



**Report to Creditors pursuant to Section 75-225 of
the Insolvency Practice Rules (Corporations) 2016**

Big Un Limited (Administrators Appointed)
ACN 106 399 311 (**the Company**)

19 September 2018

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Glossary

5G Capital	5G Capital Investments Pty Limited
Administrators	Matthew James Donnelly and Neil Robert Cussen
ARITA	Australian Restructuring, Insolvency and Turnaround Association
ASCV	AS Capital Ventures Pty Limited
ASIC	Australian Securities & Investments Commission
AASB 15	Australian Accounting Standard Board 15 Revenue from Contracts with Customers
AASB 118	Australian Accounting Standard Board 118 Revenue
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
BDO	BDO Corporate Tax (WA) Pty Limited
Big IP	Big IP Pty Limited
Big Neo	Big Neo Pty Limited
BRTV	Big Review TV Limited
BV	Book Value
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CTO	Chief Technology Officer
Deloitte	Deloitte Financial Advisory Pty Limited
Directors	Mr Brandon Charles Evertz, Ms Sonia Thurston, Mr Nicholas Jordan and Mr William James Knowles
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities
DOCA	Deed of Company Arrangement
ERV	Estimated realisable value
ESOP	Estimated Statement of Position
FCS	First Class Securities Pty Limited
FY	Financial year
FEG	Fair Entitlements Guarantee
Intermedia	Intermedia Group Pty Limited
IP	Intellectual property
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Corporations Act 2001 Schedule 2 – Insolvency Practice Schedule (Corporations) 2016
NAB	National Australia Bank Limited

POD	Proof of debt
PPSR	Personal Property Securities Register
PPSR Creditors	Toyota Finance Australia Limited, LionGold Corp Limited and Sandvik Mining and Construction Pty Ltd
RATA	Report as to Affairs
Republic	Republic Gold Limited
Shoutback!	Shoutback! Pty Limited
SMEs	Small-to-medium enterprises
The Act	Corporations Act 2001
The Company	Big Un Limited (Administrators Appointed)
The Court	The Federal Court of Australia or any of the state Supreme Courts
Toyota	Toyota Finance Australia Limited
VCL	Video content library
Wayfarer	Wayfarer Media Pty Limited

1 Executive Summary

1.1 Appointment

On 24 August 2018, Matthew James Donnelly and I, Neil Robert Cussen were appointed Joint and Several Administrators of Big Un Limited (Administrators Appointed) (**the Company**) by the directors of the Company, Mr Brandon Charles Evertz, Ms Sonia Thurston, Mr Nicholas Jordan and Mr William James Knowles, (**the Directors**) pursuant to Section 436A of the Corporations Act 2001 (**the Act**).

Our appointment as Administrators was ratified by the Company's creditors at the first meeting of creditors held on 5 September 2018. At this meeting, it was also resolved that no committee of inspection be formed.

1.2 Conduct of administration

Upon our appointment, we took immediate steps to assess the Company's business and to investigate the Company's affairs. Please refer to **Section 6** for details of the Administrators' actions to date.

1.3 Investigations, offences, voidable transactions

Section 438A of the Act provides that as soon as practicable after an administration begins, the administrators shall investigate a company's business, property, affairs and financial circumstances.

Our investigations to date are preliminary and further investigations are required to justify and quantify in sufficient detail the voidable transactions identified and to confirm whether any offences have occurred. We have summarised the findings of our investigations to date in **Section 7** of this report.

1.4 Deed of Company Arrangement

At the date of writing this report, we have not received a formal and confirmed proposal for a DOCA from the Directors or from any other party.

On 14 September 2018 we were notified by the legal advisor for a group described as "a number of unrelated independent shareholders" that a Deed of Company Arrangement (**DOCA**) was in the process of being formulated however further time was needed to finalise negotiations and the DOCA terms. This shareholder group has formally requested that creditors consent to an adjournment of the second meeting of creditors for a period of up to 45 business days to finalise the DOCA proposal.

Please refer to **Section 9** for further details.

1.5 Dividend

As mentioned above, at the time of writing this report, we have not received a formal and confirmed proposal for a DOCA from the Directors or from any other party. In the event the Company is wound up at the upcoming second meeting of creditors, any dividend to unsecured creditors will be dependent on the sale of available assets, the outcome of the voidable transaction claims identified in **Section 7** of this report, and/or any third party claims.

1.6 Administrators' opinion

As we have not received a formal and confirmed proposal for a DOCA from the Directors or any other party, we are of the opinion that the Company be wound up at the upcoming meeting of creditors. The reasons for our opinion are discussed in **Section 10**.

As mentioned above, a group of shareholders have requested creditors consent to an adjournment of the second meeting of creditors for a period of up to 45 business days to finalise a DOCA proposal. Based on our investigations and analysis of the affairs of the Company, and the possibility that a proposal for a DOCA may be received, it may be in the interests of the creditors to consider adjourning this meeting of creditors. This adjournment will allow time for us to consider any proposal for a DOCA, if forthcoming, to undertake further investigations into potential voidable transactions, potential breaches of duty by the directors, and/or potential claims the Company may have against third parties, and to provide a supplementary report to creditors so that creditors may consider these matters in sufficient detail.

The adjournment will not prejudice creditors' rights to place the Company into liquidation in the future nor will it prejudice creditors' rights to vote in favour of the Company executing a DOCA, if a DOCA proposal is forthcoming.

1.7 Second meeting of creditors

Pursuant to Section 439A of the Act, the second meeting of creditors will be held on **Thursday, 27 September 2018 at 11:00AM (AEST)** at:

Deloitte Financial Advisory Pty Ltd
Eclipse Tower
Level 19, 60 Station Street
Parramatta NSW 2150

Please refer to **Section 2.3** of this report for further details regarding the upcoming second meeting of creditors. Should you wish to attend the second meeting of creditors via telephone, please email **Jessica Szeto** of this office at jszeto@deloitte.com.au by no later than **4:00PM (AEST) on Wednesday, 26 September 2018** to receive the teleconference details for this meeting.

2 Introduction

2.1 Purpose of the appointment and report

The purpose of the appointment of administrators is to allow for independent insolvency practitioners to take control of and investigate the affairs of the insolvent company. Creditors' claims are put on hold as at the date of the administrators' appointment and remain so for the duration of the administration.

We are required to provide creditors with sufficient information to assist them in making an informed decision on the Company's future. The purpose of this report is to provide that information and an opinion, including:

- Background information about the Company and its subsidiaries
- The results of our investigations
- The estimated return to creditors
- The options available to creditors and our opinion on each of these options.

2.2 First meeting of creditors

On 5 September 2018, a meeting of creditors of the Company was held in accordance with Section 436E of the Act at the office of Deloitte, Eclipse Tower, Level 19, 60 Station Street, Parramatta NSW 2150. At this meeting, our appointment as Joint and Several Administrators was confirmed by the creditors.

Also at that meeting, we advised that we would undertake our investigations into the affairs of the Company and that any proposed DOCA will be presented to creditors for their approval at a second meeting of creditors.

It was resolved that no committee of inspection be formed.

The minutes of the first meeting of creditors were lodged with ASIC on 19 September 2018. Copies of the minutes are available for inspection at the office of Deloitte. If creditors wish to arrange an inspection of the minutes, they should contact **Jessica Szeto** of this office on (02) 9840 6768 or by email at jszeto@deloitte.com.au.

2.3 Second meeting of creditors

Pursuant to Section 439A of the Act, the second meeting of creditors will be held on **Thursday, 27 September 2018 at 11:00AM (AEST)** and will be held at the following address:

Deloitte Financial Advisory Pty Ltd
Eclipse Tower
Level 19, 60 Station Street
Parramatta NSW 2150

The notice of meeting (Form 529) is attached at **Appendix A**.

At this meeting, creditors will be asked to make a decision regarding the future of the Company by passing a resolution in respect of the options that will be available to them.

We have recommended in this report that the Company be wound up. We have detailed the reasons as to why we consider this is the best option for creditors in **Section 10** of this report.

However, as mentioned, we have received some interest from a group of shareholders in relation to a proposal for a DOCA for the Company.

Creditors may consider adjourning the second meeting of creditors for up to 45 business days or longer with Court intervention to allow this shareholder group to propose a DOCA and for the Administrators to fully explore and compare all options available to creditors.

At the upcoming meeting of creditors, creditors will also be asked to approve the current remuneration of the Administrators for the following period:

Period	Amount \$ (Excl. GST)
Current remuneration approval sought:	
Voluntary administration	
Resolution 1: from 24 August 2018 to 14 September 2018	\$70,000
Total – Voluntary administration	\$70,000

Our actual remuneration for the period from 24 August 2018 to 14 September 2018 is \$105,087.50 plus GST of \$10,508.75. We have however agreed to cap our remuneration for this period at \$70,000 plus GST of \$7,000.

Should the creditors resolve to put the Company into liquidation, creditors will be asked to approve the remuneration of the liquidators in the sum of \$200,000 plus GST of \$20,000.

Full details of the remuneration claims are found in **Section 11** of this report.

Creditors who wish to attend and vote at the second meeting are required to complete and return a proof of debt form (**POD**) at **Appendix B**.

Those creditors who have already lodged a POD are not required to submit a further proof, unless you have an amended claim.

Completed forms must be returned to this office by **4:00PM (AEST) on Wednesday, 26 September 2018**. The forms may be returned by email to jszeto@deloitte.com.au or by post to the following address:

Attention: Jessica Szeto
Deloitte Financial Advisory Pty Ltd
PO Box 38
Parramatta NSW 2124

2.4 Administrators' declaration of independence, relevant relationships and indemnities

In accordance with Section 436DA of the Act, a Declaration of Independence, Relevant Relationships and Indemnities (**DIRRI**) was provided with the first report to creditors dated 28 August 2018 and was also tabled at the first meeting of creditors. We note that the DIRRI was lodged with the Australian Securities and Investments Commission (**ASIC**).

We note that the DIRRI discloses information regarding an administrator's independence, prior personal or professional relationships with the Company and we confirm that no indemnities were received in relation to the appointment.

A further copy of the DIRRI is attached as **Appendix C**. There have been no changes to circumstances or new information identified that cause a real or potential risk to our professional independence that requires us to update our DIRRI dated 28 August 2018.

2.5 Electronic communication

Section 600G of the Act allows for the Administrators to make communications and notifications available for creditors to access electronically, such as via a creditors portal. The Administrators however must notify creditors when information is made available electronically and provide instructions on how it can be accessed. If a creditor has nominated an email address, the Administrators can send notification of reports or other communication being available electronically by email, otherwise, a notice must be sent by post.

If you are having difficulty with the portal or have lost your username and password, please contact **Jessica Szeto** by email at jszeto@deloitte.com.au. Alternatively, if you do not have access to the internet and would like to receive future correspondence by post, please inform **Jessica Szeto** at jszeto@deloitte.com.au.

3 Background information

3.1 Incorporation and registered office

A search of the ASIC database disclosed the Company was incorporated in Victoria on 22 September 2003 as Republic Gold Limited (**Republic**). The Company's registered office is shown as Level 20, 1 Market Street, Sydney NSW 2000.

3.2 Officers, creditors and shareholders

3.2.1 Officers

The ASIC database indicates that during the 12-month period prior to the Administrators' appointment, the Company's directors and officers were:

Name	Position	Appointed	Ceased
Brandon Charles Evertz	Director	5 December 2014	N/A
Sonia Thurston	Director	10 December 2014	N/A
William James Knowles	Director	7 March 2018	N/A
Nicholas Jordan	Director	22 March 2018	N/A
Hugh Massie	Director	16 May 2016	7 March 2018
Francis John Farmakidis	Secretary	12 March 2018	2 July 2018
David James Conley	Secretary	31 July 2015	12 March 2018
Elissa Kate Lippiatt	Secretary	31 July 2015	12 March 2018

3.2.2 Creditors

The following list of unsecured creditors of the Company has been extracted from the Company's books and records, the Report as to Affairs (**RATA**) provided by the Directors, or proofs of debt received to date:

Creditor	Claims (\$)
Priority creditors	
Richard Evertz	1,331,429
Unsecured creditors	
Adams Pluck Patent Attorneys	4,726
ASX Operations Pty Limited	571
AWL Accounting	26,400
Andrew Corner	10,000
BDO Audit (WA) Pty Limited	25,928
BDO Corporate Tax (WA) Pty Limited	42,765
Big Neo Pty Limited	900,000
Clark Jacobs Pty Limited	110,975
DLA Piper	125,336
DNA Behavior Solutions (Australia) Pty Limited	13,200
Ernst & Young	36,383
Ecovis Wingrave Yeats UK Limited	216
Flight Centre	56,959
Hampshire Capital Services Trust	9,908
Hugh Massie	34,932
Hunter Premium Funding Limited	41,108
Link Administration Services Pty Limited	11,228
Law Offices of Dennis Sullivan	2,601
Marcum LLP	21,509
Mistry Fallahi Pty Limited	43,634
MOPM Group Pty Limited	29,700
Orient Capital	7,040
Peter Bailey Investigations	8,800
Panetta Lawyers	26,345
QBE Insurance	2,750
Seneworth Legal Partners	20,339
Studio Stedman	1,015
The Intermedia Group Pty Limited	25,787
V J Knowles Pty Limited	47,851
Vobis Equity Attorneys	19,000
Watson Mangioni Lawyers	11,442
ZENON Investments	13,541
Total	3,063,418

We have not investigated and/or adjudicated any of the above creditor claims to date. We understand that the priority creditor's claim was dealt with as part of the Administration of BRTV.

3.2.3 Security interests

A search of the Personal Property Securities Register (**PPSR**) revealed the following perfected security interests:

Secured party	Date registered	Collateral	PMSI (Y/N)
Sandvik Mining and Construction Australia Pty Limited	23 August 2012	Other goods	Y
	23 August 2012	Other goods	Y
LionGold Corp Limited	14 September 2012	Financial property – Investment instrument	N
Toyota Finance Australia Limited (Toyota)	19 December 2017	Motor vehicle	Y
	19 December 2017	Other goods	Y
	20 December 2017	Motor vehicle	Y
	20 December 2017	Motor vehicle	Y
	9 January 2018	Motor vehicle	Y
	9 January 2018	Motor vehicle	Y

On 27 August 2018, we issued a letter to all PPSR creditors requesting further information regarding their registered security interests.

On 28 August 2018, Toyota provided me with a copy of operating lease contracts dated 12 December 2017 and 14 December 2017 for four Tesla vehicles held in the name of the Company. Toyota advised that the payout value for all contracts as at the date of our appointment is \$866,135.52. A review of www.redbook.com.au revealed the vehicles to have a current total estimated realisable value (**ERV**) of \$565,000. Given the payout exceeds the vehicles' estimated realisable values, we elected not to exercise our property rights with respect to these vehicles.

On 10 September 2018, we issued a reminder letter to Sandvik Mining and Construction Australia Pty Limited and LionGold Corp Limited requesting details of their registered security interests.

We are yet to receive a response from the remaining PPSR creditors.

3.2.4 Shareholders

The Company is limited by shares. The ASX Market Index records the top 20 shareholders as at 30 June 2017, representing 56.56% of all shareholders, as follows:

Shareholder	Number	%
A P Reyem Pty Limited (Administrators Appointed)	13,281,250	10.43
Richbrandson Pty Limited	11,073,302	8.70
Gajah Investments Pty Limited (1)	5,672,094	4.46
Forsyth Barr Custodians Limited	4,140,025	3.25
Tink Nominees Pty Limited	3,969,339	3.12
Clive Riseam & Judith Riseam	3,879,319	3.05
Cherryox Pty Limited	3,031,417	2.38
CRX Investments Pty Limited	2,890,000	2.27
Custodial Services Limited	2,826,282	2.22
Smokinale Pty Limited	2,283,334	1.79

Shareholder	Number	%
Bnp Paribas Nominees Pty Limited	2,237,113	1.76
Cloudy Moon Pty Limited	2,826,282	1.75
Gajah Investments Pty Limited (2)	2,085,462	1.64
GE Equity Investments Pty Limited	2,000,000	1.57
Rbc Investor Services Australia Nominees Pty Limited	2,000,000	1.57
Meyer Enterprises (Australia) Pty Limited	1,606,248	1.26
Hairy Rock Pty Limited	1,480,000	1.16
Mr Johnathon Matthews	1,390,000	1.09
Henry James Conrad Posthumus	1,372,973	1.08
Ms Jennifer Ruth Hercules	1,300,000	1.02
J P Morgan Nominees Australia Limited	1,266,014	0.99
Total issued shares (top 20 shareholders)	72,610,454	56.56

A P Reyem Pty Limited

The sole director and secretary of A P Reyem Pty Limited is Anthony Paul Meyer. As at the date of our appointment, A P Reyem Pty Limited holds the largest number of shares in the Company.

Adam Shepard of Farnsworth Shepard was appointed Administrator of A P Reyem Pty Limited on 30 July 2018. Mr Shepard is also the sole director of AS Capital Ventures Pty Limited (**ASCV**). ASCV is currently a secured creditor of BRTV after having acquired the secured debt originally owed to First Class Securities Pty Limited (**FCS**) on or about 15 May 2018.

Investigations into the potential relationship between A P Reyem Pty Limited and/or Anthony Paul Meyer and the Company are ongoing.

Meyer Enterprises (Australia) Pty Limited

Anthony Paul Meyer is a director of this entity. As noted above, our investigations into the potential relationship between Meyer Enterprises (Australia) Pty Limited and/or Anthony Paul Meyer and the Company are ongoing.

Richbrandson Pty Limited

We note that Brandon Charles Evertz is a director and shareholder of Richbrandson Pty Limited.

Tink Nominees Pty Limited

We note that Sonia Thurston is a director and shareholder of Tink Nominees Pty Limited.

Gajah Investments Pty Limited

Gajah Investments Pty Limited is currently the ultimate holding company of 5G Capital Investments Pty Limited (**5G Capital**). We further note that Hugh Massie is currently the sole director of 5G Capital and is a former director of the Company.

3.3 Winding up applications

There were no winding up applications outstanding as at the date of our appointment as Administrators.

3.4 History of the Company

The Company was incorporated on 22 September 2003 as Republic. In December 2014, Big Review TV Limited (**BRTV**) completed a takeover of Republic and subsequently discontinued all the prior operations of Republic. It then engaged in raising capital to fund the development of a social media video review platform using the business of BRTV. On 24 December 2014, Republic changed its name to Big Un Limited.

The Company, being the ultimate parent company, was listed on the Australian Securities Exchange (**ASX**) in December 2014 and was primarily responsible for raising capital to fund the operations of its wholly owned subsidiary, BRTV.

