan Constructions Pty Ltd	168 014 042
Ralan Corona Pty Ltd	142 364 618
Ralan Culworth No.2 Pty. Limited	145 045 772
Ralan Developments No.2 Pty Ltd	160 017 998
Ralan Developments Pty. Limited	100 473 818
Ralan Duff Street Pty Ltd	142 777 839
Ralan Dumaresq No.2 Pty Ltd	156 522 628
Ralan Dumaresq Pty Ltd	139 594 095
Ralan Eulbertie Pty Ltd	137 137 190
Ralan Gordon Pty Ltd	146 125 322
Ralan Holdings Pty Limited	145 689 809
Ralan Killara Pty Ltd	147 567 931
Ralan Lamond Pty Ltd	166 904 589
Ralan Marian Pty Ltd	138 455 357
Ralan Mascot Pty. Limited	150 148 842
Ralan McIntyre Pty Ltd	138 228 761
Ralan Merriwa Pty Ltd	138 241 531
Ralan Mortgage Corporation Pty. Limited	092 259 713
Ralan Nominees Pty Limited	100 486 191
Ralan Ocean Avenue Holdings Pty Ltd	607 291 896
Ralan Ocean Avenue No.1 Pty Ltd	607 292 535
Ralan Ocean Avenue No.2 Pty Ltd	607 292 759
Ralan Ocean Avenue No.3 Pty Ltd	607 292 928
Ralan Paradise No.1 Pty Ltd	602 658 211
Ralan Paradise Holdings Pty Ltd	602 655 649
Ralan Paradise No.2 Pty Ltd	602 658 793
Ralan Paradise No.3 Pty Ltd	602 659 138
Ralan Paradise No.4 Pty Ltd	602 659 441
Ralan Paradise Resort Pty Ltd	602 658 346
Ralan Property Care Pty Ltd	135 835 595
Ralan Property Services Pty. Limited	087 265 834
Ralan Property Services QLD Pty Ltd	603 015 096
Ralan Pymble Pty Ltd	140 987 382
Ralan Rhodes Pty Ltd	152 092 361
Ralan Rosebery Pty Ltd	164 210 100
Ralan Ruby No.2 Pty Ltd	161 317 460
Ralan Ruby Pty Limited	145 768 912
Ralan St Leonards Pty Ltd	147 661 345
Ralan Warrangi Pty Ltd	146 605 503
Ruby Apartments Pty Ltd	624 312 812
Ruby Collection Management Pty Ltd	624 312 947
Ruby GC Holdings Pty Ltd	624 311 520
The Ralan Group Pty. Ltd.	083 103 226

Declaration of Independence, Relevant Relationships and Indemnities

The Ralan Group Pty. Ltd. & Associated Entities (Administrators Appointed)

(Collectively “The Group” refer to Schedule 1)

Practitioner/s appointed to an insolvent entity are required to make declarations as to:

- A. their independence generally;
- B. relationships, including
 - i the circumstances of the appointment;
 - ii any relationships with the company and others within the previous 24 months;
 - iii any prior professional services for the company within the previous 24 months;
 - iv that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of ourselves, my partners, Grant Thornton Australia Limited (“GTAL” or “Grant Thornton”) and any of GTAL’s associated entities.

A Independence

We, Said Jahani, Philip Campbell-Wilson and Graham Killer of Grant Thornton Australia Limited have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Administrators of the Group in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

B Declaration of Relationships

i Circumstances of appointment

This appointment was referred to us by Deloitte Touche Tohmatsu Limited (“Deloitte”) (“the Referrer”). The Group are a tax client of Deloitte and sought initial advice from Deloitte prior to our involvement. We believe that this referral does not result in a conflict of interest or duty because:

- There is no commercial relationship, arrangement or connection with the Referrer that would challenge our objectivity;
- The Referrer has the discretion to refer potential insolvency appointments to any insolvency practitioner(s) of its choosing. There is no expectation, agreement or understanding that the Referrer will refer any potential insolvency appointments to GTAL going forward. The Referral of potential insolvency appointments going forward are not contingent on the outcome of this appointment;
- Our relationship with the Referrer will not influence our ability to comply with our statutory and fiduciary obligations associated with this appointment;
- No fee has or will be paid for this referral;
- Requests for consent to act as an external administrator from advisors are common practice and do not impact on our independence in carrying out our duties as Administrators; and

- Any work previously carried out in respect of other matters referred by the Referrer does not have any bearing on this Administration and will not impact on compliance with our statutory and fiduciary duties.

