



Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

Western Select Products (In Liquidation)

ACN 109 030 846

(Western Select Products)

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

- A. their independence generally;
- B. relationships, including
 - a) the circumstances of the appointment;
 - 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
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of myself, my 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 Brauer and Robert Kirman, of the firm McGrathNicol have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Liquidators of Western Select Products 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*

Rob Brauer was introduced to Mr Antonio Arena, the director of Western Select Products (**Director**), by Mr Rob Monzu, a Director at Prospera Partners, on 14 November 2019. Prospera Partners acted as Western Select Products' external accountant.

Rob Brauer and a McGrathNicol staff member met with the Director on 18 November 2019 to discuss the financial position of Western Select Products, the available insolvency options and the general procedures required to initiate a potential creditors' voluntary liquidation.

Between 18 November 2019 and 27 November 2019 Mr Brauer spoke with Prospera Partners on approximately two occasions to receive an update on Western Select Products' position. The Director called Mr Brauer on 27 November 2019 to further discuss the liquidation process and then, at a meeting on 28 November 2019, executed the necessary documentation to commence the liquidation.

We have provided no other information to Western Select Products, the Director or its accountant, or had any other communications prior to our appointment beyond that outlined in this DIRRI. We received no remuneration for attending the meeting on 18 November 2019 or for providing advice about insolvency options or otherwise.

The referral of the Director to McGrathNicol by Prospera Partners, does not result in a conflict of interest or duty because:

- the introduction was unconditional and the first referral from Prospera Partners to McGrathNicol;



- no prior engagements have been undertaken by McGrathNicol in relation to Western Select Products; and
- referrals from professional advisors are common business practice and do not general present a threat to independence.

In our opinion, the interactions with Prospera Partners and its Director do not affect our independence for the following reasons:

- The discussions were of limited scope, being confined to factual matters including:
 - Understanding the financial position of Western Select Products;
 - Explaining the insolvency options available to Western Select Products; and
 - Obtaining status updates regarding the possible timing of a potential appointment.
- It is recognised by the Courts and the ARITA Code of Professional Practice that pre-appointment advice on the insolvency process and available options is necessary and does not amount to an impediment to accepting an appointment; and
- The nature of the advice provided was of a limited scope and focused on the provision of factual information such that it would not be subject to review and challenge during the course of the liquidation. Nor would the advice influence our ability to be able to fully comply with the statutory and fiduciary obligations associate with the administration in an objective and impartial manner.

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

Neither I, nor my firm, have, or have had, within the preceding 24 months, any relationships with Western Select Products, an associate of Western Select Products, a former insolvency practitioner appointed to Western Select Products or any person or entity that has security over the whole or substantially the whole of Western Select Products' property.

(iii) *Prior professional services to the Insolvent*

Neither I, nor my firm, have provided any professional services to Western Select Products, in the previous 24 months.

(iv) *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 Western Select Products, an associate of Western Select Products, a former insolvency practitioner appointed to Western Select Products or any person or entity that has security over the whole or substantially the whole of Western Select Products' 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 statue and we have not received any upfront payments in respect of our remuneration or disbursements.



Dated: 12 December 2019

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Robert Brauer

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Robert Kirman

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.