Please see below a chronology of the major events leading up to the appointment of the Administrators:

Date	Event/ document
22 September 2003	Republic was incorporated.
30 May 2013	BRTV was incorporated.
23 December 2014	Republic completed a merger with unlisted Australian public company, BRTV. Please refer to Section 3.3 for further details.
5 December 2014	Brandon Evertz was appointed as Director of Republic.
10 December 2014	Sonia Thurston was appointed as Director of Republic.
10 December 2014	Andrew Scott Corner was appointed as Director of Republic.
24 December 2014	Republic changed its name to Big Un Limited.
8 December 2015	The Company announced a sponsorship arrangement with FCS. The parties to this arrangement were BRTV, FCS and First Class Funds Management Pty Limited.
16 May 2016	Andrew Scott Corner ceased to be Director of the Company.
16 May 2016	Hugh Massie was appointed as Director and Independent Non-Executive Chairman of the Company.
30 June 2016	Share price: \$0.11
13 September 2016	ASX Announcement - key points: <ul style="list-style-type: none"> BIG forms Joint Venture with The Intermedia Group Pty Limited (Intermedia) and states there is significant revenue opportunity, market value and level of demand attached to BIG's curated video content.
30 September 2016	Share price: \$0.10
20 October 2016	ASX Announcement - key points: <ul style="list-style-type: none"> BIG announced that cash revenues for the September 2016 quarter reached \$2.55m, an increase of over 500%.
27 October 2016	ASX Announcement - key points: <ul style="list-style-type: none"> Brandon Evertz states that the first quarter of FY2017 achieved over \$2.5m in cash revenue.
22 November 2016	ASX Announcement - key points: <ul style="list-style-type: none"> BIG's agreement to acquire Pricemaker Limited, a New Zealand based technology company which will allow the Company to add conversations to its video technology portfolio.
30 November 2016	ASX Announcement - key points: <ul style="list-style-type: none"> BIG's agreement to acquire BHA Media Pty Limited (BHA) will provide additional advertising revenue of at least \$3m per annum Acquisition is subject to due diligence, shareholder approval and transfer of 6.2 million BIG shares at a value of \$0.20.
7 December 2016	ASX Announcement - key points: <ul style="list-style-type: none"> The Company has experienced strong growth in the December quarter with \$3.8 million in cash receipts expected from sales.
20 December 2016	ASX Announcement - key points:

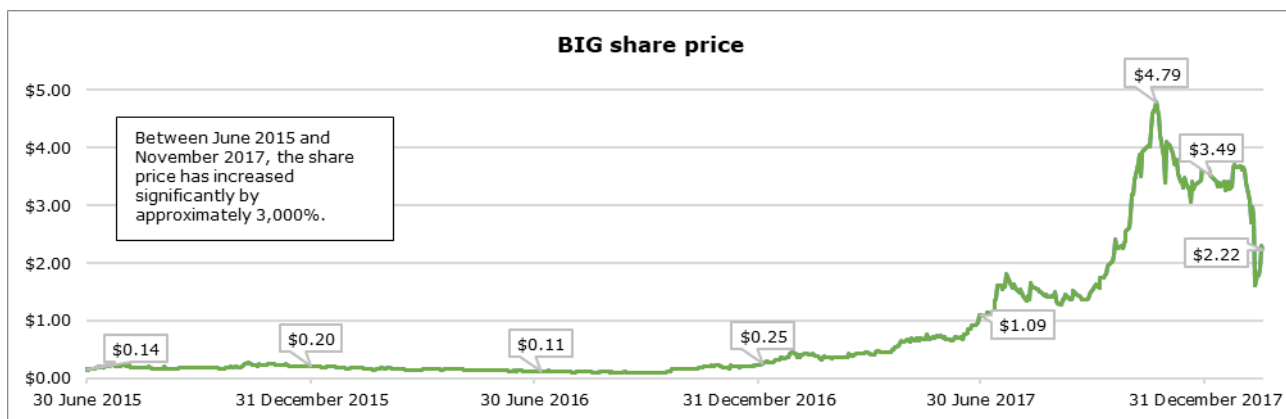
Date	Event/ document
	<ul style="list-style-type: none"> Secured a content sponsorship agreement with British Airways to sponsor a series of destination specific executive travel shows produced by BIG with Intermedia.
30 December 2016	Share price: \$0.23
25 January 2017	ASX Announcement - key points: <ul style="list-style-type: none"> Quarterly update stating that the Company experienced strong growth in the December quarter with \$4 million in cash receipts from customers.
30 January 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG announced the release of the first episode of "Wayfarer", a series produced by BRTV and TIG.
27 February 2017	ASX Announcements – key points: Half year report for the period ended 31 December 2016: <ul style="list-style-type: none"> Revenue is up 395% Net loss is down 48% Announcement of H1 FY2017: <ul style="list-style-type: none"> Annualised contract value has grown 1056% Revenue has increased 395%
15 March 2017	ASX Announcement - key points: <ul style="list-style-type: none"> Signed the Share Purchase Agreement to effect the acquisition of BHA.
31 March 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG announced that acquisition of BHA is completed.
31 March 2017	Share price: \$0.42
5 April 2017	ASX Announcement - key points: <ul style="list-style-type: none"> Entered into a partnership agreement with ABN Newswire.
20 April 2017	ASX Announcement - key points: <ul style="list-style-type: none"> Cash receipts from customers has increased 372%.
17 May 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG provides a guidance update on cash receipts anticipated for FY2017 of \$19.5m. Receipts from BHA are anticipated to provide a further \$0.8m.
1 June 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG advises that it will not proceed with the proposed acquisition of Pricemaker Limited.
7 June 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG announced an agreement between Marriott International Inc. and BRTV for the Company to supply video content for the Marriott app.
20 June 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG announced that it has agreed to acquire the Hospitality vertical from Intermedia.
29 June 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG announced that it expects to achieve a material increase on the previous cash revenue guidance from \$8.15 to \$9m.
30 June 2017	Share price: \$1.09
12 July 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG announced an increase in cash receipts of 411%.

Date	Event/ document
1 August 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG announced further sponsorship of its Wayfarer executive travel show. Marriott has joined British Airways in sponsoring further monthly episodes of Wayfarer.
9 August 2017	BRTV signed a sponsorship arrangement with FCS which documented the continuing relationship between the parties. The parties to this agreement are FCS, BRTV and Transact Payments Pty Limited. Please refer to Section 3.6 for further details.
10 August 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG announced that it expects to achieve an increase of 390% in cash receipts.
7 September 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG announced that it expects to achieve global cash receipts in excess of \$14m for the first quarter of FY2018.
29 September 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG completes acquisition of Hospitality vertical from Intermedia.
30 September 2017	Share price: \$1.52
18 October 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG announced the development of a BRTV channel available on Apple TV for launch in November 2017.
23 October 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG partners with GoFundraise Pty Limited.
26 October 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG partners with HotCopper Holdings Limited.
31 October 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG announced it achieved cash receipts from customers for the first quarter of FY2018 of \$15m.
9 November 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG announced it expects to achieve cash receipts from customers in excess of \$20m for the second quarter of FY2018.
16 November 2017	ASX Announcement - key points: <ul style="list-style-type: none"> BIG announced that it has agreed to acquire US company Tipsly LLC. The acquisition will provide the Company with a database of over 140,000 SMEs.
21 November 2017	Share price: \$4.79 (All time high)
31 December 2017	Share price: \$3.63
1 January 2018	AASB 15 Revenue from Contracts with Customers is effective.
1 February 2018	David Steinburg was appointed as Chairman of Big Un Limited.
14 February 2018	ASX issued an aware letter to Big Un Limited posting several queries regarding its operations towards Big Un Limited relating to: <ul style="list-style-type: none"> The non-disclosure of a proposed issue of shares Subscription agreements Relationship with Mr Massie and 5G Capital Compliance.
16 February 2018	Share price: \$2.22

Date	Event/ document
19 February 2018	Trading halt by the Company
20 February 2018	<p>The Company issued a response to the aware letter detailing an overview of the Company, the business model, sponsorship agreements and responses to the ASX's queries - key points:</p> <ul style="list-style-type: none"> • BRTV pays FCS 24% commission • Mr Massie is the sole director and secretary of 5G Capital • The Company issued shares and options to 5G Capital for services Mr Massie had provided in his capacity as an executive of 5G Capital as well as future services to be provided as a non-executive director.
21 February 2018	<p>ASX Announcement:</p> <ul style="list-style-type: none"> • <i>"The securities of Big Un Limited will be suspended from quotation immediately, in accordance with listing rule 17.2, pending the release of the Company's response to ASX's enquiries."</i>
22 February 2018	<p>ASX issued another letter to the Company posing further enquiries regarding the Company:</p> <p>Queries relating to:</p> <ul style="list-style-type: none"> • The classification of customers into accepting customers, potential customers and declined customers • The agreements with FCS • The security interests granted in favour of FCS.
23 February 2018	<p>Market release:</p> <p><i>"ASX Limited announced on Wednesday, 21 February 2018 that the securities of Big Un Limited were suspended from official quotation in accordance with Listing Rule 17.2 pending the Company's response to ASX's enquiries.</i></p> <p><i>The Company's securities will continue to remain suspended in accordance with listing rule 17.3, pending further enquiries by ASX and ASIC."</i></p>
7 March 2018	William Knowles was appointed as Director of the Company.
7 March 2018	Hugh Massie ceased to be a Director of the Company.
22 March 2018	Nicholas Jordan was appointed as Director and non-executive Chairman of the Company.
8 May 2018	<p>ASIC Determination - key points:</p> <ul style="list-style-type: none"> • ASIC has made a determination that the Company may not rely on Section 713 of the Act as the 31 December 2017 half-year report was not lodged with ASIC by 15 March 2018.
21 May 2018	Cameron Gray and Anthony Elkerton were appointed as Joint and Several Voluntary Administrators of BRTV.
22 May 2018	Richard Evertz resigned as CEO of the Company.
29 May 2018	Nicholas Jordan was appointed as executive Chairman of the Company.
18 June 2018	<p>Cameron Gray and Anthony Elkerton issued an Administrators' Report and Statement of Opinion to Creditors pursuant to 75-225 of the Insolvency Practice Rules (Corporation) 2016. Key points:</p> <ul style="list-style-type: none"> • Recommendation to enter into a DOCA • Claims of Big Un Limited are deferred in full until the effectuation of the DOCA.

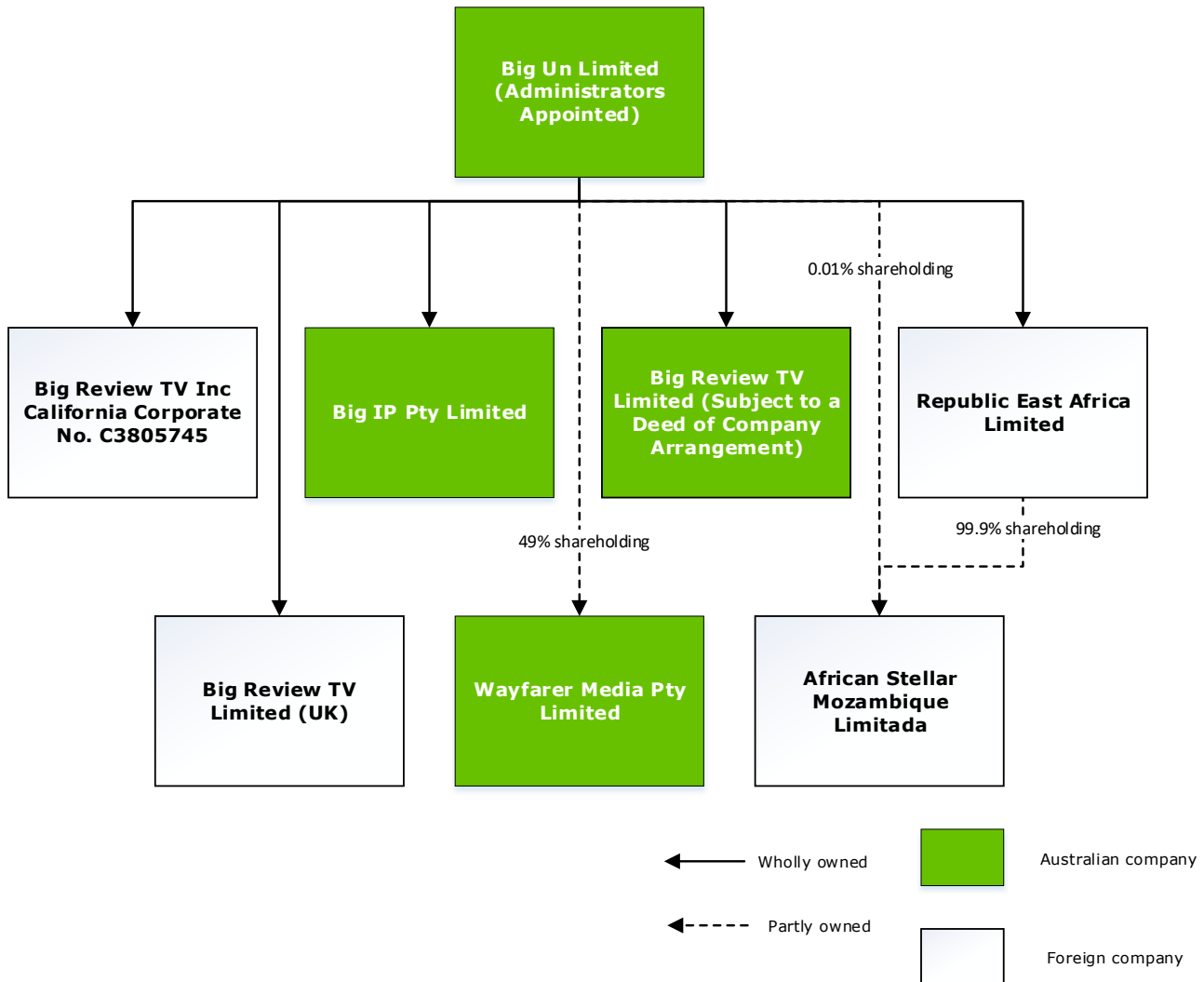
Date	Event/ document
30 June 2018	BRTV entered into a DOCA. Please refer to Section 3.9 for further details of the DOCA for BRTV. Consequently, Cameron Gray and Anthony Elkerton were appointed Joint and Several Deed Administrators. Please refer to Section 3.9 for further details of the DOCA for a number of agreements which were entered into as part of the DOCA.
9 July 2018	Company update issued on ASX - key points: <ul style="list-style-type: none"> As the Company has consistently been non-compliant to requests from ASIC to lodge its financial statements and reports for the half-year ended 31 December 2017, ASIC has now informed Big Un Limited of its intention to commence NSW Court proceedings against Big Un Limited.
22 August 2018	ASX Announcement - key points: <ul style="list-style-type: none"> At this point, the Company had already been suspended from official quotation.
24 August 2018	Neil Robert Cussen and Matthew James Donnelly were appointed as Joint and Several Administrators of the Company.
29 August 2018	The Company was removed from the official list with effect from the close of trading on Tuesday, 28 August 2018 following non-payment of ASX listing fees, which were due on that date.

Please see below for a graphical representation of the movement in share price for the Company (ASX:BIG) from the period June 2015 to February 2018. The Company was removed from the official list with effect from the close of trading on Tuesday, 28 August 2018 following non-payment of the outstanding ASX listing fee. The last share price the Company traded at was \$2.22 as per the graph below:



3.5 Corporate structure

The Company is the holding company of several entities (**the Group**). We detail the corporate structure of the Group as follows:



BRTV

BRTV is a wholly owned subsidiary of the Company and is the main operating entity in the Group. BRTV is currently subject to a deed of company arrangement. Refer to **Section 3.9** for further details.

Big IP Pty Limited (Big IP)

Big IP is a wholly owned subsidiary of the Company. Big IP is not operational but holds some intellectual property (**IP**) for the Group. Our investigations reveal that Big IP holds three patents as follows:

- Methods and systems for preparing promotional videos
- A system method, computer program and data signal for conducting an electronic search of a database
- A system, method, computer program and data signal for the provision of a database of information for lead generating purposes.

Big Review TV Limited (United Kingdom)

Big Review TV Limited is a wholly owned subsidiary of the Company. Big Review TV Limited was incorporated in the United Kingdom on 9 July 2015 and, according to the Directors, has not been operational to date. Further investigations are required in relation to the future operations of this company.

Big Review TV Inc. (United States of America)

Big Review TV Inc. is a wholly owned subsidiary of the Company. Big Review TV Inc. was incorporated in the United States of America on 29 January 2015 and it was intended that it operate a similar business to BRTV. According to the Directors, Big Review TV Inc. employed a number of employees to commence the operations but subsequently stopped all operations in the United States of America. Further investigations are required in relation to the future operations of this company.

Republic East Africa Limited

Republic East Africa Limited is a wholly owned subsidiary of the Company and has been since before Republic changed its name to Big Un Limited. Republic East Africa Limited was incorporated in Hong Kong and, according to the Directors, is not operational. Prior to Republic changing its name to Big Un Limited and completing a takeover of BRTV, Republic held shares in Republic East Africa Limited.

African Stellar Mozambique Limitada

Prior to Republic changing its name to Big Un Limited and completing a takeover of BRTV, Republic held a 0.01% shareholding in African Stellar Mozambique Limitada. Republic East Africa Limited holds a 99.9% shareholding in African Stellar Mozambique Limitada. Accordingly, the Company is the ultimate holding company of African Stellar Mozambique Limitada through Republic East Africa Limited.

African Stellar Mozambique Limitada holds a number of permits and licenses in relation to mining activities in Mozambique. Our investigations reveal that some of these permits and licenses have expired and will need to be renewed for further activities to be undertaken. Our investigations in this regard are continuing.

Wayfarer Media Pty Limited (Wayfarer)

Wayfarer is the result of a joint venture between the Company and IF Media Pty Limited. The Company owns 49% of the shares of Wayfarer. Please refer to **Section 3.7** for further details in relation to Wayfarer.

3.6 BRTV

BRTV is the main trading entity within the consolidated group and operates primarily in Australia. Our investigations reveal that BRTV operates to deliver subscription-based video marketing services to small-to-medium enterprises (**SMEs**). The production of video content enables its customers to promote their business through the Company's video review platform. The Company's main revenue-generating activities consist of:

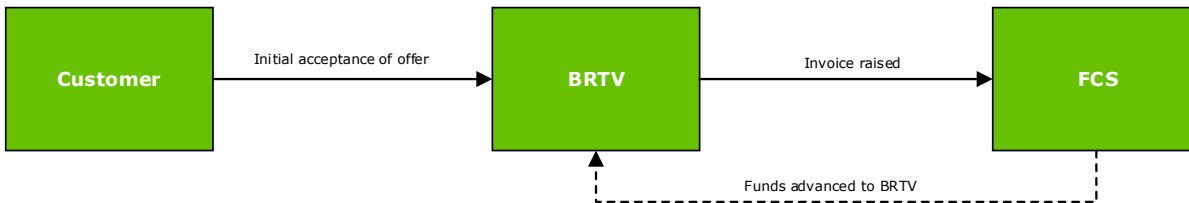
- Producing video content and uploading/storing this on the Big Review TV platform
- Licensing out the video content through subscription fees
- Producing online TV shows
- Selling content and advertising slots.

Sponsorship arrangement

BRTV held an arrangement with a finance provider, FCS, to provide its customers with interest-free payment terms whilst avoiding any upfront costs of production. In short, we understand BRTV would fund the invoice upon the customer's preliminary acceptance of the product, regardless as to whether the customer would formally accept the product at a later stage.

Upon a customer’s preliminary acceptance of the product, 35% of the total amount agreed with the customer was immediately payable to BRTV by FCS. The remaining balance was held in a bank account controlled by FCS and was payable to BRTV when the production of the video was completed and the customer accepted the product. The terms of the arrangement also provided BRTV with the ability to substitute customers within a period of 12 months in the event that the customers decide not to accept the product at a later stage.

To understand the substance of the operations of BRTV, we provide our understanding below:



A BRTV sales representative would approach a potential customer in relation to BRTV’s services and to seek any interest in the services provided by BRTV. The customer would subsequently provide an informal acceptance to the production of a video to promote their business. We understand BRTV would raise a pro-forma invoice (for the full amount of the services, being \$12,000 plus GST) and forward the invoice to FCS for funding.

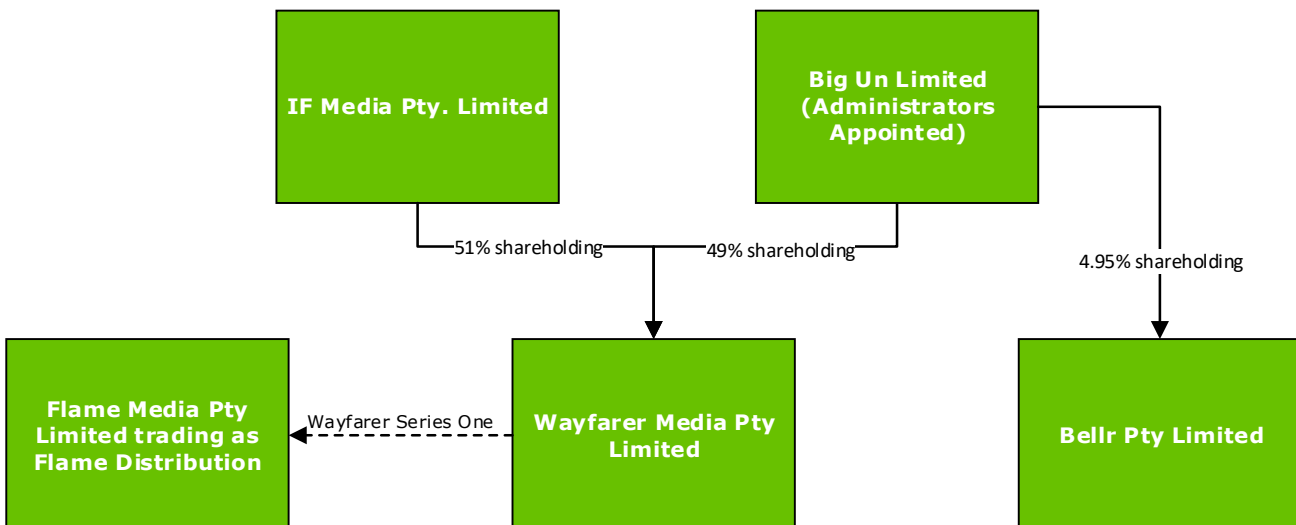
FCS would then advance 35% of the funds to BRTV but BRTV would recognise the full amount as revenue in the profit and loss, being \$12,000 plus GST. The balance less the commission to FCS would be recognised as deferred revenue on the balance sheet.

We understand that the above treatment of revenue was advised by BRTV’s accountants. However, we have not sighted a copy of the advice.

Following the change in accounting standard pursuant to the Australian Accounting Standard Board 15 Revenue from Contracts with Customers (**AASB 15**), the revenue recognition policies adopted by the Group were materially affected. Please refer to **Section 5.2.2** for further details.

