



Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

Trading Profits Pty Ltd (Administrators Appointed) IIOR and ATFT Victoria Hotel Subiaco Unit Trust ACN 621 389 142 (Trading Profits)

The *Corporations Act* and professional standards require the Practitioner/s appointed to an insolvent entity to make a declaration as to:

their independence generally;

relationships, including

- A. a) the circumstances of the appointment;
 - B. b) any relationships with the company and others within the previous 24 months;
 - c) any prior professional services for the company within the previous 24 months;
 - d) that there are no other relationships to declare; and
- any indemnities given, or up-front payments made, to the Practitioner.
- C. This declaration is made in respect of ourselves, our partners, the firm McGrathNicol, which for the purpose of this declaration includes the McGrathNicol Partnership, the McGrathNicol Advisory Partnership and McGrathNicol Services Pty Ltd.

A. **Independence**

We, Robert (Rob) Kirman and Robert (Rob) Brauer of the firm McGrathNicol have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as joint and several Administrators of Trading Profits 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.
(i)

Declaration of Relationships

Circumstances of appointment

On 14 March 2019, a staff member of McGrathNicol met with one of the directors of Trading Profits, Bevan Marwick, to discuss financial and operational issues regarding Trading Profits' business that had been reported in the media. Also in attendance was Matthew Noonan-Crowe of Valenti Lawyers, a mutual acquaintance of Mr Boys and Mr Marwick, who arranged the meeting.

While we do not regard the involvement of Mr Noonan-Crowe as amounting to a formal referral in this instance, to the extent he was involved, there has been no prior professional relationship between McGrathNicol and Mr Noonan-Crowe or Valenti Lawyers and therefore this interaction will not present a threat to our independence in acting as Administrators of Trading Profits.

Between 14 March 2019 and 1 May 2019, Rob Kirman, and various McGrathNicol staff attended the following 3 meetings:

- 19 March 2019 – Attendees: Matthew Noonan-Crowe, Joel Steinberg (former director of Trading Profits), and Bevan Marwick;



- 17 April 2019 – Attendees: William Carr of Carr & Co (legal adviser to Bevan Marwick), Dino Travaglini of Travaglini Corporate Advisory (financial adviser to Bevan Marwick), and Bevan Marwick; and
- 1 May 2019 – Attendees: Chris Marwick (Bevan Marwick’s father), and Bevan Marwick.

These meetings, were for the purposes of:

- gaining a high-level understanding of the current financial position of Trading Profits and receiving updates as that position developed; and
- discussing the types of assistance that McGrathNicol could provide to Trading Profits, including providing an overview of the various insolvency processes, including the voluntary administration process.

On 10 May 2019, Rob Brauer and McGrathNicol staff members met with Bevan Marwick and provided a consent to act. Bevan Marwick appointed Rob Kirman and Rob Brauer as Administrators to Trading Profits on the same day.

We received no fees for attending these meetings or for the advice provided.

In our opinion, these meetings do not affect our independence for the following reasons:

- It is recognised by the Courts and Australian Restructuring, Insolvency and Turnaround Association’s (ARITA)’s CoPP that pre-appointment advice on the insolvency process and available options is necessary and does not amount to an impediment to accepting an appointment;
- The nature of the limited scope advice provided, which had an information gathering and planning focus, was such that it would not be subject to review and challenge during the course of the administration. Nor would the advice influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the administration in an objective and impartial manner.

We have provided no other information or advice to Trading Profits or its directors or secured creditors prior to our appointment beyond that outlined in this DIRRI.

(ii) ***Relevant Relationships (excluding professional services to the Insolvent)***

Neither we, nor our firm, have, or have had, within the preceding 24 months, any relationships with the Trading Profits, an associate of Trading Profits, a former insolvency practitioner appointed to Trading Profits or any person or entity that has security over the whole or substantially the whole of the Trading Profits’ property.

(iv) ***Prior professional services to the Insolvent***

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

No other relevant relationships to disclose

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

Indemnities and Up-front Payments

We have been provided with the following funding proposal for remuneration and expenses incurred in the conduct of this Administration:

Name	Relationship with the Company	Nature of Indemnity or Payment
Bevan Marwick	Shareholder and sole director of Trading Profits	The Administrators have received an upfront payment of \$27,000, consisting of \$22,000 sourced



		<p>from the assets of Trading Profits and \$5,000 sourced from Bevan Marwick's personal funds, to cover fees and expenses associated with the administration of Trading Profits.</p> <p>A condition of the funding is the return of funds to the capped value of \$5,000 should funds in excess of this sum be recovered from Trading Profits' transactional bank account. If less than \$5,000 is recovered, the actual amount recovered will be refunded to Mr Marwick.</p> <p>To the extent that funds are utilised to pay the Administrators' fees, they will not be drawn until approval is obtained according to the requirements of the Corporations Act.</p>
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Dated: 15 May 2019

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Rob Kirman, Administrator

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Rob Brauer, Administrator

Note:

- 1 If the 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.

Please note that the presentation of the above information is in accordance with the standard format suggested by ARITA.