

Full response from A1 Granny Flats:

1. Why are so many A1 granny flats being delayed?

It is common knowledge of all the challenges faced by the construction industry due to Covid as well the impact of shortages in resources and delays in supplies. A1 Granny flats had similar challenges. However, the team actively worked with clients to ensure that the projects could be completed within reasonable time. We have a good share of projects which we have managed to complete in the last 12 months where the clients closely worked with us to resolve any issues and ensure the progress occurred across the agreed timelines.

To summarise the reasons for the delays in some of the projects

- 1) Supply chain issues: Delay from suppliers pushing back projects
- 2) Delay from Subcontractors: Unfortunately, there were delay from some of our loyal subcontractors, and we had to support them and work around their challenges.
- 3) Non-payment from clients on payment Milestones. We cannot pay our suppliers and contractors on time if our clients miss their deadlines. We took a management decision to stop work on clients who were not paying as per contract terms. Unfortunately, these were most of the clients who have approached your channel.
- 4) Quality issues from sub-contractors: We had certain quality issues from our sub contractors, and we had to ensure that the work was done as per our standards and in effect more delays on our projects. We wanted to ensure we provide best standards /quality for the granny flats we build.

2. How many granny flats are still unfinished?

A1 Granny Flats are working within the open Job limits approved by HBCF insurance. The number of unfinished jobs are compliant with the open job limit approved for us by ICARE

As you aware HBCF Insurance provides eligible builders with approved Open job limits (i.e. open job number and value). A1 Granny Flats has at all times adhered to the eligibility condition of HBCF insurance.

Our unfinished jobs at present are within the approved open job limits which sets out the maximum permitted number and total contract price of projects that we can undertake at any one time.

Each Certificate of Insurance issued reduces your available open job limits. The limits are replenished on notification of completion of a project.

For privacy reasons, A1 Granny Flats cannot confirm or comment on the number of projects currently contracted, however we are compliant with the HBCF Insurances dictated eligibility profile conditions.

We have always been transparent and recently provided achievable handover dates to each of our customers and are committed in our endeavours to handover our projects not just on time but to a quality our customers are truly satisfied with.

Queries regarding Owners

- Prior to commenting on this matter, we would like to have a copy of the complete transcript regarding the engagement of the aforementioned owners in this this matter.
- We note that the matters claimed appear far from accurate and there has been no mention of the engagement with A1 Granny Flats regarding on site issues, and consequent resultant delays in our project completion deadlines which has been pointed out.
- Unless the above transcript is provided, we can only provide a generic commentary without noting specific circumstances and contract breaches.

3. When will you finish Kym Posadas' mother Lyn's granny flat?

The aforesaid project stands currently suspended due to a breach of the contract in regard to outstanding payments, A1 granny flats are committed in all regards to completing our granny flats however, our customers have an obligation to pay their instalments to proceed to the next phase of the construction.

- Kindly note that the owner has defaulted in their progress claim payments, based on which A1 Granny has been forced to engage with the owners & suspend onsite activities, until respective funds are received.
- This is a very unfortunate situation, but as a small family owned business we don't have access to a huge credit which we can offer to owners and as such after due engagement, we had decided to respond in a way which is fair to the business and all concerned including staff and subcontractors who have worked on the subjected site and whose invoices /wages have been paid.

The owner has been intimated and should have shared with you all details and communications of our engagement prior to suspension in terms of our agreed contract.

4. When will you finish Andrew McFarlane's mother Sandra's granny flat?

Once again, we can only offer generic commentary on facts which should have been provided to you by the client in the course of your engagement on this matter.

Response

The referenced project has breached the contract pursuant to clause 8 (a)(i) and clause 29 (a). We have since engaged with Andrew & the breach has been remedied as of 6th of October 2022. The owner has been provided a formal timeline of completion, provided on the 25th of September 2022.

5. Why didn't you tell Andrew and Sandra that their flat was going to be dropped two and a half metres?

Any major excavations and depictions of such works are noted and referenced in digestible elevations for our clients knowledge, prior to the commencement of any works onsite. The plans have been signed and the clients have in a formal capacity confirmed their design and approval.

A1 Granny Flats has always been transparent & engaged with our clients.

- Clear indication of the cut on the site has been noted and shown on the plan.
- The matter has been discussed in transparency with the customer.
- The building complies with the maximum height restriction of the relevant planning and approval authorities.
- We note that, if this is a concern of our customer, it has not been raised with A1 granny flats in a formal capacity for A1 granny flats to address.
- It's unfortunate, if at all that the customer has engaged with the media to raise his complaints, instead of raising it initially with the A1 Granny Flats

6. Is A1 Granny Flats going to be liquidated?

A1 Granny Flats has always been strong and stable and will continue to be operational in the foreseeable future for all practical purposes. We are committed to our clients and our commitments have not changed.

We have operated proudly over 8 years now, we promise to stay resilient in these difficult times to provide value to our customers.

7. Is A1 Granny Flats in financial trouble and is there a possibility flats won't be finished and contractors won't be fully paid?

Kindly refer to our comments above.

The building industry is going through some unprecedented challenges, but we would like to specifically convey to anyone concerned with spreading of fake news about our financial viability.

A1 Granny Flats has been performing well and will continue to do so for years to come. Our contractors and suppliers work very closely with A1 granny flats. Our creditors always have and always will be paid for each, and every project undertaken.

8. When will you be paying Yousseff from MSA Marble and Granite the remaining \$16,000 you owe him?

Prior to commenting on this matter, we would like to like to have a copy of the complete transcript regarding ACA'S engagement in this this matter. We note that the amount claimed in the above question appears far from accurate and there has been no mention of the engagement with MSA Marble and Granite in regard to on site issues and specific issues that had been pointed out and consequently resulted in delays of our project completion deadlines which have been pointed out.

Builders and subcontractors are bound by confidentiality & unless there is a specific issue raised through appropriate platforms, A1 Granny Flats is not at liberty to discuss this matter in public domain.

We can confirm that MSA Marble and Granite has not raised any complaints against A1 Granny Flats at any appropriate platforms.

9. What was the reason for the delayed payment of initially \$74,500, and then a final \$18,000 that had to go through court to Steven Herring who used to run Beaumont Tiles Penrith?

Prior to commenting on this matter, we would like to like to have a copy of the complete transcript regarding their engagement in this this matter. We note that the amount claimed in the above question appears far from accurate and there has been no mention of the engagement with A1 Granny Flats in this regard

We note

- The amount being claimed is over double the true value.
- Steve Herring from Beaumont tiles Penrith did not take A1 granny flats to court, this is a blatant misinformation being feed to your viewers.

- We urge anyone to check all publicly available court registers for this information being claimed, one will find this is also falsified information.
- The initial delay in settlement of the balance was due to fraudulent overcharging of agreed rates which prompted an internal audit on the statement of account and all previous payments.
- No monies is owed to Penrith Beaumont.

10. What is your message to customers?

We are here for our customers, and we are here to provide a quality product in which we truly take pride in. We would like to assure our current clients that we are committed in finishing their projects and provide them quality granny flats to enjoy their lifestyle. We are keen to turn around our customer service to ensure we do not have unhappy clients

11. What is your message to contractors you owe money to?

Our message to our contractors is a rather simple one, if there is an issue contact us directly otherwise, See you on the next one boys!

12. Have you stopped promising people a 12 week build which you clearly can't keep?

We have never promised anyone a 12 week build in which was not reflected contractually, our ability to complete projects in 12 weeks lies within the project undertaken and the varying scope of works applicable to it. We are not advertising a 12 week build and we have reflected our committed timelines in all contracts.