We understand that the sponsorship arrangement with FCS was secured against BRTV by a General Security Agreement. According to the report to creditors prepared by the Administrators of BRTV as at 18 June 2018, the debt owing to FCS was \$56,204,312. We note, however, that the debts of FCS were assigned to ASCV on 15 May 2018.

3.7 Shareholdings and other operations



Wayfarer Media Pty Limited

Wayfarer is a production company which specialises in creative factual entertainment. Wayfarer's former name is SME Global Pty Limited. Wayfarer was formed through a joint venture between IF Media Pty Limited (51% shareholding) and Big Un Limited (49% shareholding).

BRTV's role in the joint-venture was to produce the video content and the role of IF Media Pty. Limited was to market the videos produced by BRTV. The joint-venture produced a series of travel documentaries named 'Wayfarer Series One'. The first episode aired on Sky News Business Channel (Australia) on 30 January 2018.

After the final episode of the series had aired on Sky News Business Channel (Australia), Wayfarer subsequently entered into an exclusive distribution agreement with Flame Media Pty Limited after our appointment for the distribution of 'Wayfarer Series One' through other channels.

Sky News Business Channel (Australia) has indicated their interest in 'Wayfarer Series Two' but Wayfarer does not have the financial capacity to commence the production of the series at this stage.

The further commercialisation and any future return from Wayfarer is uncertain at this stage.

Bellr Pty Limited (former name: Shoutback! Pty Limited)

Shoutback! Pty Limited (**Shoutback!**) changed its name to Bellr Pty Limited on 30 June 2018. The Company acquired 187,500 ordinary shares in Shoutback! on 24 January 2018 for \$50,000.

Shoutback! operates a promotions platform targeted at the hospitality industry to assist venues in the industry to interact with their customers through promotions and marketing. We have made enquiries on Shoutback! regarding its financial position in order to ascertain the current value of the Company's shareholding. We are yet to receive a response to our enquiry from Shoutback!.

3.8 Intermedia Group Pty Limited

Around March 2018, the Company acquired the following companies (and their businesses as mentioned below) from Intermedia and these formed part of the Company's corporate structure at the time:

BHA Media Pty Limited

- Spa and Clinic Magazine
- Clinical Aesthetics magazine, exhibition and conference
- Instyle Magazine
- Professional Beauty Magazine
- Spa Australasia Magazine.

Food and Beverage Media Pty Limited

- Australasian Hotel Industry Conference and Exhibition
- Events Uncovered
- HM Awards
- Pub Dining
- Restaurant Leaders Summit
- Australian Hotelier Magazine
- Australian Liquor Industry Awards
- Bars & Clubs Magazine
- Beer & Brewer Magazine
- Hotel Management Magazine
- National Liquor News
- Pub Leaders Summit

- Spice Magazine
- Hospitality Magazine.

A List Guide Pty Limited

- A List Guide

Simon Bruce Grover and Christopher John Baker are the directors of Intermedia. Intermedia is a company that operates to provide comprehensive and targeted business-to-business advertising networks. The Directors have advised that the purpose of acquiring the companies from Intermedia was to broaden the target market of BRTV by having access to the clientele database of the acquired entities.

The Company’s CFO advised that the consideration to be paid by the Company for the acquisition was as follows:

- \$1.6 million in cash
- Issuance of shares.

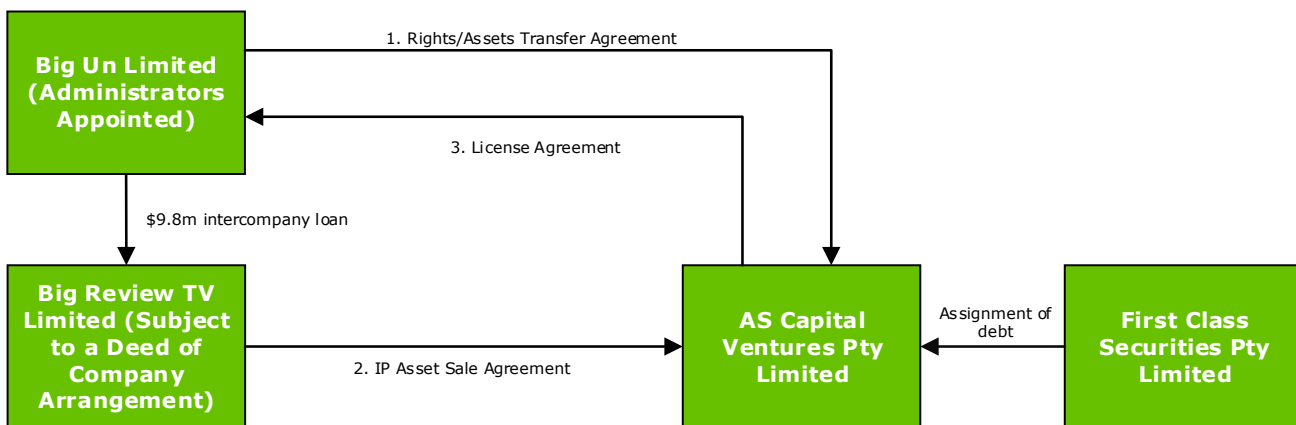
The CFO advised, however, that only two payments totaling \$800,000 were made to Intermedia. We have not yet sighted any agreements disclosing the above terms.

We understand that Intermedia requested a buyback soon after the initial acquisition for a cash payment of \$600,000. Further investigations are required in relation to this transaction.

3.9 The administration of BRTV

On 21 May 2018, BRTV appointed Anthony Elkerton and Cameron Gray of DW Advisory as Joint and Several Administrators. Subsequently on 30 June 2018, the Company entered into a DOCA proposed by its secured creditor, ASCV.

Also on 30 June 2018, the Company and/or BRTV entered into a number of agreements with ASCV as part of the DOCA:



1. Rights and Asset Transfer Agreement

Under the Rights and Asset Transfer Agreement, the Company transferred a number of assets to ASCV including but not limited to:

- Certain ‘TIP Technology Assets’ (as defined in the agreement) including the Tipsley application code acquired from Tipsley LLC and all IP assets that are used in, related to or necessary for the TIP Technology Assets including trademarks, trade names, goodwill, customer lists, contracts, leases, rights and arrangements

- Provision of various 'Media Rights' (as defined in the agreement) including the assignment of rights under certain Key Agreements and other contracts, licenses, agreements as deemed necessary by ASCV in relation to the video content library (**VCL**)
- Provision of BRTV customer records (if held by the Company)
- Granting of Brand and Website Rights (but not the obligation) to use the brand, logos, imagery and identity associated with 'BIG, 'BRTV' and 'just press play'
- Provision of copies of any of the Company's VCL
- Certain 'Option Assets' (as defined in the agreement) including AutoGen, technology build/developed by BIG prior to integration of TIP Technology Assets.

Any content produced by or on behalf of Wayfarer and Shoutback! (**Section 3.7**) were excluded from the sale.

Consideration paid to the Company by ASCV for the above assets was entry into the Licence Agreement by ASCV (see below) and the assumption of post-completion liabilities by ASCV.

2. IP Asset Sale Agreement

Under the IP Asset Sale Agreement executed on 30 June 2018, BRTV transferred a number of assets to ASCV including but not limited to:

- BRTV VCL - this refers to the global VCL and licenses and includes any and all video content captured and produced by BRTV
- The IP rights and licenses under which BRTV has the right to use the IP rights or the IP Asset
- Know How - this refers to information or know how owned by BRTV
- Business records and customer records - this refers to a number of business records and customer records as defined in the Agreement.

Consideration paid to BRTV by ASCV for the above assets was \$42 million that was offset against the secured debt owing to ASCV as the date of the agreement of c. \$46.7 million.

Creditors should note that the Company is not a party to this agreement.

3. License Agreement

Under the License Agreement executed on 30 June 2018, ASCV grants the Company and its Related Bodies Corporate (including BRTV) an exclusive, royalty free, irrevocable, non-transferrable, non-sub-licensable, perpetual license to use in Australia and for the Permitted Purpose the VCL and the TIP Technology Assets and the IP Assets transferred under the IP Asset Sale Agreement.

Consideration paid to ASCV pursuant to the license is the Company's entry into and performance of the Rights and Assets Transfer Agreement.

The Licence Agreement anticipates that the assets acquired under the Rights and Transfer Agreement, and the IP Asset Sale Agreement, would be transferred by ASCV to an "End Entity", in connection with a restructuring of ASCV's assets post-completion. The Licence Agreement requires a new licence agreement to be put in place with the Company when such restructuring occurs. The Administrators understand that ASCV's assets may have been transferred to Franki Global Inc, and have received a request to enter a new licence agreement with Franki Global Inc. The Administrators have requested further information from the Directors in relation to the request but are yet to receive a response.

We have sought legal advice in relation to the Company's and the Administrators' obligations in relation to these agreements including the BRTV DOCA. We have also written to the Directors with a number of enquiries and a request for further documents but are yet to receive a response. Creditors should note that the Administrators are not bound by the BRTV DOCA.

4 Historical financial performance

4.1 Financial statements

Upon our appointment, we liaised with the Company's CFO to obtain full access to the Company's management accounts maintained on Xero. We have performed some reconciliation to the bank account statements and we are of the opinion that the Company's management accounts were kept up to date. The Directors and the Company's CFO have also provided us with copies of the consolidated annual reports for the Company and its controlled entities including BRTV.

We provide an analysis of the Company's management accounts in **Section 4.2** and **Section 4.3**. We also provide an analysis of the consolidated annual reports for the group of Companies in **Section 4.4** and **Section 4.5**.

The Company's management accounts

4.2 Profit & loss

The Company's profit and loss statements for the financial years FY2015 to FY2018 as extracted from the managements accounts are summarised below:

	FY2015 (\$)	FY2016 (\$)	FY2017 (\$)	FY2018 (\$)
INCOME				
Creditor Write Off	25,243	Nil	Nil	Nil
Other Revenue	7,841	707	Nil	Nil
Sales	Nil	Nil	Nil	31,818
Total Income	33,085	707	Nil	31,818
PLUS OTHER INCOME				
Interest Income	37,944	11,339	1,911	10,026
Security Deposit Refund	12,106	Nil	Nil	Nil
Unrealised Exchange Gain	150	Nil	Nil	Nil
Total Other Income	50,200	11,339	1,911	10,026
EXPENSES				
Staff Costs	113,416	Nil	Nil	26,636
Management	101,747	679,996	1,520,808	1,021,499
Entertainment	9,040	7,178	Nil	Nil
Travel	44,336	163,387	15,641	79,270
IT	3,784	13,511	Nil	70,400
Marketing	123,610	134,052	54,354	57,231
Office Expenses	75,254	10,730	36,644	14,075
Insurance	58,779	69,138	37,833	83,039
Professional Services	615,480	566,142	444,691	1,917,582
Capital Raising Costs	241,015	560,330	252,249	1,135,349
Other Expenses	3,387	2,088	1,917	1,658
Depreciation and Interest Expense	2,770	1,464	Nil	73
Foreign Currency Gains and Losses	827	(393)	4,346	10,062
Legal Fees	Nil	Nil	Nil	14,838
PR/IR Advisory	Nil	Nil	Nil	60,000
Realised Loss/(Gain) on Investment (VAN)	Nil	Nil	6,572	Nil
Unrealised Loss/(Gain) on Investment (VAN)	Nil	(8,990)	Nil	Nil
Total Expenses	1,393,554	2,198,633	2,375,054	4,491,712
Profit/(Loss)	(1,310,160)	(2,186,587)	(2,373,143)	(4,449,867)

We provide the following preliminary analysis and commentary on the Company's profit and loss statements:

- The Company was responsible for raising capital from the public through the issuance of shares on the ASX. The Company did not have any source of income except for limited income it received as part of the revenue generated from the operations of Wayfarer.
- The Company recorded an operating loss of c. \$1.3 million when it acquired BRTV in FY2015. This loss has since increased to c. \$4.5 million in FY2018.
- Management expenses increased significantly until the end of FY2017. These expenses consist of fees, which were, according to the management accounts, paid to various consulting and advisory firms. Please refer to **Section 7.4.2** for further details in relation to these expenses.
- Capital-raising costs have increased five folds from FY2017 to FY2018. The capital-raising costs consist of expenses paid to a number of suppliers including the ASX, Tim Dewhurst and Sputnik Advisory. This corroborates with the share price activity of the Company's stock (ASX:BIG) as represented in **Section 3.4**.

4.3 Balance sheet

The Company's balance sheets for the financial years FY2015 to FY2018 are summarised below:

	Notes	FY2015 (\$)	FY2016 (\$)	FY2017 (\$)	FY2018 (\$)
BANK					
Bank Accounts		1,215,851	2,035,037	413,613	(4,675)
DLA Piper Australia	1	Nil	Nil	Nil	231,272
Total Bank		1,215,851	2,035,037	413,613	226,597
CURRENT ASSETS					
Prepayment and Other Debtors		2,000	Nil	Nil	Nil
Total Current Assets		2,000	Nil	Nil	Nil
FIXED ASSETS					
Office Equipment		1,438	Nil	Nil	Nil
Total Fixed Assets		1,438	Nil	Nil	Nil
NON-CURRENT ASSETS					
Investment - Shoutback!	2	Nil	Nil	Nil	50,000
Investment in BHA Media Pty Limited	3	Nil	Nil	1,304,638	1,304,638
Investment in BRTV	4	Nil	6,241,281	6,241,281	6,241,281
Investment in Food and Beverage Media Pty Limited	3	Nil	Nil	Nil	3,400,000
Investment in SME Global Pty Limited	5	Nil	Nil	50,000	50,000
Investments	6	185,957	194,947	150,000	150,000
Loan - LSP	7	Nil	Nil	405,590	405,590
Loan - The Intermedia Group	8	Nil	Nil	Nil	400,000
Intercompany					
BRTV Intercompany	9	2,514,941	7,665,482	8,996,693	12,596,090
Other Intercompany	10	1,616,791	1,625,846	1,625,846	1,886,230
Total Intercompany		4,131,732	9,291,328	10,622,539	14,482,320
Total Non-Current Assets		4,317,689	15,727,556	18,774,048	26,483,829
Total Assets		5,536,978	17,762,593	19,187,661	26,710,426
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable		36,801	449,078	185,807	711,377
Accruals and Other Creditors		8,321	226	112,613	212,131
Investor Funds Held on Trust		383,500	Nil	Nil	Nil
Provision for Earnout	11	Nil	Nil	652,319	2,652,319
Suspense		Nil	Nil	Nil	(132,680)
Total Current Liabilities		428,621	449,304	950,739	3,443,147

	Notes	FY2015 (\$)	FY2016 (\$)	FY2017 (\$)	FY2018 (\$)
NON-CURRENT LIABILITIES					
Loan		Nil	Nil	Nil	250,000
Total Non-Current Liabilities		Nil	Nil	Nil	250,000
Total Liabilities		428,621	449,304	950,739	3,693,147
Net Assets/(Deficiency)		5,108,356	17,313,289	18,236,921	23,017,279
EQUITY					
Capital Raising Costs		(4,498,590)	(5,426,651)	(5,476,651)	(5,476,651)
Current Year Earnings		(1,310,160)	(2,186,587)	(2,373,143)	(4,449,867)
Retained Earnings		(55,753,037)	(57,063,197)	(59,249,785)	(61,622,928)
Share Capital		65,821,740	80,776,801	84,098,079	93,253,303
Share Option Reserve Account		848,404	1,212,924	1,238,421	1,313,422
Total Equity		5,108,356	17,313,289	18,236,921	23,017,279

We have identified several discrepancies with the management accounts and we note these discrepancies as follows:

1. The *DLA Piper Australia* line item refers to the bank account in the control of DLA Piper on behalf of the Company. The Company received the funds from the sale of a number of companies to Intermedia (\$600,000) and professional services expenses were being paid directly from this account. The amount of \$231,272 ultimately reduces to \$14,080 at the date of our appointment. Please refer to **Section 3.8** for further details on the purchase and sale of a number of companies from and to Intermedia.
2. The Company acquired 187,500 ordinary shares in Shoutback! on 24 January 2018 for \$50,000. Please refer to **Section 3.7** for further details on Shoutback!. We note that we are currently liaising with Shoutback! in relation to a potential buy-back of their shares
3. Please refer to **Section 3.8** in relation to further details on the purchase and sale of these companies from and to Intermedia. We understand from the Company's CFO that the amounts in the non-current assets are not actually receivable by the Company and should have been adjusted upon the sale of these companies back to Intermedia.
4. We understand from the Company's CFO that, upon BRTV acquiring Republic, Republic then acquired all the issued share capital of BRTV resulting in the investment in BRTV disclosed above.
5. Wayfarer was formed through a joint venture between IF Media Pty Limited and the Company. Please refer to **Section 3.7** for further details. We understand from the Company's CFO that the amount represents the investment in Wayfarer.
6. Realworld Advertising Pty Limited (**Realworld Advertising**) is an entity, which operates Site Tour, an advertising company which developed a global marketplace for targeted audiences. We note that we are currently liaising with Realworld Advertising in relation to a potential buy-back of their shares.
7. We understand from the Annual Report as at June 2017 that this amount appears to be for shares issued to Andrew Corner in accordance with a loan share plan in place.
8. We understand from the Company's CFO that this transaction refers to one of the payments of \$400,000 to Intermedia pursuant to the sale of a number of companies from and to Intermedia.
9. This amount refers to the balance of the intercompany loan account. Further, the amount recorded as owing for this intercompany loan account as at the time the DOCA was executed was \$9.8 million. We understand from the Company's CFO that there are a number of transactions from BRTV to Big Review TV Inc., which were made on behalf of the Company, which ultimately reduced the amount owing, by BRTV to the Company.

10. This amount refers to a number of intercompany loans including loans to Big Review TV Inc. and African Stellar Mozambique Limitada.
11. This refers to a provision for the companies, which formed part of the purchase and sale of a number of companies from, and to Intermedia for share options to be issued based on certain performance criteria being met by these companies. Please refer to **Section 3.8** for further details on the purchase and sale of a number of companies from and to Intermedia.

We provide the following preliminary analysis and commentary on the Company's balance sheet statements:

- Current assets decreased significantly (down 80%) from FY2016 to FY2018
- The loan to BRTV continued to accumulate from FY2015 through to FY2018 with no evidence of timely repayments during that period.

4.4 Working capital deficiency and liquidity ratio

Working capital is a financial measure, which represents operating liquidity available to a company. Net working capital is calculated as current assets minus current liabilities. Detailed below is a comparison of the working capital from FY2015 to FY2018 which is derived from the Company's management accounts.

The liquidity ratio (sometimes referred to as the current ratio) below is a measure that is also used to determine a company's ability to pay its short-term debt obligations. The higher the value of the ratio, the more able the Company is to meet its short-term debt obligations.

Working Capital	FY2015	FY2016	FY2017	FY2018
Total current assets	\$1,217,851	\$2,035,037	\$413,613	\$226,597
Total current liabilities	\$428,621	\$449,304	\$950,739	\$3,443,147
Working capital surplus/(deficiency)	\$789,230	\$1,585,733	(\$537,126)	(\$3,216,550)
Liquidity ratio	2.84	4.53	0.44	0.07

A liquidity ratio under one is an indicator of cash flow difficulties and potential insolvent trading. As evident in **Section 4.3**, the decrease in current assets from FY2016 onwards is a result of a significant drop in funds in the cash at bank balance.

An analysis of the working capital deficiency also presented a strong indicator of the Company's cash flow difficulties. As shown above, there was a negative working capital deficiency from FY2017 onwards. Accordingly, it appears that the Company has been suffering from cash flow difficulties from **at least 1 July 2017**.