Prior to our appointment, we had the following meetings and telephone discussion with the Group's advisor and its director:

- On 26 July 2019, Said Jahani received a telephone call from the Referrer to discuss a potential insolvency appointment;
- On 27 July 2019, Said Jahani and his staff attended a meeting with the Referrer to discuss the background and financial position of the Group; and
- On 29 July 2019, Said Jahani and his staff attended a meeting with the Referrer and a director of the Group, William O'Dwyer, to further discuss the background and financial position of the Group and the implications of the formal insolvency process.

We received no remuneration for this advice.

In our opinion, the aforementioned meetings and telephone conversation do not result in a conflict of interest or duty, or affect our independence for the following reasons:

- ARITA's Code of Professional Practice specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider such advice results in a conflict or is an impediment to accepting the appointment;
- Advice was only provided to the Group in respect of the formal insolvency process. No personal advice was provided to the board, the directors or other stakeholders; and
- The pre-appointment advice will not influence our ability to be able to fully comply with statutory and fiduciary obligations associated with the Administration or the Group in an objective and impartial manner.

We have provided no other information or advice to the Group, the directors and its advisors prior to our appointment beyond that outlined in this DIRRI.

ii Relevant Relationships (excluding Professional Services to the Insolvent)

We, or a member of our firm, have, or have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons
Australian Taxation Office ("ATO")	<p>The ATO may be a creditor of the Group.</p> <p>The Administrators have worked with the ATO over the past 24 months on a number of engagements which are unrelated to the current appointment.</p>	<p>We believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> • Relationships with the ATO are common and do not impact our independence in carrying out our duties as Administrators; and • Prior engagements with the ATO are not related to the Group and as such do not impact our independence.
National Australia Bank ("NAB")	<p>NAB holds security interest over certain assets of the Group.</p> <p>As with a number of professional service firms, Grant Thornton have worked with NAB over the past 24 months on a number of</p>	<p>We believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> • Relationships with banks are common and do not impact our independence in carrying out our duties as Administrators; and

	engagements which are unrelated to the current appointment.	<ul style="list-style-type: none"> Prior engagements with NAB are not related to the Group and as such do not impact our independence.
St. George Bank	<p>St. George Bank holds security over certain assets of the Group.</p> <p>As with a number of professional service firms, Grant Thornton have worked with St. George Bank over the past 24 months on a number of engagements which are unrelated to the current appointment.</p>	<p>We believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> Relationships with banks are common and do not impact our independence in carrying out our duties as Administrators; and Prior engagements with St. George Bank are not related to the Group and as such do not impact our independence.
Balmain NB Commercial Mortgages Ltd ("Balmain")	<p>Balmain holds security over certain assets of the Group.</p> <p>As with a number of professional service firms, Grant Thornton have worked with Balmain, but not in the past 24 months.</p>	<p>We believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> Relationships with financiers are common and do not impact our independence in carrying out our duties as Administrators; and Prior engagements with Balmain have been limited and certainly not within the past 24 months.
Wingate Group Holdings Pty Ltd ("Wingate")	<p>Wingate holds security over certain assets of the Group.</p> <p>As with a number of professional service firms, Grant Thornton have worked with Wingate, but not in the past 24 months.</p>	<p>We believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> Relationships with financiers are common and do not impact our independence in carrying out our duties as Administrators; and Prior engagements with Wingate have been limited and certainly not within the past 24 months.

iii Concurrent Appointments to related parties

Nature of Professional Service	Reasons
We were concurrently appointed Voluntary Administrators of the Group, being The Ralan Group Pty. Limited and its Associated entities	<p>We believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> The nature of the Group's business operations and how it was run by the director means that the Voluntary Administrations can be conducted more efficiently by one appointee firm. Following discussions with the director of the Group, we have not identified any conflicts of interest caused from real dispute as to the facts, or as to the validity of transactions between the Group.



