



McGrathNicol

17 May 2019

**McGrathNicol
Partnership**

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To the employee as addressed

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

Circular to employees

Rob Kirman and I were appointed Administrators of Trading Profits on 10 May 2019.

Background

As Administrators, we have assumed control of Trading Profits' affairs and have entered into possession of its assets.

We understand that all employees have been terminated prior to our appointment.

For the avoidance of doubt, any current employees are terminated with effect from 10 May 2019.

Pre-appointment entitlements

Claims against Trading Profits for certain categories of employee entitlements may receive priority payment under the *Corporations Act*. However, there may be other higher-ranking payment priorities. There must also be sufficient recovery of monies from a specific class of secured assets of Trading Profits (after the costs of realising those assets) to fund payment of the priority claims.

At this point, we are unable to confirm whether there will be sufficient assets available to meet employees' pre-appointment claims.

You may be contacted to provide additional information to assist in the quantification of your pre-appointment entitlements.

First meeting of creditors

The first meeting of creditors of Trading Profits will be held at 3pm on Wednesday, 22 May 2019.

The purpose of this meeting is to:

- determine whether to appoint a committee of inspection and if so, who are to be the committee's members; and
- provide creditors the opportunity to remove the Administrators from office by resolution and appoint someone else as Administrator of Trading Profits.

Employees are invited to attend the meeting, and further information may be found at www.mcgrathnicol.com/creditors/trading-profits-pty-ltd-iior-atft-victoria-hotel-subiaco-unit-trust/.

Second meeting of creditors

A second meeting of creditors of Trading Profits will be convened within four weeks.

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In association
with



Liability limited by a scheme approved
under Professional Standards Legislation

**ADVISORY
RESTRUCTURING**



The purpose of that meeting is for creditors to consider our report and make a decision on the future of Trading Profits.

Before that meeting you will be sent the notice of meeting and a detailed report which will set out the options for Trading Profits' future. We will also provide our opinion as to what option we think is in the best interests of creditors.

Fair Entitlements Guarantee Act (FEG)

One of the outcomes available to creditors at the second meeting of creditors is the appointment of the Administrators as Liquidators of Trading Profits.

In the event Trading Profits is placed in liquidation, FEG will be made available to eligible employees.

Under FEG you may be entitled to receive a portion of your claim (the principal item FEG does not pay is superannuation) from the Government, in advance of monies becoming available from the Trading Profits or if no funds are going to be available from Trading Profits, subject to certain terms and conditions.

Further information can be found at <https://www.jobs.gov.au/fair-entitlements-guarantee-feg>.

Other matters and contact details

A copy of the information sheet, "Insolvency information for directors, employees, creditors and shareholders", issued by the Australian Securities & Investments Commission (**ASIC**) is also enclosed for your information.

The Administrators are not a party to and expressly refrain from adopting any of Trading Profits' contracts existing at the date of their appointment.

If you have any queries, please contact Zac Bradford on (08) 6363 7630. For further information about this engagement, please refer to the website www.mcgrathnicol.com/creditors/trading-profits-pty-ltd-iior-atft-victoria-hotel-subiaco-unit-trust/.

Yours faithfully

Trading Profits Pty Ltd (Administrators Appointed)

Rob Brauer
Administrator

Enclosure:

ASIC "Insolvency information for directors, employees, creditors and shareholders" information sheet



ASIC
Australian Securities &
Investments Commission

Insolvency information for directors, employees, creditors and shareholders

This information sheet (INFO 39) lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

List of information sheets

- [INFO 41](#) Insolvency: A glossary of terms
- [INFO 42](#) Insolvency: A guide for directors
- [INFO 43](#) Insolvency: A guide for shareholders
- [INFO 45](#) Liquidation: A guide for creditors
- [INFO 46](#) Liquidation: A guide for employees
- [INFO 54](#) Receivership: A guide for creditors
- [INFO 55](#) Receivership: A guide for employees
- [INFO 74](#) Voluntary administration: A guide for creditors
- [INFO 75](#) Voluntary administration: A guide for employees
- [INFO 84](#) Independence of external administrators: A guide for creditors
- [INFO 85](#) Approving fees: A guide for creditors

Where can I get more information?

Further information is available from the [ARITA website](#). The ARITA website also contains the [ARITA Code of Professional Practice for Insolvency Practitioners](#).

This is **Information Sheet 39 (INFO 39)** updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.