Consolidated annual reports

4.5 Consolidated profit & loss

The consolidated profit and loss statements for the periods FY2015 to 31 December 2017 are summarised as follows:

	FY2015 (\$)	FY2016 (\$)	FY2017 (\$)	31 December 2017 (\$)
CONTINUING OPERATIONS				
Revenue	908,851	2,642,832	13,973,339	3,191,034
Direct cost of services sold	1,138,487	3,133,117	10,138,588	5,069,646
Operating Expenses				
Provision for non-recovery of aged receivables	209,658	74,957	125,688	(48,893)
Net loss of financial liabilities at fair value	Nil	Nil	Nil	8,284,451
Impairment of goodwill	Nil	Nil	Nil	6,299,672

	FY2015 (\$)	FY2016 (\$)	FY2017 (\$)	31 December 2017 (\$)
Provision for GST receivable	Nil	Nil	Nil	1,453,804
Communications expenses	Nil	87,289	95,293	62,028
Consultant and other contractor expenses	1,116,503	2,411,487	2,656,449	2,758,044
Other share based payment	Nil	Nil	Nil	18,739,260
Depreciation and amortisation expenses	38,211	247,068	305,362	206,510
Employee benefit expense	187,666	2,225,674	2,359,898	3,972,721
Goodwill write off on acquisition	1,400,337	Nil	Nil	Nil
Interest expense	15,494	2,561	13,728	31,886
Production costs - Foreign Operations	Nil	382,688	Nil	Nil
Staff costs	49,838	Nil	Nil	Nil
Travel expenses	138,294	437,280	576,02	854,415
Other expenses from ordinary activities	1,248,893	1,438,220	1,941,058	2,142,693
Finance costs	Nil	Nil	Nil	5,192,651
Total Operating Expenses	4,404,894	7,307,224	8,073,497	49,949,242
Profit/Loss before income tax expense	(4,634,531)	(7,797,509)	(4,238,746)	(51,827,854)
Income tax	Nil	Nil	Nil	(420,915)
Net loss from continuing operations	(4,634,531)	(7,797,509)	(4,238,746)	(52,548,769)
DISCONTINUED OPERATIONS				
Net loss from discontinued operations	33,916	2,216	Nil	Nil
Net loss for the year	(4,668,447)	(7,799,722)	(4,238,746)	(52,548,769)

We provide the following preliminary analysis and commentary on the consolidated profit and loss statements:

- The revenue has increased significantly from FY2015 to FY2017. We note that this is primarily due to BRTV's agreement with FCS as detailed in **Section 3.6**
- We note that the figures for the period FY2015 to FY2017 have been reported based on accounting standards that were in effect prior to the recent change in accounting standards as detailed in **Section 5.2.2**
- The figures for the period to 31 December 2017 are reported based on AASB 15
- Notwithstanding the above, the Group continued to incur trading losses from as early as FY2015 with the net loss increasing by 40% in FY2017.

4.6 Consolidated balance sheets

The consolidated balance sheet statements for the financial periods FY2015 to 31 December 2017 are summarised as follows:

	FY2015 (\$)	FY2016 (\$)	FY2017 (\$) (Restated)	31 December 2017 (\$)
ASSETS				
Current Assets				
Cash and Cash Equivalents	1,305,431	3,846,922	918,953	11,500,115
Other financial assets	Nil	Nil	8,281,222	19,859,416
Trade and other receivables	175,427	365,680	593,344	1,511,029
Research and Development tax incentive receivable	213,722	340,381	887,253	815,328
Prepaid finance charges	Nil	Nil	2,886,953	8,949,494
Deferred tax assets	Nil	Nil	420,915	Nil
Total Current Assets	1,694,580	4,552,983	13,988,640	42,635,382
Non-Current Assets				
Property, Plant and Equipment	81,451	112,401	97,565	213,313
Intangibles	544,592	633,658	580,368	2,637,942
Goodwill on acquisition of subsidiaries	Nil	Nil	1,288,262	Nil
Other financial assets held for sale	185,957	194,947	200,000	355,000
Total Non-Current Assets	812,000	941,006	2,166,195	3,206,255
Total Assets	2,506,580	5,493,989	16,154,835	45,841,637

	FY2015 (\$)	FY2016 (\$)	FY2017 (\$) (Restated)	31 December 2017 (\$)
LIABILITIES				
Current Liabilities				
Trade and other payables	897,543	1,855,339	3,049,370	8,779,855
Contingent consideration	Nil	Nil	3,555,139	12,639,590
Borrowings	Nil	Nil	18,693,911	52,386,450
Deferred revenue	Nil	57,625	Nil	Nil
Provisions	Nil	Nil	34,000	15,000
Employee benefits	Nil	Nil	392,445	374,863
Finance lease payable	6,585	6,585	838	Nil
Total Current Liabilities	904,129	3,547,595	25,725,703	74,195,758
Non-Current Liabilities				
Finance lease payable	7,423	838	Nil	Nil
Total Non-Current Liabilities	7,423	838	Nil	Nil
Total Liabilities	911,551	3,548,433	25,725,703	74,195,758
NET ASSETS	1,595,029	1,945,556	(9,570,868)	(28,354,121)
EQUITY				
Issued Capital	9,672,430	15,122,679	19,242,980	42,773,396
Share option reserve	Nil	Nil	1,396,818	11,331,918
Accumulated losses	(5,377,401)	(13,177,123)	(30,210,666)	(82,459,435)
Total Equity	1,595,029	1,945,556	(9,570,868)	(28,354,121)

We provide the following preliminary analysis and commentary on the consolidated balance sheet statements:

- The figures for FY2017 and for the period to 31 December 2017 are reported based on AASB 15
- Deferred revenue refers to deferred revenue to BRTV from the operations of BRTV. Upon signing up a customer, BRTV would recognise the full revenue advanced from FCS and would record the unearned portion of the revenue as deferred revenue (that is, a liability) in the consolidated balance sheet. Please refer to **Section 3.6** for further details.

4.7 Working capital deficiency and liquidity ratio

Detailed below is a comparison of the Group's working capital from FY2015 to 31 December 2017 which is derived from the consolidated annual reports:

Working Capital	FY2015 (\$)	FY2016 (\$)	FY2017 (\$) Restated	31 December 2017 (\$)
Total current assets	1,694,580	4,552,983	13,988,640	42,635,382
Total current liabilities	904,129	3,547,595	25,725,703	74,195,758
Working capital surplus/(deficiency)	790,451	1,005,388	(11,737,063)	(31,560,376)
Liquidity ratio	1.87	1.28	0.54	0.57

Evidently, in FY2017, the working capital deficiency was negative and the liquidity ratio dropped below one.

Accordingly, it appears that the Company and its controlled entities were suffering from cash flow difficulties from **at least 1 July 2017**.

5 Directors' Report as to Affairs (RATA)

5.1 Summary

Under Section 438B of the Act, the Directors of the Company are required to provide RATAs for the Company as at the date of our appointment within five business days of receipt of the request from the Administrators or such longer period as the Administrators allow.

The Directors provided a RATA on 4 September 2018.

The RATA, together with the respective accompanying schedules has been lodged and a copy may be obtained from ASIC. Alternatively, it may be inspected by contacting **Jessica Szeto** of this office on (02) 9840 6768.

The RATA represents a snapshot of the asset and liability position of the Company on a going concern and forced asset realisation basis, as prepared by the Directors. We provide a comparison of these values to the estimated realisable amounts for the benefit of creditors.

The book values (**BV**) and the ERV shown in the RATA do not reflect actual returns to creditors.

The RATA is summarised below:

	Note	Book Value (\$)	Directors' ERV (\$)
Assets			
Sundry debtors	5.1.1	47,681.18	Nil
Cash at bank	5.1.2	(399.42)	(399.42)
Other assets	5.1.3	14,922,929.94	233,899.05
Total		15,040,211.70	233,499.63
Liabilities			
Less: Priority creditors			
Employee entitlements	5.1.4	1,331,429.28	1,331,429.28
Less: Secured creditors			
Partly secured creditors	5.1.5	370,416.19	370,416.19
Total		1,701,845.47	1,701,845.47
Available to unsecured creditors			
		13,338,366.23	(1,468,345.83)
Unsecured creditors	5.1.6	853,869.31	620,248.03
Contingent assets	5.1.7	200,000.00	Unknown
Contingent liabilities	5.1.7	356,007.00	356,007.00
Surplus/(Shortfall)		12,328,489.92	(2,444,600.87)

We comment on the ERV included in the RATA for the Company as follows:

5.1.1 Sundry debtors

As at the date of our appointment, the RATA discloses that the Company had receivables totaling \$47,681.18, details as follows:

Debtor	Amount (\$)	ERV (\$)
DLA Piper Sydney	33,600.42	Nil
DLA Piper Perth	14,080.76	Nil
Total	47,681.18	Nil

Our investigations revealed that the amount receivable from DLA Piper Sydney (\$33,600.42) resulted from the closure of a bank account held in the United States in the name of the Company. This amount is currently being held on Trust by DLA Piper Sydney.

In relation to the funds held in Trust by DLA Piper Perth, the CFO has advised that these funds consist of the balance of the cash consideration of \$600,000 paid by Intermedia for the buyback of BHA Media Pty Limited, Food and Beverage Media Pty Limited and A List Guide Pty Limited, after payment of legal fees and other costs.

We note that the Company engaged DLA Piper (Sydney and Perth) on an ongoing basis to act as its solicitors on a number of matters. Notwithstanding this, the Directors have advised that DLA Piper Sydney has expressed their intention to apply the amount held on trust by them to outstanding invoices owed by the Company for services provided by DLA Piper Sydney. It appears the estimated realisable value for these debts are nil.

At this stage, we have issued a demand letter to DLA Piper Sydney and DLA Piper Perth requesting further information in relation to the funds held by them on Trust for the Company. We have also requested for the funds to be transferred to an account in the control of the Administrators. We await a response from DLA Piper Sydney and DLA Piper Perth.

5.1.2 Cash on hand and at bank

The RATA discloses cash at bank to be \$399.42 overdrawn as at the date of our appointment. Upon our appointment, a circular to major deposit taking institutions was issued by our office to confirm any bank accounts held in the Company's name.

National Australia Bank Limited (**NAB**) confirmed that they operated three accounts in the name of the Company. The balances, collectively, as at the date of our appointment was \$378.37 overdrawn.

5.1.3 Other assets

The RATA discloses the following other assets, details as follows:

Desription	Amount (\$)	ERV (\$)
GST refund from the Australian Taxation Office (ATO)	233,899.05	233,899.05
Investments		
Shoutback!	50,000.00	Unknown
Wayfarer Media	50,000.00	Unknown
BRTV	12,622,800.95	Unknown
African Stellar Mozambique Limitada	1,606,624.49	Nil
Republic East Africa Limited	10,167.00	Nil
Big Review TV Inc.	269,438.45	Nil
Realworld Advertising	150,000.00	Unknown
IP		
Wayfarer Video Library	Unknown	Unknown
Total	14,842,929.94	233,899.05

We comment on the above assets as follows:

- GST refund from the ATO

We have liaised with BDO Corporate Tax (WA) Pty Limited (**BDO**) as the Company's tax agents to corroborate the amount of GST refund due to the Company. We are also liaising with BDO in relation to claiming the GST refunds due to the Company and liaising with the ATO in relation to any queries they have.

- Shoutback! Pty Limited

Shoutback! operates a promotions platform targeted at the hospitality industry to assist venues in the industry to interact with their customers through promotions and marketing. Please refer to **Section 3.7** for further details. We note that we are currently liaising with Shoutback! in relation to a potential buy-back of their shares.

- Wayfarer Media Pty Limited

Wayfarer is the result of a joint venture between the Company and IF Media Pty Limited. The Company owns 49% of the shares of Wayfarer. Please refer to **Section 3.7** for further details. We understand from the Company's CFO that the amount of \$50,000 represents the investment in Wayfarer. The further commercialisation and any future return from Wayfarer is uncertain at this stage.

- Big Review TV Limited (United Kingdom)

Big Review TV Limited is a wholly owned subsidiary of the Company. Big Review TV Limited was incorporated in the United Kingdom on 9 July 2015 and according to the Directors, has not been operational to date. Further investigations are required in relation to the future operations of this company.

- African Stellar Mozambique Limitada

African Stellar Mozambique Limitada is an entity in which the Company holds a 0.01% shareholding and Republic East Africa Limited holds a 99.9% shareholding. Accordingly, the Company is the ultimate holding company of African Stellar Mozambique Limitada through Republic East Africa Limited. Please refer to **Section 3.5** for further details.

- Republic East Africa Limited

Republic East Africa Limited is a wholly owned subsidiary of the Company. Republic East Africa Limited was incorporated in Hong Kong and is not operational. Prior to Republic changing its name to Big Un Limited and completing a takeover of BRTV, Republic held shares in Republic East Africa Limited.

- Big Review TV Inc.

Big Review TV Inc. is a wholly owned subsidiary of the Company. Big Review TV Inc. was incorporated in the United States of America on 29 January 2015 and it was intended that it operate a similar business to BRTV. According to the Directors, Big Review TV Inc. employed a number of employees to commence the operations but subsequently stopped all operations in the United States of America. Further investigations are required in relation to the future operations of this company.

- Realworld Advertising

Realworld Advertising Pty Limited is an entity, which operates Site Tour, an advertising company which developed a global marketplace for targeted audiences. We note that we are currently liaising with Realworld Advertising in relation to a potential buy-back of their shares.

- Wayfarer Video Library

Wayfarer is the result of a joint venture between the Company and IF Media Pty Limited. The Company owns 49% of the shares of Wayfarer. Please refer to **Section 3.7** and the section above for further details in relation to Wayfarer.

5.1.4 Employee entitlements

The RATA discloses one employee claim of \$1,331,429.28, detailed as follows:

Type of entitlement	Amount (\$)
Annual leave	111,228.19
Retrenchment	1,220,201.09
Total	1,331,429.28

The employee claims represent a priority claim from an excluded employee pursuant to Section 556 of the Act and will be subject to the Administrators' adjudication process.

We understand that employee claims were dealt with as part of the administration of BRTV. We have requested our solicitors to review this employment contract and to provide advice as to the above claim in this Administration.

5.1.5 Partly secured creditors

The RATA discloses one partly secured creditor with a claim of \$370,416.19, detailed as follows:

Creditor	Particulars of security held	Name of security	Estimated value of security (\$)	Amount owing to creditor (\$)	Amount estimated to rank as unsecured (\$)
Toyota Fleet Management	Operating lease secured against four Tesla motor vehicles	Tesla motor vehicles	336,543.64	706,959.83	370,416.19
Total			336,543.64	706,959.83	370,416.19

Please see **Section 3.2.3** of this report for further details regarding the details of these securities.

5.1.6 Unsecured creditors

The books and records of the Company disclose total unsecured creditor claims of \$719,898.77 with c. 49% of these accounts being over 90 days:

	Payables (\$)	Percentage (%)
Current	52,711.78	7.32
31 - 60 days	241,996.99	33.62
61 - 90 days	73,583.17	10.22
91 days plus	351,606.83	48.84
Total	719,898.77	100.00

The Directors' RATA however has disclosed total unsecured creditor claims of **\$853,869.31**.

The Directors made a comment that there are some amounts relating to professional fees that are subject to dispute. Our investigations in this regard are ongoing.

To date, we have received informal proofs of debt from unsecured creditors totaling \$1,320,805.83. We have not investigated and/or adjudicated any proofs of debt received to date.

5.1.7 Contingent assets

The Directors' RATA has disclosed the following contingent asset:

Asset	Amount (\$)	ERV (\$)
Wayfarer Distribution Agreement	200,000.00	Unknown
Total	200,000.00	Unknown

At this stage, further investigations are required to determine the ERV of this asset. Please refer to **Section 3.7** for further details of the Wayfarer Distribution Agreement.

5.1.8 Contingent liability

The Directors' RATA has disclosed the following contingent liability:

Creditor	Nature of liability	Gross liability (\$)
Tasqua Holdings Pty Limited	Queensland Lease Guarantee	356,700.00
Total		356,700.00

We have reviewed the lease, which was in place between BRTV and Tasqua Holdings Pty Limited. The premises being leased was located on Second Floor, 9 Maud Street, Maroochydore, Queensland. The lease term was three years with the commencement date being 1 March 2018. We understand the Company was a guarantor to this lease and that Tasqua Holdings Pty Limited holds c. \$60,000 as a security deposit for the premises.

We have issued a notice to Tasqua Holdings Pty Limited to notify them of our appointment and to query the deposit bond and security bond which may be payable to the Company. Tasqua Holdings Pty Limited advised that the Company owes an amount of \$792,726 and advised that any security held with them has been applied in full towards the debt owed to them. Our investigations in this regard are ongoing.

5.2 Explanation for difficulties

5.2.1 Directors' explanation

The Directors advised that the Company was placed into Voluntary Administration as a result of:

- The extended delay in the processing of the GST refund totalling c. \$200,000
- The Company being unable to raise enough funds to satisfy the non-negotiable deadline for the 2019 ASX listing fee
- The inability to obtain additional finance and/or equity.

5.2.2 Administrator's opinion

In our opinion from a review of the Company's operations, correspondence and discussions with the Directors, the difficulties were also as a result of the following:

- Engaging with a number of consulting companies resulting in excessive consultancy fees
- Continuous funding of the operations of BRTV despite BRTV not making sufficient repayments to the Company to cover its increasing liabilities.

Following the change in accounting standard pursuant to AASB 15, the revenue recognition policies adopted by the Group were materially affected.

AASB 15 was effective from 1 January 2018 onwards. Prior to this amendment, revenue transactions were often accounted for under differing revenue recognition standards and interpretations. AASB 15 was introduced to replace AASB 111 Construction Contracts and AASB 118 Revenue (**AASB 118**) to provide a single framework for revenue recognition.

Under AASB 15, revenue recognition is based on when the control of the goods or services transfer to the customer. Previously, under AASB 118, revenue recognition was based on when risks and rewards were transferred. It should be noted, however, that risks and rewards are retained as an indicator of the transfer of control in AASB 15, but is not the only indicator of the transfer of control.

Accordingly, since the amendment in the accounting standards, the revenue recognition criteria adopted by the Group was placed under scrutiny. According to the report to creditors prepared by the Administrators of BRTV, we understand that the Directors were reliant on advice from the Group's accountants.

5.3 Outstanding winding up applications

Our review of the ASIC records did not disclose any winding up applications filed against the Company prior to our appointment as Administrators.

6 The Administrators' actions to date

In summary, we have undertaken the following key tasks and actions since our appointment as Administrators of the Company:

Assets

Motor Vehicles

- Assuming control of the Company's assets
- Liaising with three PPSR registrants to obtain details of security interests held and current payout figures
- Liaising with our insurance brokers to put in place an insurance cover
- Enquiring with the CFO and relevant staff of the Company to obtain details including location of the four Tesla vehicles subject to operating leases with Toyota
- Liaising with the CFO and relevant staff to locate and secure the vehicles
- Communicating with Toyota to obtain copies of the operating lease contracts and the payout amounts figures
- Undertaking initial online valuations to obtain an indication of the current realisable values of the vehicles
- Reviewing the operating leases provided by Toyota
- Notifying Toyota of the Administrators' intention not to exercise property rights with respect to the vehicles.

GST refunds

- Liaising with the Company's pre-appointment tax agents BDO to understand the potential GST refunds available due to the Company and to BRTV including the work that is being undertaken to recover these amounts
- Engaging with BDO to receive all the books and records of the Company and in particular the workpapers necessary to substantiate the work undertaken with respect to the GST refunds due to the Company
- Liaising with BDO to receive regular updates on the ongoing conversation with the ATO with respect to queries by the ATO including but not limited to queries regarding expenses that the ATO believes may be of a private or personal nature
- Reviewing the Company's expenses as recorded in its management accounts to ascertain if private or personal nature.

Deposit bond and security bond

- Liaising with the CFO of the Company in relation to the deposit bond and security bond for BRTV's former premises at Second Floor, 9 Maud Street, Maroochydore, Queensland
- Reviewing the lease provided by the landlord of the above premises, including details around BRTV being the lessee and the Company being the guarantor to this lease
- Liaising with the landlord of the above premises to request repayment of the deposit bond and the security bond to the Company as guarantor for the lease.

Loan to BRTV and other subsidiaries

- Discussing with the Directors and relevant staff to seek further information in relation to the loan to BRTV
- Reviewing the terms of the BRTV DOCA and the Company's position as a deferred creditor
- Instructing our solicitors to advise on the Administrators' obligations, if any, in respect to the BRTV DOCA including the Company's position as a deferred creditor
- Communicating with the CFO of the Company in relation to the Company's group structure including background and information regarding its subsidiaries
- Discussing with the Directors and relevant staff to seek further information in relation to the loans to other subsidiaries within the Group.

Creditors and other stakeholders

Creditors and shareholders

- Preparing the Administrators' first report to creditors dated 28 August 2018
- Convening and holding a first meeting of creditors on 5 September 2018
- Preparing the Administrators' preliminary report to creditors dated 5 September 2018 tabled at the first meeting of creditors and circulated to creditors
- Preparing the Administrators' report to creditors pursuant to Section 75-225 of the IPR including a remuneration approval request.

ASX

- Posting an announcement to the ASX regarding our appointment on 27 August 2018
- Reviewing historical ASX announcements posted by the Company
- Liaising with the ASX regarding the Company's outstanding listing fee and holding discussions with the Directors regarding payment of this listing fee
- Request an extension from the ASX regarding payment of the outstanding listing fee
- Liaising with our solicitors in relation to the Administrators' intention not to pay the Company's outstanding listing fee including possible consequences of delisting.