Grant Thornton

An instinct for growth™

	<ul style="list-style-type: none"> • We are not aware of any conflicts of interests between companies in the Group. Should a conflict arise, we will keep creditors informed and take appropriate action to resolve the conflict. • The appointment of us as Voluntary Administrators of the Group will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the Voluntary Administration of the Group in an object and impartial manner.
--	---

iv Prior Professional services to the Insolvent

Neither we, nor our firm, have provided any professional services to the Group in the previous 24 months.

v No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Group, an associate of the Group, a former insolvency practitioner appointed to the Group or any person or entity that has security over the whole or substantially whole of the Group's property that should be disclosed.

C Indemnities and up-front payments

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute and we have not received any up-front payments in respect of our remuneration or disbursements.

Dated this 7th day of August 2019

Said Jahani

Philip Campbell-Wilson

Graham Killer

Note:

1. If circumstances change, or new information is identified, we are required under the Corporations Act 2001 and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.

2. Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.

Schedule 1 - The Ralan Group Pty Ltd Associated Entities

Name	ACN
Garryspillane Pty Ltd	617 899 671
Menuefast Pty Limited	120 005 996
Ralan (Culworth) Pty Ltd	132 108 322
Ralan 888 Pty Ltd	151 868 432
Ralan Arncliffe Pty Ltd	159 766 757
Ralan Beaconsfield Pty Ltd	162 589 620
Ralan Boundary Street Pty Ltd	165 480 240
Ralan Budds Beach Holdings Pty Ltd	604 082 297
Ralan Budds Beach No.1 Pty Ltd	604 085 663
Ralan Budds Beach No.2 Pty Ltd	604 083 374
Ralan Budds Beach No.3 Pty Ltd	604 083 570
Ralan Burwood Pty Limited	133 423 515
Ralan Capital Investment Pty Ltd	603 501 444
Ralan Cecil Street Pty Ltd	165 117 251
Ralan Cherry Street Pty Ltd	139 868 107
Ralan Constructions Pty Ltd	168 014 042
Ralan Corona Pty Ltd	142 364 618
Ralan Culworth No.2 Pty. Limited	145 045 772
Ralan Developments No.2 Pty Ltd	160 017 998
Ralan Developments Pty. Limited	100 473 818
Ralan Duff Street Pty Ltd	142 777 839
Ralan Dumaresq No.2 Pty Ltd	156 522 628
Ralan Dumaresq Pty Ltd	139 594 095
Ralan Eulbertie Pty Ltd	137 137 190
Ralan Gordon Pty Ltd	146 125 322
Ralan Holdings Pty Limited	145 689 809
Ralan Killara Pty Ltd	147 567 931
Ralan Lamond Pty Ltd	166 904 589
Ralan Marian Pty Ltd	138 455 357
Ralan Mascot Pty. Limited	150 148 842
Ralan McIntyre Pty Ltd	138 228 761
Ralan Merriwa Pty Ltd	138 241 531
Ralan Mortgage Corporation Pty. Limited	092 259 713
Ralan Nominees Pty Limited	100 486 191
Ralan Ocean Avenue Holdings Pty Ltd	607 291 896
Ralan Ocean Avenue No.1 Pty Ltd	607 292 535
Ralan Ocean Avenue No.2 Pty Ltd	607 292 759
Ralan Ocean Avenue No.3 Pty Ltd	607 292 928
Ralan Paradise No.1 Pty Ltd	602 658 211
Ralan Paradise Holdings Pty Ltd	602 655 649
Ralan Paradise No.2 Pty Ltd	602 658 793
Ralan Paradise No.3 Pty Ltd	602 659 138
Ralan Paradise No.4 Pty Ltd	602 659 441
Ralan Paradise Resort Pty Ltd	602 658 346
Ralan Property Care Pty Ltd	135 835 595
Ralan Property Services Pty. Limited	087 265 834
Ralan Property Services QLD Pty Ltd	603 015 096
Ralan Pymble Pty Ltd	140 987 382
Ralan Rhodes Pty Ltd	152 092 361
Ralan Rosebery Pty Ltd	164 210 100
Ralan Ruby No.2 Pty Ltd	161 317 460
Ralan Ruby Pty Limited	145 768 912
Ralan St Leonards Pty Ltd	147 661 345
Ralan Warrangi Pty Ltd	146 605 503
Ruby Apartments Pty Ltd	624 312 812
Ruby Collection Management Pty Ltd	624 312 947
Ruby GC Holdings Pty Ltd	624 311 520
The Ralan Group Pty. Ltd.	083 103 226