Investigations

Initial investigations

- Conducting various searches on the Company, its subsidiaries, related parties, its directors and officers (current and former) including any land title searches
- Reviewing various annual reports produced by the Company and various ASX announcements made by the Company
- Preparing a chronology of key events and the Company's operations including the administration of BRTV
- Holding a number of meetings with the Company's directors, the Company's CFO and the Company's CTO to obtain records and gain an understanding into the Company's affairs and the Company's group structure
- Requesting the RATA and other documents from the Company's directors
- Issuing notices to provide books and records to a number of parties including the Company's external accountants and auditors, the Company's solicitors and the Company's tax agents
- Liaising with the pre-appointment insurance provider regarding the Company's insurance policies.

DLA Piper (Sydney and Perth)

- Liaising with the Company's former lawyers in relation to a number of agreements entered into by the Company prior to our appointment including the BRTV DOCA
- Liaising with the Company's former lawyers regarding the Company's funds they hold on trust for the Company and requesting repayment of these funds
- Investigations into the funds received by DLA Piper prior to our appointment and corroborating with the Company's management accounts.

The Administration of BRTV

- Holding a meeting with the Deed Administrators of BRTV to gain an understanding into BRTV's operations and the conduct of the administration
- Issuing notices to provide books and records to the Deed Administrators of BRTV
- Reviewing the Deed Administrators' reports to creditors
- Reviewing details of BRTV's sponsorship agreement with FCS
- Reviewing and seeking legal advice on the Rights and Asset Transfer Agreement dated 30 June 2018 entered into between the Company and ASCV

- Reviewing and seeking legal advice on the IP Asset Sale Agreement dated 30 June 2018 entered into between BRTV and ASCV
- Reviewing and seeking legal advice on the License agreement dated 30 June 2018 entered into between the Company and ASCV
- Seeking legal advice in relation to the Company's and the Administrators' rights/obligations pursuant to these agreements and seeking further information from the Directors in relation to said agreements.

G Suite and production drive

- Liaising with the CTO of the Company and the Deed Administrators of BRTV to gain access into the Company's email server which is maintained in G Suite to secure and image all email accounts and other documents maintained on the Company's production drive
- Communicating with support staff at G Suite to request an extension of the grace period to image the email server and the production drive
- Reviewing the list of email accounts and identifying priority accounts to be imaged by the forensic team.

Xero (management account)

- Liaising with the Company's CFO to obtain full access to the Company's management accounts maintained on Xero
- Generating various reports to analyse the financial position and performance of the Company
- Investigating a number of accounts and a number of transactions from the ledger.

Legal matters

- Liaising with the solicitors representing two parties which had proceedings on foot prior to the appointment of the Administrators
- Instructing our solicitors to respond to the parties concerned.

6.1 Administrators' receipts and payments

There are no receipts and payments in the Administration to date.

7 Investigations

7.1 Introduction

Section 438A(a) of the Act provides that as soon as practicable after an administration begins, the administrators must investigate the company's business, property, affairs and financial circumstances.

Pursuant to Section 75-225 of the IPR, the administrators are also required to investigate and report on any possible recovery actions that may be available to a liquidator should creditors resolve that the Company be wound up.

An explanation of the possible offences by a director and insolvent and voidable transactions that a liquidator could pursue is attached at **Appendix D**. This information sheet has been prepared by the Australian Restructuring, Insolvency and Turnaround Association (**ARITA**) and is intended to reduce the amount of generic information included as part of the body of this report. Creditors who are not familiar with the nature of offences and liquidator actions should refer to the appendix for explanations. If further explanation is required of the material contained in **Appendix D** or of our investigations, creditors should contact our office.

7.2 Overview of investigation

In the time available to us, we have undertaken the following investigations to prepare this report and formulate our opinions:

- Conducting various searches on the Company, its subsidiaries, related parties, its directors and officers (current and former) including any land title searches
- Holding discussions and meetings with the Company's directors and officers
- Liaising with a number of parties that were engaged by the Company prior to our appointment to obtain the Company's books and records
- Reviewing various documents and agreements produced by the Company and other parties
- Reviewing the Company's management accounts and bank statements
- Liaising with the Company's former lawyers in relation to a number of agreements and transactions
- Conducting investigations into the funds held in the former lawyers' trust account on behalf of the Company
- Conducting investigations to identify any voidable transactions.

For further details in relation to our investigations conducted to date, please refer to **Section 6**.

The purpose of our investigations is to determine whether a liquidator, if appointed, can recover funds from transactions entered into prior to the appointment of the Administrators, referred to as 'voidable transactions'.

We have conducted investigations into potential voidable transactions which may be pursued further should a liquidator be appointed. Further investigations will be required to confirm the nature of the transactions, which are classified as voidable transactions and whether a recovery could be made by a liquidator for the benefit of unsecured creditors as a whole, if the Company was wound up.

Whilst we have no reason to doubt any information contained in this report, we reserve the right to alter our conclusions should the underlying data prove to be inaccurate or materially change from the date of this report.

7.3 Offences by the Directors

7.3.1 Overview including breach of director duties

We are required to complete and lodge a report pursuant to Section 438D of the Act with ASIC where it appears that a past or present officer of the company may have been guilty of an offence in relation to the company and in other limited circumstances. Any report lodged pursuant to Section 438D (or an investigative report lodged by a liquidator pursuant to Section 533 of the Act) is not available to the public.

We have undertaken a preliminary investigation of the affairs of the Company in relation to suspected contraventions of Sections 180 to 184 of the Act regarding the general duties of directors and officers.

From our investigations, it appears that the Directors and Officers may have breached Sections 180 to 184 of the Act by not acting with the standard of care and diligence required or in good faith by using their position and information. A detailed investigation into the possibility of breaches by the Directors has not yet been completed. A liquidator, if appointed would investigate any potential breaches of director's duties. Our investigations in relation to these potential breaches are ongoing.

7.3.2 Books and records

Pursuant to Section 286 of the Act, a company must keep written financial records that correctly record and explain its transactions, financial position and performance and would enable true and fair financial statements to be prepared and presented in accordance with the accounting standards.

Failure by the Company to maintain books and records in accordance with Section 286 of the Act provides a rebuttable presumption of insolvency of the Company; however, this only applies in respect of a liquidator's application for compensation for insolvent trading and other actions for recoveries pursuant to part 5.7B of the Act from related entities.

We have considered the financial information, reports, financial records and the Company's record-keeping processes. The Company maintained an up-to-date set of management accounts on Xero.

We have gained access to the following books and records for the Company:

- The Company's accounting software, Xero, containing all management accounts and reports
- The Company's and its controlled entities' consolidated annual reports
- The Company's bank statements
- The Company's various documentation including contracts and agreements.

In our opinion, it appears as though the books and records have been maintained in accordance with Section 286 of the Act.

7.4 Voidable transactions

The Act requires an administrator to specify whether there are any transactions that appear to the administrator to be voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator under part 5.7B of the Act.

This issue is relevant to creditors if they are being asked to choose between a DOCA and a liquidation scenario, because voidable transactions are only able to be challenged if a company is wound up.

Voidable transactions include:

- Unfair preferences (Section 588FA)
- Uncommercial transactions (Section 588FB)
- Unfair loans to a company (Section 588FD)
- Arrangements to avoid employee entitlements (Section 596AB)
- Unreasonable director-related transactions (Section 588FDA)
- Transactions with the purpose of defeating creditors (Section 588FE(5))
- Voidable security interests (Section 588FJ).

It is important to note that some of these transactions are only voidable if they are considered insolvent transactions of the Company. For a liquidator to recover any amount, it would first be necessary to establish that the Company was in fact insolvent at the time of the transaction.

Solvency is defined in Section 95A of the Act as when a company is able to pay all its debts when they become due and payable. A company that is not solvent is insolvent.

Whether a company is able to meet its debts as they become due is essentially a 'cash flow' test although the company's statement of financial position is still relevant. Consideration of the entire financial position of a company is required to establish if it is insolvent at a particular date. This includes:

- The value and nature of assets and liabilities
- When those liabilities are due and payable
- The extent and timeframes that cash can be generated from operations or other sources
- Whether any illiquidity may be temporary.

Please refer to **Section 7.5** for further details regarding the Company's insolvency.

Creditors should note that voidable transactions and other actions that a liquidator can take are not available if the Company executes a DOCA.

In such circumstances, creditors will need to assess the benefits and terms of any proposed DOCA and compare this to the outcome in a liquidation scenario. Where a DOCA is proposed, a comparison of the estimated DOCA and liquidation outcomes will be provided to assist creditors with their assessment. Notwithstanding this, as noted, at the date of this report, no proposal for a DOCA has been received.

Generally, recovery actions involve significant costs and are likely to require Court applications. As such, should there be inadequate funds available, or the liquidators consider it uncommercial or not in the creditors' best interests, such recovery actions may not be commenced by a liquidator, if appointed.

In such a case, creditors wishing to fund any actions may do so. Should any funds be recovered from these actions, the creditors providing the funding may be entitled to receive their contribution in priority to other creditors.

Alternatively, a liquidator, if appointed, may assign a right to sue to any interested third party pursuant to Section 100-5 of the IPS. This enables the liquidator to realise a claim in a timely way for the benefit of the creditors without the time, cost and risks associated with pursuing the legal action. Any person to whom the right to sue is assigned is free to pursue the legal action at their own expense and will receive the full benefit of any Court Order that may result.

Litigation funding may also be available to fund actions. However, such funding is generally only available where legal advice indicates that there is a strong potential for success.

7.4.1 Unfair Preference Payments (Section 588FA)

A liquidator can apply to the Court for an order that a creditor repay the amount of any unfair preference received.

A creditor may receive a preference in circumstances where:

- The company made a payment to a creditor within six months of that company being placed into administration
- The company was insolvent at the time of, or became insolvent because of the payment
- The creditor received the payment for debts it was owed by the company
- The amount of the payment was greater than the amounts that creditors in the same circumstances received (i.e. a particular creditor has been advantaged, or preferred over other creditors)
- The creditor is not able to rely on any of the available statutory defences.

A creditor has a defence to an unfair preference claim by a liquidator if it proves that:

- The creditor became a party to the transaction in good faith
- At the time the creditor entered into the transaction, the creditor had no reasonable grounds for suspecting that the company was insolvent or would become insolvent by entering into the transaction
- A reasonable person in the creditor's circumstances would have had no grounds to suspect the company was insolvent or would become insolvent
- The creditor has provided valuable consideration under the transaction or has changed his, her or its position in reliance on the transaction.

A preliminary review of the books and records of the Company has identified payments totaling **\$1,750,312** to five creditors that may constitute unfair preferences within the six months prior to the relation back day, being the date of our appointment.

We note that some of these transactions may also constitute uncommercial transactions. Please refer to **Section 7.4.2** for further details in this regard.

Notwithstanding the above, our investigations are preliminary. A liquidator, if appointed, will investigate in detail regarding the circumstances surrounding the transaction between the creditors and the Company before any recovery action can be commenced.

In the event of a liquidation, a liquidator will need to prove that creditors knew or should have known that the Company was insolvent at the time the payment or benefit was received. There would need to be significant investigative work undertaken to establish whether:

- The party that received the unfair preference was aware that the company was insolvent or likely to become insolvent at that time
- The recipient has sufficient assets to settle any successful claims
- The cost of undertaking the action would be greater than the possible return
- There are sufficient funds available (subject to the approval of creditors) to undertake any proposed preference recovery action.

As discussed above, further detailed investigations into this area will be required to be undertaken by a liquidator, if appointed.

As mentioned earlier, we have imaged the Company's email server, which is maintained on G Suite and will be undertaking investigations to review all relevant email correspondence in relation to justifying the potential identified unfair preferences and any defences available.

7.4.2 Uncommercial Transactions (Section 588FE)

A transaction is an uncommercial transaction of the Company if, and only if, it may be expected that a reasonable person in the Company's circumstances would not have entered into the transaction, having regard to:

- The benefits, if any to the Company of entering into the transaction
- The detriment to the Company of entering into the transaction
- The respective benefits to other parties to the transaction of entering into it
- Any other relevant matter.

A liquidator is able to recover money or property associated with transactions entered into by the Company where:

- A reasonable person in the Company's circumstances would not have entered into the transaction having regard to the benefit and detriment of the transaction
- The Company is insolvent or becomes insolvent because of the transaction
- The transaction occurred within two years prior to the appointment of the administrators.

Through our review of the Company records, we have identified transactions that may constitute uncommercial transactions. The Company incurred substantial expenses relating to fees paid to consulting firms. We provide details of these transactions as follows:

- Consultancy expenses

As detailed in **Section 4.2**, the Company incurred a significant cost relating to management expenses in FY2017 and FY2018, which relate to fees paid to various consulting/advisory firms. The Company's profit and loss statements reveal an increase in management expenses from \$101,747 in FY2015 to \$1,021,499 in FY2018.

At this stage, we have not verified the services that have been provided by these consultants and advisors. We understand however that a number of these payments were to related parties. Please refer to **Section 7.4.4** for further details.

- Other – Big Neo Pty Limited (Big Neo)

From 24 November 2017 to 22 December 2017, Big Neo received two payments totaling **\$411,124**. We have not reviewed any documentation, which explain the nature of the services provided by Big Neo to the Company, if any.

We have received an informal proof of debt from Big Neo for an amount of \$900,000. We have not received any documentation from Big Neo to support their claim in the Administration.

Further enquiries will be required to be undertaken by a liquidator, if appointed.

7.4.3 Unfair Loans (Section 588FD)

Pursuant to section 588FD of the Act, a liquidator is able to treat as voidable an unfair loan. A loan is considered unfair, if and only if:

- The interest on the loan was, or is extortionate
- The charges associated with the loan were, or are extortionate.

Our investigations of the Company's books and records reveal the Company had not made or received any loans from or to any parties, which committed either company to extortionate terms. Further detailed investigations into this area may be required to be undertaken by a liquidator, if appointed.

7.4.4 Unreasonable Director-Related Transactions (Section 588FDA)

A transaction of the Company is an unreasonable director-related transaction and may be set aside if the Company entered into a transaction with a director or a close associate of a director of the Company and if it may be expected that a reasonable person in the Company's circumstances would not have entered into the transaction.

Such transactions include payments, the issue of securities, conveyances or other dispositions of property by a company in favour of a director, a relative, de facto spouse or related entity of a director.

As detailed in **Section 7.4.2**, a number of consulting/advisory firms are identified in the management accounts as having received a number of payments made by the Company which may constitute uncommercial transactions.

Our investigations reveal a number of companies that have received funds from the Company:

- Company A

We have identified several transactions to Company A for fees during the period June 2016 to May 2018 totaling **\$102,000**. At this stage, we have not verified the services that have been provided by Company A and further investigations will be required to be undertaken by a liquidator, if appointed, in relation to the nature of the engagement between Company A and the Company.

- Company B

We have identified several transactions to Company B for fees including but not limited to fees relating to consulting services during the period April 2016 to December 2017 totaling **\$285,327.92**. At this stage, we have not verified the services that have been provided by Company B and further investigations will be required to be undertaken by a liquidator, if appointed, in relation to the nature of the engagement between Company B and the Company.

In addition to the above, according to the Company's response to the ASX Aware Letter dated 20 February 2018, we understand that the Company proposed the following issuance of shares to these parties:

- Company C

We understand that around May 2015, there was a proposal to issue a significant number of shares to Company C for services provided by them. Further investigations will be required to be undertaken by a liquidator, if appointed, in relation to the nature of the engagement between Company C and the Company and whether the proposed issuance of shares occurred.

- Company D

We understand that around December 2015, there was a proposal to issue a significant number of shares to Company D for services provided by them. Further investigations will be required to be undertaken by a liquidator, if appointed, in relation to the nature of the engagement between Company D and the Company and whether the proposed issuance of shares occurred.

7.4.5 Arrangements to Avoid Employee Entitlements (Section 596AB)

To date, we have not identified any transactions of this nature.

7.4.6 Transactions with the Purpose of Defeating Creditors (Section 588FE(5))

We have conducted a review of the transactions of the Company for the ten years prior to the relation-back day, being the date of our appointment, to identify any transactions that may have been entered into with the purpose of defeating creditors.

As discussed in **Section 3.9**, BRTV entered into a DOCA on 30 June 2018. Our investigations reveal that the Company was a creditor of BRTV for c. **\$12.5 million** according to the intercompany loan account in the Company's management accounts as at the date of the appointment of the Administrators of BRTV, being 22 May 2018.

According to the report to creditors prepared by the Administrators of BRTV pursuant to Section 75-225 of the Act, the Company is a creditor of BRTV for c. **\$9.8 million** as at 21 May 2018.

The DOCA entered into by BRTV stipulates that the Company has agreed to defer the debt owed by BRTV until the completion of the DOCA. That is, the Company will not participate in any distribution available under the DOCA.

As Administrators of the Company, we are not bound by the DOCA. Further investigations will be required to be undertaken by a liquidator, if appointed, in relation to the nature of the deferral of the amount owed by BRTV to the Company and the DOCA in general.

7.4.7 Circulating security interests created within six months (Section 588FJ)

A search of the PPSR, as detailed in **Section 3.2.3** reveals that no floating circulating security interests have been perfected over the Company's assets in the six months prior to the relation back day.

7.5 Insolvent trading (Section 588G)

According to Section 588G, directors have a positive duty to prevent a company from trading whilst it is insolvent. If a director is found to have contravened Section 588G of the Act, he or she may be ordered to pay an amount of compensation to the company equal to the amount of loss or damage suffered by creditors as a result of the contravention.

Information about possible insolvent trading is relevant to creditors when making a decision about the future of the company as directors of the company may generally only be pursued for insolvent trading if the company is in liquidation.

As with the voidable transaction analysis above, creditors have to assess the advantages to them of a DOCA, which cannot include proceeds from insolvent trading actions, compared to the likely return in a liquidation, which could include the proceeds of any successful insolvent trading action.

Our investigations have been extensive, but are preliminary. We provide the following observations based on the Company's management accounts:

- The Company recorded substantial operating losses from FY2015 to FY2018
- The liquidity ratio was below 1 in FY2017 and FY2018
- The working capital deficiency was negative in FY2017 and FY2018.

In addition to the above, we note that BRTV is the main operating arm of the Company and generates revenue for the Group. We provide the following observations based on the Group’s consolidated annual reports:

- The Company recorded substantial trading losses from FY2015 to FY2017
- The liquidity ratio continued to decrease from FY2015 and dropped below one in FY2017
- The working capital deficiency was negative in FY2017.

Given the above indicators, it appears the Company and its controlled entities would have been insolvent from **at least 1 July 2017**.

Based on the preliminary insolvency date, the estimated amount of debt incurred whilst the Company was trading insolvent may amount to **\$669,432.82**. Ultimately, the issue of insolvency would need to be determined on the basis of available evidence presented to Court.

A liquidator would investigate further the possibility of taking action against the Directors for breaches of their duties to prevent insolvent trading. If it is established that a director has breached his or her duties to prevent the company from incurring debts whilst it was insolvent, a liquidator could recover from those directors an amount equal to the loss that has been suffered by the creditors whose debts remain unpaid.

If a liquidator chooses to pursue an insolvent trading action, creditors are prevented from taking their own action against the directors for compensation. If a liquidator does not choose to take any action in this regard, a creditor may commence proceedings on its own behalf but only with the consent of the liquidator or the Court.

7.6 Directors’ personal financial positions

The financial position of the Directors and their ability to compensate for any damages awarded against them, or that of an insurer, in the event proceedings were taken by a liquidator is relevant to the consideration of the commerciality of further action.

Due to time constraints, our investigations have been limited to public information, information provided by the Directors, or authorised by the Directors to be disclosed by third parties.

We have conducted property searches and land title searches on the Directors of the Company and the result of our enquiries are as follows:

- A property search reveals that Brandon Charles Evertz owns a real property at Lot C, 1 Thirroul Avenue, Blackheath NSW 2785. This property is mortgaged to Perpetual Corporate Trust Limited.

We note that no other property have been identified in the name of the Directors.

We have also performed ASIC personal searches in the name of the Directors and have identified the following shareholdings:

Sonia Thurston

Company	Class	Number of Shares
Tink Nominees Pty Limited	ORD	1
Thurston Palm Beach Pty Limited	ORD	10

Brandon Charles Evertz

Company	Class	Number of Shares
Richbrandson Pty Limited	ORD	1
Kenthurst Road Pty Limited	ORD	10

Nicholas Jordan

There have been no shareholdings identified held by Nicholas Jordan. Mr Jordan currently resides in the United Kingdom.

William James Knowles

There have been no shareholdings identified held by William James Knowles. Mr Knowles currently resides in the United Kingdom.

8 Estimated Return from a Winding up

8.1 Introduction

We have prepared an analysis of the likely realisation in liquidation with the following key assumptions:

- Closure of the Company
- Recovery of funds held on trust by DLA Piper
- Recovery of the limited assets including but not limited to the Company's shareholding in Shoutback! and Realworld Advertising
- Full recovery of the GST refunds from the ATO
- 75% recovery of unfair preferences identified to date
- 75% recovery of uncommercial transactions identified to date
- 75% recovery of unreasonable director-related transactions identified to date
- 25% recovery of insolvent trading claims identified to date
- Any sale of the Company's other assets/investments has been withheld.

8.2 Comparative scenarios

A summary of the estimated return to creditors in a liquidation scenario is as follows:

Estimated Statement of Position (ESOP)	Note	Liquidation Recovery estimate \$
Assets		
Funds held on trust for the Company by DLA Piper	1	47,681
GST refund	2	233,899
Shares in Shoutback!		Withheld
Shares in Realworld Advertising		Withheld
Shares in Wayfarer		Unknown
Litigation of third-party claims		Unknown
Total assets		> 281,580
Recoveries available to a liquidator		
Unfair preferences (\$1,750,312)	3	1,312,734
Uncommercial transactions (\$1,110,169)	4	832,627
Unreasonable director-related transactions (\$387,327)	5	290,495
Insolvent trading claims (\$669,432)	6	167,358
Total recoveries available to a liquidator		> 2,603,214
Total funds available for distribution		> 2,884,794
Administrators' costs		
Administrators' current fees (excl. GST)	7	(70,000)
Administrators' current disbursements (excl. GST)	7	(15,000)
Administrators' estimated prospective remuneration (excl. GST)	8	(70,000)
Administrators' estimated prospective disbursements (excl. GST)	8	(5,000)
Total Administrators' costs		(160,000)
Liquidators' costs		
Liquidators' prospective remuneration (excl. GST)	8	(200,000)
Liquidators' prospective disbursements (excl. GST)	8	(5,000)
Legal fees	9	(150,000)
Total Liquidators' costs		(355,000)
Total Administrators' and Liquidators' costs		(515,000)
Total funds available for priority employee claims		> 2,369,794
Priority employee claims		
Wages and superannuation	10	-
Leave of absence	10	1,500
Redundancy	10	-
Total priority employee claims		-
Estimated dividend to priority creditors (cents/\$)		100.00
Total funds available for unsecured creditors		> 2,368,294
Unsecured creditors		
Other unsecured creditors	11	1,731,989
Unsecured portion of the priority employee claims		1,329,929
Total unsecured creditors		3,061,918
Estimated dividend to unsecured creditors (cents/\$)		> 77.35

Creditors should note that our estimated return to unsecured creditors does not take into account any recoveries from the sale of the Company's shares in Shoutback!, Realworld Advertising and/or Wayfarer, and any successful litigation against third parties.

Notes

1. Funds held on trust for the Company by DLA Piper

The Company's management accounts disclose that there are currently funds totaling \$47,681 that are being held in the former solicitors' trust account on behalf of the Company. We have assumed full recovery of this amount for the purposes of the ESOP. Please refer to **Section 5.1.1** for further details.

2. GST refund

Our investigations reveal that the Company is currently awaiting a GST refund for \$233,899 due to the Company for the December 2017 and March 2018 quarters. We are liaising with BDO in relation to claiming the GST refunds and are awaiting further correspondence from the ATO in relation to these refunds. We have assumed full recovery of this amount for the purposes of the ESOP. Please refer to **Section 5.1.3** for further details.

3. Unfair preference claims

Our investigations reveal a number of potential preference payments totaling \$1,750,312. We have estimated recoveries from unfair preference claims to be 75 per cent of the total unfair preference claims identified. Please refer to **Section 7.4.1** for further details.

4. Uncommercial transactions

Our investigations reveal a number of potential uncommercial transactions totaling \$1,110,169. We have estimated recoveries from uncommercial transactions to be 75 per cent of the total uncommercial transactions identified. Please refer to **Section 7.4.2** for further details.

5. Unreasonable director-related transactions

Our investigations reveal a number of potential unreasonable-director related transactions totaling \$387,327. We have estimated recoveries from unreasonable director-related transactions to be 75 per cent of the total unreasonable director-related transactions identified. Please refer to **Section 7.4.4** for further details.

6. Insolvent trading claims

Our investigations reveal that the Directors may be liable for a potential insolvent trading claim totaling \$669,433. Given the personal financial position of the Directors, we have estimated recoveries from any insolvent trading claim to be 25 per cent of the total insolvent trading claim identified. Please refer to **Section 7.5** for further details.

7. Current remuneration

The Administrators' current remuneration is calculated based on time charged to each major task area by staff members working on the administration for the period 24 August 2018 to 14 September 2018. We have agreed to cap our remuneration for this period at \$70,000 plus GST of \$7,000. Please refer to my Remuneration Approval Request dated 19 September 2018 for further details regarding these tasks.

8. Prospective remuneration

As no DOCA has been proposed, we have assumed for the purposes of the ESOP that the Company will be placed into liquidation at the second meeting of creditors on 27 September 2018. In the event the second meeting of creditors is adjourned, further time costs will be incurred by the Administrators to the adjourned second meeting of creditors. We have not considered these potential further time costs for the purposes of the ESOP.

The Administrators' and Liquidators' remuneration is based on an estimate of the time required to conduct the necessary investigations and pursue possible recoveries. The Administrators have conducted preliminary investigations into potential recoveries, however a liquidator will need to conduct further investigations. We note that recoveries relating to voidable transactions can require a considerable amount of investigation work. Please refer to my Remuneration Approval Request dated 19 September 2018 for further details regarding these tasks.

9. Legal Fees

Legal fees refer to an estimate of my solicitors' costs for any potential litigation, issuance of demand letters, negotiations with relevant parties and all other tasks associated with the recovery of the potential voidable transactions identified.

10. Priority employee claims

The RATA disclose employee claims totaling \$1,331,429. Please refer to **Section 5.1.4** for further details.

11. Unsecured creditors

Please refer to **Section 3.2.2** and **Section 5.1.6** for further details in relation to the unsecured creditors of the Company.

8.3 Effect on employees

In relation to employee entitlements, a priority exists over the secured creditors in relation to circulating assets. Should there be inadequate funds in the liquidation for the payment of employee entitlements, employees may be entitled to apply to the federally funded Fair Entitlements Guarantee (**FEG**).

FEG may cover successful applicants for outstanding wages, annual leave and termination notice. However, FEG does not cover outstanding superannuation entitlements, nor excluded employees, including the directors of the Company. The liquidators, if appointed would assist employees in applying to FEG via their online portal.

Please refer to **Section 5.1.4** for details of employee claims in this administration.

8.4 Conclusion

A return of 77 cents in the dollar to unsecured creditors is dependent on the sale of the available assets, the outcome of the voidable transaction claims and/or any (potential) third party claims. This is an estimate only based on the information currently available and the investigations undertaken to date (which are incomplete) and is subject to change.

The return to the secured creditors involves the realisation of all the circulating and non-circulating assets of the Company over which they possess perfected security interests or real property mortgages and are first ranking against the realisations from the sale of those except in the case of circulating assets which are available for the payment of employee entitlements pursuant to their priority under Section 556 of the Act, if any.

Prior to the payment of the secured creditors and priority creditors, all of the costs of the Administration and the subsequent liquidation of the Company will be deducted.

9 Deed of Company Arrangement (DOCA)

We have not received a formal and confirmed proposal for a DOCA at the date of this report. We have been informed that a DOCA proposal from a group of shareholders will not be provided prior to the second meeting of creditors on 27 September 2018, but that the terms of a DOCA proposal can be formulated and submitted thereafter and within 45 business days if the second meeting of creditors is adjourned for that period.

Creditors may give consideration to and require the adjournment of the second meeting of creditors to allow time for us to receive and consider any forthcoming proposal for a DOCA, and to provide a supplementary report to creditors with our opinion as to the future of the Company.

10 Administrators' Opinion

10.1 Introduction

The following options are available to creditors to decide:

- The Company execute a deed of company arrangement
- The administration end
- The Company be wound up.

Our opinions on each option and our reasons for our opinions are discussed below.

10.2 The Company execute a DOCA

We have not received a formal and confirmed DOCA.

10.3 The administration should end

Based on our analysis, the Company is presently insolvent and unable to pay its debts as and when they fall due. Ending the Administration would not be in the best interests of creditors and would expose the Directors to the possibility of liability for insolvent trading. Accordingly, it is our opinion that the administration should not end and control is not returned to the Directors.

10.4 The Company be wound up

As there is no proposed DOCA at the date of this report, which would result in a greater return than liquidation, and the Company is presently insolvent, we are of the opinion that it would be in the creditors' best interest for the Company to be wound up.

10.5 Adjournment of the meeting of creditors

Based on our investigations and analysis of the affairs of the Company, and the possibility that a proposal for a DOCA may be received, it may be in the interests of the creditors to consider adjourning this meeting of creditors for up to 45 business days. This adjournment will allow time for us to consider any proposal for a DOCA, if forthcoming, to undertake further investigations into potential voidable transactions, potential breaches of duty by the directors, and/or potential claims the Company may have against third parties, and to provide a supplementary report to creditors so that creditors may consider these matters in sufficient detail.

We note that the adjournment will not prejudice creditors' rights to place the Company into liquidation in the future nor will it prejudice creditors' rights to vote in favour of the Company executing a DOCA, if a DOCA proposal is forthcoming.

10.6 Administrators' opinion

In our opinion, it would be in the creditors' best interests for the Company to be wound up.

We reserve the right to change our opinion if a proposal for a DOCA is received subsequent to the date of this report. We will then provide a supplementary report to creditors to consider any proposal for a DOCA in sufficient detail.

10.6.1 Other Material Information

We are not aware of any other information that is materially relevant to creditors being able to make an informed decision on the Company's future.

11 Remuneration

Creditors are directed to the Information Sheet – Approving Fees: a guide for Creditors, a copy of which is attached as **Appendix E**.

11.1 Voluntary Administration

The Administrators' remuneration is based on the firm's hourly rates which are included in **Appendix F** to this report. Creditor approval for fees will be sought at the second meeting of creditors where a detailed narrative will be submitted together with the fee breakdown of work performed by our staff.

The time costs incurred to date are as follows:

Period	Amount \$ (Excl. GST)
Current remuneration approval sought:	
Voluntary administration	
Resolution 1: from 24 August 2018 to 14 September 2018	\$70,000
Total – Voluntary administration	\$70,000

Our actual remuneration for the period from 24 August 2018 to 14 September 2018 is \$105,087.50 plus GST of \$10,508.75. We have however agreed to cap our remuneration for this period at \$70,000 plus GST of \$7,000.

A summary of the time spent by us and our staff in the Administration for the period 24 August 2018 to 14 September 2018 at their respective hourly rates is attached **Appendix F**.

At the second meeting of creditors, we will propose a resolution in relation to our unpaid capped remuneration of \$70,000 plus GST of \$7,000 for the period from 24 August 2018 to 14 September 2018.

Please note that none of these fees include disbursements, which the Administrators are entitled to draw as and when they are incurred.

Should creditors resolve to adjourn the second meeting of creditors, we will seek approval of our fees incurred after 27 September 2018 at subsequent meetings of creditors.

11.2 Liquidation

The Liquidators' remuneration is based on the firm's hourly rates which are included in **Appendix F** to this report. Creditor approval for fees will be sought at the second meeting of creditors where a detailed narrative will be submitted together with the fee breakdown of work performed by the Liquidators' staff.

The estimated fees for the Liquidation from 27 September 2018 to the completion of the Liquidation are as follows:

Period	Amount \$ (Excl. GST)
Liquidation	
Resolution 2: from 27 September 2018 to the completion of the Liquidation*	\$200,000
Total – Liquidation	\$200,000

A summary of the estimated time to be spent by the Liquidators and their staff in the Liquidation from 27 September 2018 to the completion of the Liquidation at their respective hourly rates is attached as **Appendix F**.

At the second meeting of creditors, we will propose a resolution in relation to the estimated Liquidators' fees from 27 September 2018 to the completion of the Liquidation. If a lesser amount is incurred only the amount actually incurred will be paid.

These fees will be capped and accordingly we will be unable to draw fees more than this amount without further approval by creditors.

12 Meeting

Pursuant to Section 439A(3) of the Act and Section 75-225 of the IPR, we have attached a notice convening the second meeting of creditors to be held on **Thursday, 27 September 2018 at 11:00AM (AEST)** at the office of Deloitte Financial Advisory Pty Ltd, Eclipse Tower, Level 19, 60 Station Street, Parramatta NSW 2150 (refer to Form 529 enclosed as **Appendix A**).

Facilities will also be made available for creditors to attend and participate by telephone. Please contact Jessica Szeto of this office on (02) 9840 6768 or via email at jszeto@deloitte.com.au to obtain the teleconference details.

At the second meeting of creditors, creditors will be asked to resolve whether:

- The Company execute a deed of company arrangement
- The administration end
- The Company be wound up

Attendance at this meeting is not compulsory. Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy must be made in accordance with Form 532 (attached as **Appendix G**).

A special proxy can be lodged showing approval or rejection of each resolution. Proxy forms or facsimiles thereof must be lodged with the Administrators prior to the commencement of the meeting. Where a facsimile copy of a proxy is sent, the original must be lodged with the Administrators within 72 hours after receipt of the facsimile. An attorney of the creditor must show the instrument by which he or she is appointed to the Chairperson of the meeting, prior to the commencement of the meeting.

Please note that a creditor is required to lodge a proof of debt or claim (attached as **Appendix B**) to be entitled to vote at the second meeting of creditors. A creditor will not be able to vote at the meeting unless a proof of debt or claim is lodged with us prior to the commencement of the meeting.

If a creditor wishes to rely upon the proof of debt or claim that they lodged with us at the first meeting of creditors, held on Wednesday, 5 September 2018, they must make reference to that proof of debt or claim when submitting a proxy, or when attending the second meeting of creditors.

We trust that creditors find this report informative and useful. In the event you have any queries regarding the contents of this report, or the administration in general, please do not hesitate to contact **Jessica Szeto** of this office on (02) 9840 6768 or at jszeto@deloitte.com.au.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Neil Robert Cussen', written in a cursive style.

Neil Robert Cussen
Joint and Several Administrator

Appendix A – Notice of meeting of creditors

FORM 529

CORPORATIONS ACT 2001
Section 439A

Insolvency Practice Rules (Corporations)
75-10, 75-15 & 75-225

NOTICE OF MEETING OF CREDITORS
BIG UN LIMITED
(ADMINISTRATORS APPOINTED)
ACN 106 399 311

NOTICE is given that a meeting of the creditors of the company will be held at the offices of Deloitte Financial Advisory Pty Ltd, Eclipse Tower, Level 19, 60 Station Street, Parramatta NSW 2150 on **Thursday, 27 September 2018 at 11:00AM (AEST)**.

A G E N D A

1. To receive a Report about the company's business, property, affairs and financial circumstances.
2. To receive the report of the Administrator.
3. Questions from creditors.
4. For creditors to resolve:
 - a. That the company execute a Deed of Company Arrangement
 - b. That the administration should end
 - c. That the company be wound up.
5. To fix the remuneration of the Joint and Several Administrators.
6. If the company is wound up, to consider appointing a Committee of Inspection.
7. If no Committee is appointed, to fix the remuneration of the Liquidators.
8. If no Committee is appointed, to consider the destruction of the books and records at the conclusion of the winding up.
9. Any other business that may be lawfully brought forward.

Telephone conference facilities will be available at the meeting. Please contact Jessica Szeto of this office on (02) 9840 6768 or by email at jszeto@deloitte.com.au to request these details. Please note under Insolvency Practice Rules (Corporations) (IPR) 75-35 if you wish to participate in the meeting using such facilities you must give to the convener not later than Wednesday, 26 September 2018 at 4:00PM (AEST):

- (a) A written statement setting out:
 - (i) The name of the person and of the proxy or attorney (if any)
 - (ii) An address to which notices to the person, proxy or attorney may be sent
 - (iii) A method by which the person, proxy or attorney may be contacted for the purposes of the meeting.

Proxies to be used at the meeting should be given to me as Joint and Several Administrators to the person named a convening the meeting. A creditor can only be represented by proxy or by an attorney pursuant to IPR 75-150 & 75-155 and if a body corporate by a representative appointed pursuant to Section 250D.

Creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the company in accordance with IPR 75-85 and that claim has been admitted for voting purposes wholly or in part by the Joint and Several Administrators.

DATED this 19th day of September 2018.

A handwritten signature in black ink, appearing to read 'Neil Robert Cussen', written in a cursive style.

NEIL ROBERT CUSSEN
JOINT AND SEVERAL ADMINISTRATOR

Deloitte Financial Advisory Pty Ltd
Eclipse Tower
Level 19
60 Station Street
PARRAMATTA NSW 2150

Appendix B – Proof of debt form

INFORMAL PROOF OF DEBT FORM

Regulation 5.6.47

BIG UN LIMITED (ADMINISTRATORS APPOINTED)
ACN 106 399 311

Name of creditor:

Address of creditor:

.....

ABN:

Telephone number:

Amount of debt claimed: \$ (including GST \$)

Consideration for debt (i.e, the nature of goods or services supplied and the period during which they were supplied):

.....

.....

Is the debt secured? YES/NO

If secured, give details of security including dates, etc:

.....

.....

.....

Other information:

.....

.....

.....
Signature of Creditor
(or person authorised by creditor)

.....
Dated

Notes:

Under the Insolvency Practice Rules (Corporations) (IPR) Section 75-85, a creditor is not entitled to vote at a meeting unless:

- a. his or her claim has been admitted, wholly or in part, by the Joint and Several Administrators; or
- b. he or she has lodged with the Joint and Several Administrators particulars of the debt or claim, or if required, a formal proof of debt.

At meetings held under Section 436E and 439A, a secured creditor may vote for the whole of his or her debt without regard to the value of the security (IPR Section 75-87).

Proxies must be made available to the Joint and Several Administrators.

Appendix C – Declaration of Independence, Relevant Relationships and Indemnities

Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

Big Un Limited (Administrators Appointed)
ACN 106 399 311 (the Company)

This document requires the Practitioners appointed to an insolvent entity 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
- C. Any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of ourselves, our partners and Deloitte Financial Advisory Pty Ltd (Deloitte).

A. Independence

We, Neil Robert Cussen and Matthew James Donnelly of Deloitte have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Joint and Several Administrators of the Company 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 Mr. Michael Hird of Armstrong Hird Advisory.

On 17 May 2018, Mr. Neil Robert Cussen held a meeting with the directors of Big Review TV Limited, a subsidiary of the Company. The purpose of the meeting held on 17 May 2018 were:

- To discuss the financial position of Big Review TV Limited
- To clarify and explain the nature and consequences of insolvency for Big Review TV Limited
- To discuss the possible options available to the Company including voluntary administration.

On 24 August 2018, Mr. Neil Robert Cussen held a meeting with the directors of the Company. The purpose of the meeting held on 24 August 2018 were:

- To discuss the financial position of the Company
- To clarify and explain the nature and consequences of insolvency for Big Un Limited
- To discuss the possible options available to the Company including voluntary administration.

We received no remuneration for this advice.

These meetings were in the nature of pre-appointment discussions and was limited to the financial position of the Company and of Big Review TV Limited. During these meetings, advice was limited to verbal discussions of the potential options available.

It is our opinion that these meetings did not present a conflict or impediment as we do not consider ourselves to be bound to provide services to the Company in relation to this matter or in any way obligated to deliver a favourable outcome to any party, nor will the advice provided be subject to review and challenge during the course of the voluntary administration.

The Courts and the Australian Restructuring Insolvency and Turnaround Association's Code of Professional Practice specifically recognises the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment.

We, or a member of our firm, have provided no other information or advice to the Company prior to our appointment beyond that outlined in this DIRRI.

ii. Relevant Relationships (excluding Professional Services to the Company)

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

Name	Nature of relationship	Reasons why not an impediment or conflict
Armstrong Hird Advisory (Armstrong Hird)	Referral from accountant	<p>We have not received any other referral from Armstrong Hird. We are not paid any commissions, inducements or benefits by Armstrong Hird to undertake any appointments.</p> <p>There is no arrangement between us and Armstrong Hird that we will give any work arising out of the Administration to Armstrong Hird. There is no relationship with Armstrong Hird which in our view would restrict us from properly exercising our judgment and duties in relation to the appointment.</p>

iii. Prior Professional services to the Company

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

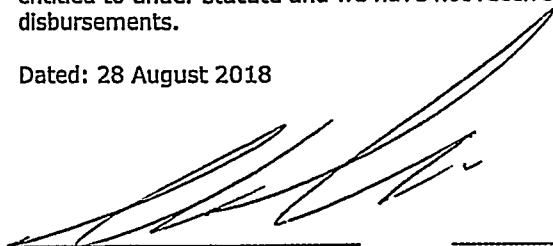
iv. No other relevant relationships to disclose

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

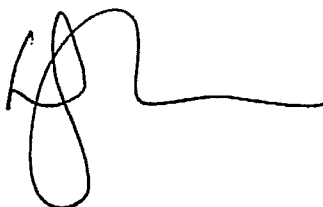
C. Indemnities and up-front payments

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: 28 August 2018



Neil Robert Cussen



Matthew James Donnelly

Note:

1. If circumstances change, or new information is identified, we are required under Section 506A of 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.

Appendix D – ARITA information sheet: offences, recoverable transactions and insolvent trading

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

A summary of offences under the Corporations Act that may be identified by the administrator:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to the administrator.
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to:

- the benefit or detriment to the company;
- the respective benefits to other parties; and,
- any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years.

The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

Unreasonable payments to directors

Liquidators have the power to reclaim '*unreasonable payments*' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect;
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

Appendix E – Information sheet: Approving fees – A guide for creditors



ASIC

Australian Securities & Investments Commission

ASIC Guide for

INFORMATION SHEET 85

Approving fees: A guide for creditors

If a company is in financial difficulty, it can be put under the control of an independent external administrator.

This information sheet (INFO 85) gives general information for creditors on the approval of an external administrator's fees in a liquidation of an insolvent company, voluntary administration or deed of company arrangement (the fees of a receiver are fixed by the secured creditor that appoints the receiver and are not discussed in this information sheet). It outlines the rights that creditors have in the approval process.

It covers:

- entitlement to fees and costs
- who may approve fees
- calculation of fees
- initial remuneration notice
- report on proposed fees
- deciding if fees are reasonable
- reimbursement of out-of-pocket costs
- queries and complaints

Entitlement to fees and costs

A liquidator, voluntary administrator or deed administrator (i.e. an 'external administrator') is entitled to be:

- paid reasonable fees, or remuneration, for the necessary work they properly perform, once these fees have been approved by creditors, a committee of inspection or a court
- reimbursed for out-of-pocket costs incurred in performing their role.

External administrators are only entitled to an amount of fees that is reasonable for the necessary work that they and their staff properly perform in the external administration. What is reasonable will depend on the type of external administration and the issues that need to be resolved. Some are straightforward, while others are more complex.

External administrators must undertake some tasks that may not directly benefit creditors. These include reporting potential breaches of the law and lodging with ASIC a detailed listing of receipts and payments, known as an annual administration return, annually on the anniversary of their appointment and at the end of their administration.

The external administrator is entitled to be paid for completing these statutory tasks.

Note: If the external administration commenced prior to 1 September 2017, the external administrator will continue to lodge the six-monthly Form 524 Presentation of accounts and statement until the six-month period ending on the first anniversary of their appointment date. Thereafter, they will lodge the annual administration return (AAR Form 5602).

Out-of-pocket costs that are commonly reimbursed include:

- legal fees
- valuer's, real estate agent's and auctioneer's fees
- stationery, photocopying, telephone and postage costs
- retrieval costs for recovering the company's computer records
- storage costs for the company's books and records.

Creditors have a direct interest in the level of fees and costs, as the external administrator will generally be paid from the company's available assets before any payments to creditors. If there are not enough assets, the external administrator may have arranged for a third party to pay any shortfall. As a creditor, you should receive details of such an arrangement. If there are not enough assets to pay the fees and costs, and there is no third party payment arrangement, any shortfall is not paid.

Who may approve fees

An external administrator's fees must be approved by one of the following ways:

- by resolution of creditors
- by a committee of inspection (if there is a committee of inspection) if no resolution has been passed by creditors
- by the court if neither the creditors nor a committee of inspection have passed a resolution.

Note: An external administrator in a members' voluntary winding up must have fees approved by a resolution of the company, or the court.

The external administrator must provide sufficient information to enable the relevant decision-making body to assess whether the fees are reasonable.

If fees are not approved by the relevant decision-making body, the liquidator is entitled to be paid reasonable fees up to a maximum of \$5,000 excluding GST (indexed annually).

Creditors' approval at a creditors' meeting

Creditors can approve fees by passing a resolution at a creditors' meeting. Unless creditors call for a poll, the resolution passes if a simple majority of creditors present and voting, in person or by proxy, indicates that they agree to the resolution.

If a poll is taken, rather than a vote being decided on the voices, a majority in number and value of creditors present and voting must agree. A poll requires the votes of each creditor to be recorded.

A separate resolution of creditors is required for approving fees for an administrator in a voluntary administration and an administrator of a deed of company arrangement, even if the administrator is the same person in both administrations.

A proxy is where a creditor appoints someone else to represent them at a creditors' meeting and to vote on their behalf. A proxy can be either a general proxy or a special proxy. A general proxy allows the person holding the proxy to vote as they wish on a resolution, while a special proxy directs the proxy holder to vote in a particular way.

A creditor will sometimes appoint the external administrator as a proxy to vote on the creditor's behalf. An external administrator, their partners or staff must not use a general proxy to vote on approval of their fees; they must hold a special proxy in order to do this. They must vote all special proxies as directed, even those against approval of their fees.

Creditors' approval without a creditors' meeting

Instead of convening a creditors' meeting, the external administrator can put proposals to creditors by giving notice in writing.

This notice must be given to each creditor who would be entitled to receive notice of a meeting and:

- include a statement of the reasons for the proposal and the likely impact the proposal will have on creditors
 - invite the creditor to either:
 - vote 'yes' or 'no' for the proposal
- object to the proposal being resolved without a meeting
- specify a reasonable time for creditors' replies to be received by the external administrator.

To vote on the proposal, a creditor must lodge details of your debt or claim with the external administrator and complete the voting documents provided by the external administrator.

Creditors can vote 'yes' or 'no' on the proposal or object to the proposal being resolved without a creditors' meeting. You should return your response to the external administrator within the time specified in the notice which must be at least 15 business days after the notice is given to creditors.

A resolution is passed if the majority of creditors in number and value who responded to the notice voted 'yes' and if not more than 25% in value of the creditors who responded objected to the proposal being resolved without a creditors' meeting.

The external administrator should provide creditors enough information to allow them to make an informed decision about the proposal. A creditor should contact the external administrator to obtain further information if they think it necessary for them to make a decision.

The external administrator must lodge with ASIC the outcome of the proposal. A copy of the outcome of the proposal may be obtained by searching the ASIC registers and paying the relevant fee.

Committee of inspection approval

If there is a committee of inspection, the committee of inspection can approve an external administrator's fees. In approving the fees, the members represent the interests of all creditors or employees, not just their own individual interests.

A committee of inspection makes its decision by a majority in number of its members present at a meeting, but it can only act if a majority of its members attend.

To find out more about committees of inspection and how they are formed, see Information Sheet 45 Liquidation: A guide for creditors (INFO 45), Information Sheet 74 Voluntary administration: A guide for creditors (INFO 74) and Information Sheet 41 Insolvency: A glossary of terms (INFO 41).

Calculation of fees

Fees may be calculated using one of a number of different methods, such as:

- on the basis of time spent by the external administrator and their staff
- a quoted fixed fee, based on an upfront estimate
- a percentage of asset realisations.

Charging on a time basis is the most common method. If an external administrator seeks approval for charging wholly or partly on a time basis, and the work is yet to be carried out, the approval sought must include a maximum limit ('cap') on the amount of remuneration the external administrator is entitled to receive. For example, future fees calculated according to time spent may be approved on the basis of the number of hours worked at the rates charged (as set out in the provided rate scale) up to a cap of \$X. If the work involved then exceeds this figure, the external administrator will have to ask the creditors/committee to approve a further amount of fees, after accounting for the fees already incurred.

The external administrator and their staff will record the time taken for the various tasks involved, and a record will be kept of the nature of the work performed.

External administrators have a scale of hourly rates, with different rates for each category of staff working on the external administration, including the external administrator. If the external administrator intends to charge on a time basis, you should receive a copy of these hourly rates soon after their appointment and before you are asked to approve the fees. It is important to note that the hourly rates do not represent an hourly wage for the external administrator and their staff. The external administrator is running a business – an insolvency practice – and the hourly rates will be based on the cost of running the business, including overheads such as rent for business premises, utilities, wages and superannuation for staff who are not charged out at an hourly rate (such as personal assistants), information technology support, office equipment and supplies, insurances, taxes, and a profit.

External administrators are professionals who are required to have qualifications and experience, be independent and maintain up-to-date skills. Many of the costs of running an insolvency practice are fixed costs that must be paid, even if there are insufficient assets available to pay the external administrator for their services. External administrators compete for work and their rates should reflect this.

These are all matters that committee members or creditors should be aware of when considering the fees presented. However, regardless of these matters, creditors have a right to question the external administrator about the fees and whether the rates are negotiable.

It is up to the external administrator to justify why the method chosen for calculating fees is an appropriate method for the particular external administration. As a creditor, you also have a right to question the external administrator about the calculation method used and how the calculation was made.

Initial remuneration notice

The external administrator must send creditors a notice setting out the following information if they propose to seek fee approval for the external administration:

- the method by which they seek to be paid
- the rate of fees
- an estimate of the expected amount of total fees

- the method how out-of-pocket costs will be calculated
- a brief explanation of the different methods to calculate fees
- an explanation why they chose the particular fee method by which they seek to be paid
- if a time-cost basis was chosen, the hourly rates of the external administrator and other staff who will work on the external administration.

This initial remuneration notice must be sent to creditors:

- in a voluntary administration – at the same time as the notice of the first meeting of creditors is sent
- in a court liquidation – within 20 business days after the liquidator's appointment
- in a voluntary liquidation – within 10 business days after the day of the meeting at which the resolution to wind up the company is passed.

Report on proposed fees

When seeking approval of fees, the external administrator must send creditors/committee members a report setting out:

- a summary description of the major tasks performed, or likely to be performed
- the costs associated with each of these tasks and the method of calculation of the costs
- the periods when funds will be drawn to pay the fees
- an estimated total amount, or range of amounts, of total fees
- an explanation of the likely impact the fees will have on any dividends to creditors
- such other information that will assist in assessing the reasonableness of the fees claimed.

Creditors/committee members may be asked to approve fees for work already performed or an estimate of work yet to be carried out. For more on the tasks involved, see INFO 45 and INFO 74.

Deciding if fees are reasonable

If asked to approve an amount of fees, your task is to decide if that amount of fees is reasonable, given the work carried out in the external administration and the results of that work.

In addition to the information the external administrator must provide to you before seeking approval of fees, you may find the following additional information from the external administrator useful in deciding if the fees claimed are for necessary work properly performed and reasonable:

- an explanation of why the work performed was necessary
- the size and complexity (or otherwise) of the external administration
- the value and nature of the property dealt with
- the level of risk or responsibility involved with the external administration
- whether there are any extraordinary issues that were required to be dealt with
- the amount of fees (if any) that have previously been approved
- if the fees are calculated, in whole or in part, on a time basis:
 - the period over which the work was or is likely to be performed

- the time spent by each level of staff on each of the major tasks performed or likely to be performed
- if the fees are for work that is yet to be carried out, whether the fees are capped.

If you need more information about fees than is provided in the external administrator's report, you should let them know before the meeting at which fees will be voted on.

What can you do if you think the fees are not reasonable?

If you do not think the fees claimed are reasonable, you should raise your concerns with the external administrator. It is your decision whether to vote in favour of, or against, a resolution to approve fees.

Generally, if creditors or a committee of inspection approves fees and you wish to challenge this decision, you may apply to the court and ask the court to review the fees.

You may wish to seek your own legal advice if you are considering applying for a court review of the fees.

As well as a court review of the external administrator's fees, creditors (by resolution of creditors) or one or more creditors (with the external administrator's consent) can appoint a registered liquidator to carry out a review of fees and/or costs incurred by the external administrator of the company.

Note: A creditor can also apply to ASIC in the approved form for it to appoint a reviewing liquidator (see Form 5605 Application for ASIC to appoint a reviewing liquidator).

This review is limited to:

- remuneration approved within the six months before the reviewing liquidator is appointed
- costs or expenses incurred during the 12-month period before the reviewing liquidator is appointed (unless the external administrator agrees to a longer period).

The reviewing liquidator must be a registered liquidator. A creditor who wishes to appoint a reviewing liquidator must approach a registered liquidator to get a written consent from that person that they would be prepared to act as reviewing liquidator. The person must also make a written declaration about any relationships they or their firm may have that might affect their independence to act as reviewing liquidator.

The external administrator and their staff, must cooperate with the reviewing liquidator.

If creditors pass a resolution to appoint the reviewing liquidator, the reviewing liquidator's costs form part of the expenses of the external administration of the company. If one or more of the creditors appoint the reviewing liquidator with the consent of the external administrator, the reviewing liquidator's costs are borne by the creditor(s) appointing the reviewing liquidator.

Reimbursement of out-of-pocket costs

An external administrator should be very careful incurring costs that must be paid from the external administration – as careful as if they were dealing with their own money. Their report on fees must also include information on the out-of-pocket costs of the external administration.

Out of pocket expenses (or disbursements) can be categorised into:

- external services or costs such as legal fees, valuation fees, travel, accommodation and search fees
- internal services or costs such as photocopying, printing and postage.

External costs are usually charged at cost and do not require prior approval of creditors.

Internal costs may be charged at a rate higher than actual cost in order to recover overheads and similar costs. In instances where costs are charged at a rate higher than cost, the external administrator will need to obtain creditor approval before being reimbursed.

When seeking approval of out-of-pocket expenses, the external administrator must send creditors/committee members a report setting out:

- a summary description of the out-of-pocket expenses
- how they were calculated
- the total amount the external administrator is seeking reimbursement for
- why the expenses were necessary.

Creditors/committee members may be asked to approve reimbursement of out-of-pocket expenses for expenses already incurred or an estimate of expenses to be incurred.

If the expenses are yet to be incurred, a maximum limit ('cap') should be placed on the amount that the external administrator may incur and reimbursed for.

Queries and complaints

You should first raise any queries or complaints with the external administrator. If this fails to resolve your concerns, including any concerns about their conduct, you can lodge a report of misconduct with ASIC – see How to complain.

Lodging your report of misconduct online ensures the quickest response from ASIC to your concerns.

ASIC usually does not become involved in matters of an external administrator's commercial judgement.

Reports of misconduct against companies and their officers can also be made to ASIC.

If you cannot report misconduct online to ASIC, you can contact us on 1300 300 630.

Where can I get more information?

For an explanation of terms used in this information sheet, see Information Sheet 41 Insolvency: A glossary of terms (INFO 41). For more on external administration, see the related information sheets listed in Information Sheet 39 Insolvency information for directors, employees, creditors and shareholders (INFO 39).

Further information is available from the Australian Restructuring Insolvency & Turnaround Association (ARITA) website. The ARITA website also contains the ARITA Code of Professional Practice for Insolvency Practitioners.

Important notice

Please note that this information sheet is a summary giving you basic information about a particular topic. It does not cover the whole of the relevant law regarding that topic, and it is not a substitute for professional advice. You should also note that because this information sheet avoids legal language wherever possible, it might include some generalisations about the application of the law. Some provisions of the law referred to have exceptions or important qualifications. In most cases your particular circumstances must be taken into account when determining how the law applies to you.

This is Information Sheet 85 (INFO 85), updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Appendix F – Remuneration approval request



**Big Un Limited (Administrators Appointed)
ACN 106 399 311 (the Company)**

**Remuneration Approval Request
19 September 2018**

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1 Declaration

We, Neil Robert Cussen and Matthew James Donnelly of Deloitte Financial Advisory Pty Ltd, have undertaken a proper assessment of this remuneration claim for our appointment as Administrators of Big Un Limited (Administrators Appointed) in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Administration.

2 Executive summary

Our actual remuneration for the period from 24 August 2018 to 14 September 2018 is \$105,087.50 plus GST of \$10,508.75. We have however agreed to cap our remuneration for this period at \$70,000 plus GST of \$7,000.

Our actual remuneration for the above period differs to the estimate provided in the Initial Remuneration Notice dated 28 August 2018, which estimated a cost of the administration to the second meeting of creditors of \$50,000 plus GST of \$5,000, for the reasons detailed in **Section 3.3** below.

The total remuneration currently claimed, which includes an estimate of our remuneration as liquidators of the Company from 27 September 2018 of \$200,000 plus GST of \$20,000, if appointed, is summarised below:

Period	Report Reference	Amount \$ (Excl. GST)
Current remuneration approval sought:		
Voluntary administration		
Resolution 1: 24 August 2018 to 14 September 2018	3, Schedule A and B	\$70,000
Total – Voluntary administration		\$70,000
Liquidation		
Resolution 2: 27 September 2018 to the completion of the Liquidation*	3, Schedule C and D	\$200,000
Total – Liquidation*		\$200,000
Total remuneration claimed and approved		\$270,000
*Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.		

Internal disbursements currently claimed are summarised below:

Period	Report Reference	Amount \$ (Excl. GST)
Current disbursements claim:		
Voluntary administration		
Resolution 3: from 24 August 2018 to 14 September 2018	4	\$514.00
Total disbursements claimed and approved		\$514.00

Please refer to report section references detailed in the above table for full details of the calculation and composition of the remuneration approval sought.

3 Remuneration

3.1 Remuneration claim resolutions

At the meeting of creditors to be held at the offices of Deloitte Financial Advisory Pty Ltd, Eclipse Tower, Level 19, 60 Station Street, Parramatta NSW 2150 on **Thursday, 27 September 2018 at 11:00AM (AEST)**, we will seek approval by the creditors of the following resolutions concerning our remuneration claims. Please refer to **Schedules A to D** of this report for details of the major tasks performed and the costs associated with each of those major tasks.

Resolution 1: from 24 August 2018 to 14 September 2018

"That the remuneration of the Joint and Several Administrators for the period 24 August 2018 to 14 September 2018, calculated at hourly rates as detailed in the remuneration approval request dated 19 September 2018, is approved for payment in the sum of \$70,000 plus GST of \$7,000, and that the Joint and Several Administrators can draw the remuneration immediately or as required."

Resolution 2: from 27 September 2018 to the completion of the Liquidation

"That the future remuneration of the Joint and Several Liquidators from 27 September 2018 to the completion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and their partners and staff, calculated at the hourly rates as detailed in the remuneration approval request dated 19 September 2018, up to a capped amount of \$200,000 plus GST of \$20,000, and that the Joint and Several Liquidators can draw the remuneration on a monthly basis or as required."

Note: Should a lesser amount actually be incurred, only the lesser amount will be charged to the administration and drawn. Should a greater amount be incurred, only the capped amount approved by creditors will be charged and we may seek further approval of the additional fees incurred.

3.2 Details of remuneration

The basis of calculating the remuneration claims are summarised in the attached schedules together with details of the major tasks performed and the costs associated with each of those major tasks.

Resolution 1: from 24 August 2018 to 14 September 2018

Schedule A sets out time charged to each major tasks performed by the Joint and Several Administrators and their staff working on the Administration for the period 24 August 2018 to 14 September 2018, which is the basis of the Resolution 1 claim. We have agreed to cap our remuneration as Joint and Several Administrators for this period at \$70,000 plus GST of \$7,000. More detailed descriptions of the tasks performed within each task area are contained in **Schedule B**.

Resolution 2: from 27 September 2018 to the completion of the Liquidation

Schedule C sets out the expected costs for the major tasks likely to be performed by the Joint and Several Liquidators and their staff for the period 27 September 2018 to the completion of the Liquidation, which is the basis of the Resolution 2 claim. More detailed descriptions of the tasks likely to be performed within each task area, matching the amounts in Resolution 2, are contained in **Schedule D**.

Should a lesser amount actually be incurred, only the lesser amount will be charged to the Administration and drawn. Should a greater amount be incurred, only the amount approved by creditors will be charged and we may seek further approval of the additional fees incurred.

3.3 Total remuneration reconciliation

Our actual remuneration for the period from 24 August 2018 to 14 September 2018 is \$105,087.50 plus GST of \$10,508.75. We have however agreed to cap our remuneration for this period at \$70,000 plus GST of \$7,000.

The above remuneration differs to the estimate of costs provided in the Initial Remuneration Notice dated 28 August 2018, which estimated a cost of the administration to the second meeting of creditors to be \$50,000 plus GST of \$5,000, for the following reasons:

- Conducting further investigations into the Company's assets including the vehicles, GST refunds, refundable deposit/security bonds and the Company's intercompany loans
- Drafting a preliminary report to creditors and the second report to creditors
- Liaising with the ASX in relation to the listing status of the Company
- Investigating the Company's affairs including the administration of BRTV
- Liaising with the Directors to secure the Company's email server maintained on G Suite and the Company's management accounts maintained on Xero.

Creditors will recall that the reasons for this increase was noted at the first meeting of creditors held on 5 September 2018.

At this point, we estimate that the total remuneration for the administration/liquidation will be \$270,000 plus GST of \$27,000. This is subject to the following variables, which may have a significant effect on this estimate and that we are unable to determine:

- If creditors elect to adjourn the second meeting of creditors by up to 45 business days
- Analysis and review of a proposal for a DOCA for the Company, if one is forthcoming
- Conducting further investigations into the affairs of the Company
- Legal issues in relation to, amongst other things, potential claims against the directors and/or third parties including but not limited to professional service providers.

We have undertaken the following key tasks and actions since our appointment as Administrators of the Company:

Assets

Motor Vehicles

- Assuming control of the Company's assets
- Liaising with three PPSR registrants to obtain details of security interests held and current payout figures
- Liaising with our insurance brokers to put in place an insurance cover
- Enquiring with the CFO and relevant staff of the Company to obtain details including location of the four Tesla vehicles subject to operating leases with Toyota
- Liaising with the CFO and relevant staff to locate and secure the vehicles
- Communicating with Toyota to obtain copies of the operating lease contracts and the payout amounts figures
- Undertaking initial online valuations to obtain an indication of the current realisable values of the vehicles
- Reviewing the operating leases provided by Toyota
- Notifying Toyota of the Administrators' intention not to exercise property rights with respect to the vehicles.

GST refunds

- Liaising with Company's pre-appointment tax agents BDO to understand the potential GST refunds available due to the Company and to BRTV including the work that is being undertaken to recover these amounts

- Engaging with BDO to receive all the books and records of the Company and in particular the workpapers necessary to substantiate the work undertaken with respect to the GST refunds due to the Company
- Liaising with BDO to receive regular updates on the ongoing conversation with the ATO with respect to queries by the ATO including but not limited to queries regarding expenses that the ATO believes may be of a private or personal nature
- Reviewing the Company's expenses as recorded in its management accounts to ascertain if private or personal nature.

Deposit bond and security bond

- Liaising with the CFO of the Company in relation to the deposit bond and security bond for BRTV's former premises at Second Floor, 9 Maud Street, Maroochydore, Queensland
- Reviewing the lease provided by the landlord of the above premises, including details around BRTV being the lessee and the Company being the guarantor to this lease
- Liaising with the landlord of the above premises to request repayment of the deposit bond and the security bond to the Company as guarantor for the lease.

Loan to BRTV and other subsidiaries

- Discussing with the Directors and relevant staff to seek further information in relation to the loan to BRTV
- Reviewing the terms of the BRTV DOCA and the Company's position as a deferred creditor
- Instructing our solicitors to advise on the Administrators obligations, if any, in respect to the BRTV DOCA including the Company's position as a deferred creditor
- Communicating with the CFO of the Company in relation to the Company's group structure including background and information regarding its subsidiaries
- Discussing with the Directors and relevant staff to seek further information in relation to the loans to other subsidiaries within the Group.

Creditors and other stakeholders

Creditors and shareholders

- Preparing the Administrators' first report to creditors dated 28 August 2018
- Convening and holding a first meeting of creditors on 5 September 2018
- Preparing the Administrators' preliminary report to creditors dated 5 September 2018 tabled at the first meeting of creditors and circulated to creditors
- Preparing the Administrators' report to creditors pursuant to Section 75-225 of the IPR including a remuneration approval report.

ASX

- Posting an announcement to the ASX regarding our appointment on 27 August 2018
- Reviewing historical ASX announcements posted by the Company
- Liaising with the ASX regarding the Company's outstanding listing fee and holding discussions with the directors regarding payment of this listing fee
- Request an extension from the ASX regarding payment of the outstanding listing fee
- Liaising with our solicitors in relation to the Administrators' intention not to pay the Company's outstanding listing fee including possible consequences of delisting.

Investigations

Initial investigations

- Conducting various searches on the Company, its subsidiaries, related parties, its directors and officers (current and former) including any land title searches
- Reviewing various annual reports produced by the Company and various ASX announcements made by the Company
- Preparing a chronology of key events and the Company's operations including the administration of BRTV
- Holding a number of meetings with the Company's directors, the Company's CFO and the Company's CTO to obtain records and gain an understanding into the Company's affairs and the Company's group structure
- Requesting the RATA and other documents from the Company's directors
- Issuing notices to provide books and records to a number of parties including the Company's external accountants and auditors, the Company's solicitors and the Company's tax agents
- Liaising with the pre-appointment insurance provider regarding the Company's insurance policies.

DLA Piper (Sydney and Perth)

- Liaising with the Company's former lawyers in relation to a number of agreements entered into by the Company prior to our appointment including the BRTV DOCA
- Liaising with the Company's former lawyers regarding the Company's funds they hold on trust for the Company and requesting repayment of these funds
- Investigations into the funds received by DLA Piper prior to our appointment and corroborating with the Company's management account.

The Administration of BRTV

- Holding a meeting with the Deed Administrators of BRTV to gain an understanding into BRTV's operations and the conduct of the administration
- Issuing notices to provide books and records to the Deed Administrators of BRTV
- Reviewing the Deed Administrators' reports to creditors
- Reviewing details of BRTV's sponsorship agreement with FCS
- Reviewing and seeking legal advice on the Rights and Asset Transfer Agreement dated 30 June 2018 entered into between the Company and ASCV
- Reviewing and seeking legal advice on the IP Asset Sale Agreement dated 30 June 2018 entered into between BRTV and ASCV
- Reviewing and seeking legal advice on the License agreement dated 30 June 2018 entered into between the Company and ASCV
- Seeking legal advice in relation to the Company's and the Administrators' rights/obligations pursuant to these agreements and seeking further information from the Directors in relation to said agreements.

G Suite and production drive

- Liaising with the CTO of the Company and the Deed Administrators of BRTV to gain access into the Company's email server which is maintained in G Suite to secure and image all email accounts and other documents maintained on the Company's production drive
- Communicating with support staff at G Suite to request an extension of the grace period to image the email server and the production drive
- Reviewing the list of email accounts and identifying priority accounts to be imaged by the forensic team.

Xero (management account)

- Liaising with the Company's CFO to obtain full access to the Company's management accounts maintained on Xero
- Generating various reports to analyse the financial position and performance of the Company
- Investigating a number of accounts and a number of transactions from the ledger.

Legal matters

- Liaising with the solicitors representing two parties which had proceedings on foot prior to the appointment of the Administrators
- Instructing our solicitors to respond to the parties concerned.

In preparing this remuneration approval request, we have provided our best estimate at what we believe the Administration will cost to complete and we do not anticipate that we will have to ask creditors to approve any further remuneration. However, should the Administration not proceed as expected, we will advise creditors and we may seek approval of further remuneration and provide details on why the remuneration has changed.

3.4 Likely impact on dividends

The Act provides for certain costs, expenses and claims to be paid in priority to all other unsecured claims against the company and this includes our fees and disbursements properly incurred in preserving, realising or getting in the property of the company and generally undertaking the duties associated with conducting this Administration. As a consequence, our remuneration will reduce the pool of funds remaining for distribution amongst other creditors.

Any distributions ultimately available will be impacted not just by our fees and expenses, but also by the realisations achieved by us and the value of claims lodged by creditors that are eligible to receive a distribution. At this stage in the Administration, there are still a number of uncertainties, all of which will impact the distributions, if any to creditors, including:

- Whether we commence legal recovery actions and the amounts that may be realised (after paying legal fees and expenses)

Whilst some of my fees have been incurred in relation to general administrative matters, much of the work performed has been incurred in the conduct of tasks to create and maximise the pool of funds available for distribution to creditors.

4 Disbursements

Disbursements are divided into three types:

- **Externally provided professional services such as legal fees** - these are recovered at cost.
- **Externally provided non-professional costs such as travel, accommodation and search fees** - these are recovered at cost.
- **Internal disbursements such as photocopying, printing and postage** - these disbursements, if charged to the administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We have undertaken a proper assessment of disbursements claimed for the Company, in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

At the meeting of creditors to be held at the offices of Deloitte Financial Advisory Pty Ltd, Eclipse Tower, Level 19, 60 Station Street, Parramatta NSW 2150 on **Thursday, 27 September 2018 at 11:00AM (AEST)**, we will seek creditor approval to pay our internal disbursements.

4.1 Externally provided disbursements

A number of services (both professional and non-professional) may have been supplied by external providers. While we do not need to obtain approval for these disbursements, it is appropriate that we disclose details to creditors. These are paid by two different methods:

- Professional and non-professional services paid out of the Administration account at cost. For example, legal fees and auctioneer costs. These costs are usually detailed in the receipts and payments, showing the name of the provider, brief description of the service and amount paid. We note that there are no receipts and payments in the Administration to date.
- Non-professional services paid by Deloitte Financial Advisory Pty Ltd and reimbursed. These disbursements are included in the table at **Section 4.2**.

4.2 Internal disbursement claim

The following internal disbursements have been claimed by our firm for the period 24 August 2018 to 14 September 2018. We will seek approval of the following resolution to approve our disbursements. Details to support this resolution are included in the table below.

Resolution 3: from 24 August 2018 to 14 September 2018

"That the internal disbursements of the Joint and Several Administrators from 24 August 2018 to 14 September 2018, calculated at the rates as detailed in the remuneration approval request dated 19 September 2018 is approved for payment in the sum of \$514.00 plus GST of \$51.40, and that the Joint and Several Administrators may draw the disbursements immediately or as required."

Disbursements claimed	Basis (Excl. GST)	Total (Excl. GST)
ASIC fees (lodgements & advertisements)*	\$125 per item x 4 items	\$500.00
Search fees	At cost	\$14.00
Total		\$514.00

* The ASIC Supervisory Cost Recovery Levy Act 2017 was introduced on 1 July 2017. The cost for some ASIC lodgements and advertisements for the financial year ending 30 June 2018 will not be known until approximately January 2019, but based on budgeting and forecast modelling prepared by ASIC, it is estimated the cost will be in the vicinity of \$125.

ASIC lodgement and advertisements incurred to date:	Number
New appointment acceptance (each appointee incurs a charge)	2
PNW notice of meeting	2
Total	4

4.3 Future basis of internal disbursements

Future disbursements provided by my firm will be charged to the Liquidation on the following basis:

Internal disbursements	Rate (Excl. GST)
ASIC fees (lodgements & advertisements)*	\$125 per item or at cost
Litigation support software fees	At cost
Binding	At cost
Faxes & photocopies	At cost
Photocopying, printing & postage (externally provided)	At cost
Search fees	At cost
Stationery - folders	At cost
Stationery - filing index	At cost
Travel – flights, accommodation, meals	Per diem at \$70.00 per staff member per day, otherwise all travel at cost
Tolls, taxis, parking, trains, mileage	Mileage at \$0.70/km, otherwise at cost

Scale applicable for the financial year ending 30 June 2019

* The ASIC Supervisory Cost Recovery Levy Act 2017 was introduced on 1 July 2017. The cost for some ASIC lodgements and advertisements for the financial year ending 30 June 2018 will not be known until approximately January 2019, but based on budgeting and forecast modelling prepared by ASIC, it is estimated the cost will be in the vicinity of \$125.

ASIC lodgement and advertisements likely to be incurred from 27 September 2018 to the completion of the Liquidation	Number
New appointment acceptance	2
Appointment on hand as at 1 July each year (each appointee incurs a charge)	2
Notice of outcome of proposal without a meeting	2
PNW notice of meeting	1
PNW notice to submit particulars of debt	1
PNW notice to submit formal proof of debt	1
PNW notice of intention to declare dividend	1
Total	10

5 Report on progress of the administration

Please refer to the report to creditors dated 19 September 2018 for an update on the Administration.

6 Summary of receipts and payments

There are no receipts and payments in the Administration to date.

7 Queries

If you have any queries in relation to the information in this report, please contact **Jessica Szeto** of this office on (02) 9840 6768 or by email at jszeto@deloitte.com.au.

You can also access information, which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for "insolvency information sheets").

8 Approval of remuneration and internal disbursements

The resolutions relating to the approval of our remuneration and internal disbursements will be put to creditors at the meeting of creditors to be held on **Thursday, 27 September 2018 at 11:00AM (AEST)**.

Schedule A: Time charged to each major task

Resolution 1: from 24 August 2018 to 14 September 2018

The total remuneration for this Administration for the period from 24 August 2018 to 14 September 2018 is \$105,087.50 plus GST of \$10,508.75. We have agreed to cap our remuneration as Joint and Several Administrators for this period at \$70,000 plus GST of \$7,000.

Employee	Position	\$ /hour (Excl. GST)	Total actual hours	Total (\$)	Task Area							
					Assets		Creditors		Investigations		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Cussen, Neil	DRS Partner 1	595.00	28.0	16,660.00	2.3	1,368.50	1.5	892.50	19.6	11,662.00	4.6	2,737.00
Billingsley, Michael	DRS Partner 1	595.00	0.2	119.00	-	-	-	-	-	-	0.2	119.00
Wright, Tony	DRS Director 2	500.00	46.1	23,050.00	4.2	2,100.00	3.7	1,850.00	32.6	16,300.00	5.6	2,800.00
Napiza, Norman	DRS Manager 2	450.00	6.0	2,700.00	-	-	-	-	-	-	6.0	2,700.00
Ribot, Jonathan	DRS Sr Analyst 2	340.00	109.6	37,264.00	5.4	1,836.00	33.0	11,220.00	71.2	24,208.00	-	-
Browne, Margaret	DRS Sr Analyst 2	340.00	1.5	510.00	-	-	-	-	-	-	1.5	510.00
Szeto, Jessica	DRS Graduate	200.00	91.2	18,240.00	4.2	840.00	42.4	8,480.00	40.0	8,000.00	4.6	920.00
Vella, Rebekah	DRS Support A	195.00	1.7	331.50	-	-	-	-	-	-	1.7	331.50
Clauson, Grace	DRS Vacationer	190.00	32.7	6,213.00	3.2	608.00	8.9	1,691.00	12.3	2,337.00	8.3	1,577.00
TOTAL			317.0	105,087.50	19.3	6,752.50	89.5	24,133.50	175.7	62,507.00	32.5	11,694.50
GST				10,508.75								
TOTAL (Incl. GST)				115,596.25								

Schedule B: Detailed description of tasks performed

Resolution 1: from 24 August 2018 to 14 September 2018

The total remuneration for this Administration for the period from 24 August 2018 to 14 September 2018 is \$105,087.50 plus GST of \$10,508.75. We have agreed to cap our remuneration as Joint and Several Administrators for this period at \$70,000 plus GST of \$7,000.

Task Area	General Description	Includes
Assets 19.3 hours \$6,752.50	Assets - Vehicles	<ul style="list-style-type: none"> • Reviewing the Company's asset listing including the Company's vehicles • Liaising with the CFO and relevant staff of the Company to obtain details of the identified vehicles • Liaising with the CFO and relevant staff of the Company to locate and secure the vehicles • Conducting initial online valuations to obtain an indication of the values of the vehicles
	Funds held on trust by DLA Piper	<ul style="list-style-type: none"> • Liaising with the CFO and relevant staff of the Company to understand the nature of the funds held in the Company's former solicitors' trust account on behalf of the Company • Issuing a letter to the Company's former solicitors requesting repayment of these funds into the administration account
	GST Refund	<ul style="list-style-type: none"> • Liaising with BDO as the Company's tax agents to understand the work being undertaken to quantify the tax refunds due to the Company and due to BRTV • Engaging with BDO to receive all the books and records of the Company especially in relation to the workpapers necessary to substantiate the work undertaken with respect to the tax refunds due to the Company • Liaising with BDO to receive regular updates on the ongoing conversation with the ATO with respect to queries by the ATO including but not limited to queries regarding expenses that the ATO believes may be of a private or personal nature • Reviewing the Company's management accounts to review expenses which may potentially be classified as being of a private or personal nature
	Property leases	<ul style="list-style-type: none"> • Liaising with the CFO in relation to the deposit bond and security bond for BRTV's former premises in Queensland • Reviewing the lease provided by the landlord of the premises in Queensland, especially regarding the details around BRTV being the lessee and the Company being the guarantor to this lease • Liaising with the landlord of the premises in Queensland to request repayment of the deposit bond and the security bond to the Company as guarantor for the lease
	Intercompany loan	<ul style="list-style-type: none"> • Discussing with the directors of the Company and relevant staff to seek further information in relation to the loan to BRTV • Reviewing the DOCA for BRTV, especially around the Company being a deferred creditor • Instructing our solicitors to review the DOCA, especially around the Company being a deferred creditor • Liaising with the CFO of the Company in relation to the Company's group structure including details regarding its subsidiaries

Task Area	General Description	Includes
		<ul style="list-style-type: none"> • Discussing with the directors of the Company and relevant staff to seek further information in relation to the loans to other subsidiaries
	Insurance	<ul style="list-style-type: none"> • Identifying potential issues requiring the attention of insurance specialists • Liaising with our insurance brokers regarding the initial and ongoing insurance requirements • Reviewing relevant insurance policies • Correspondence with previous brokers
Creditors 89.5 hours \$24,133.50	Creditor enquiries	<ul style="list-style-type: none"> • Receiving and following up creditor enquiries via telephone and email • Maintaining a creditor enquiry register • Reviewing and preparing correspondence to creditors and their representatives via facsimile, email and post
	Secured creditor reporting	<ul style="list-style-type: none"> • Conducting searches of the PPSR register • Notifying PPSR registered creditors of the appointment of the Administrators • Communicating with Toyota Finance Australia to obtain details of the payout values of the vehicles • Reviewing the operating leases provided by Toyota Finance Australia • Communicating with Toyota Finance Australia to notify them of the Administrators' intention not to exercise property rights with respect to the vehicles • Issuing reminder letters to secured creditors to obtain details regarding their registrations and details of their debt • Responding to secured creditors' queries
	Reports to creditors	<ul style="list-style-type: none"> • Preparing the Administrators' first report to creditors dated 28 August 2018 • Preparing the Administrators' preliminary report to creditors dated 5 September 2018 • Preparing the Administrators' report to creditors pursuant to Section 75-225 of the IPR including a remuneration approval request dated 19 September 2018
	Dealing with proofs of debt	<ul style="list-style-type: none"> • Receiving and filing proofs of debt when not related to a dividend
	Meeting of creditors	<ul style="list-style-type: none"> • Convening and holding the first meeting of creditors • Preparing the notice of the meeting, proxies and advertisement • Circulating the notice of the meeting to all known creditors • Preparing the meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of the meeting and draft minutes of the meeting • Preparing and lodging minutes of the meeting with ASIC • Responding to stakeholder queries and questions immediately following the meeting
Investigations 175.7 hours \$62,507.00	Conducting investigations	<ul style="list-style-type: none"> • Conducting various searches on the Company, its subsidiaries and its directors including any land title searches • Holding a number of meetings with the Company's directors, the Company's CFO and the Company's CTO to obtain records and

Task Area	General Description	Includes
		<ul style="list-style-type: none"> gain an understanding into the Company's affairs and the Company's group structure Requesting the RATA and other documents from the Company's directors Reviewing the RATA provided by the Company's directors Liaising with the Company's CFO to obtain full access to the Company's management accounts maintained on Xero Collecting the Company's books and records Reviewing the Company's books and records Issuing notices to provide books and records to a number of parties including the Company's accountants and auditors, the Company's solicitors and the Company's tax agents Reviewing various annual reports produced by the Company and various ASX announcements made by the Company Reviewing and preparing a summary of the company nature and history Conducting and summarising statutory searches Preparing comparative financial statements Preparing a deficiency statement Reviewing specific transactions and liaising with the directors regarding certain transactions
	The administration of BRTV	<ul style="list-style-type: none"> Preparing a chronology of key events based on ASX events and the Company's operations including the administration of BRTV Reviewing BRTV Administrators' report to creditors dated 18 June 2018 Reviewing details of BRTV's sponsorship agreement with FCS Reviewing the Rights and Asset Transfer Agreement in place with the Company Reviewing the Deferral Deed Reviewing the IP Asset Sale Agreement in place with BRTV Reviewing the License agreement in place with the Company Seeking legal advice in relation to the Company's and the Administrators' rights/obligations pursuant to these agreements
	G Suite and the production drive	<ul style="list-style-type: none"> Liaising with the CTO of the Company and the Deed Administrators of BRTV to gain access into the Company's email server which is maintained on G Suite to secure and image all email accounts and other documents maintained on the Company's production drive Liaising with support staff at G Suite to request an extension of the grace period to image the email server and the production drive Reviewing the list of email accounts and identifying priority accounts to be imaged by the forensic team Liaising with the forensic team generally
	Identification of voidable transactions	<ul style="list-style-type: none"> Conducting an analysis into the bank statements of the Company to identify any potential voidable transactions Reviewing the Company's management accounts to corroborate a number of transactions Conducting a preliminary quantification of potential voidable transaction claims identified
	Legal matters	<ul style="list-style-type: none"> Liaising with the solicitors representing two parties which had proceedings on foot prior to the appointment of the Administrators

Task Area	General Description	Includes
		<ul style="list-style-type: none"> Instructing our solicitors to respond to the parties concerned
	ASX	<ul style="list-style-type: none"> Liaising with the ASX regarding the Company's outstanding listing fee and holding discussions with the Directors regarding potential payment of this listing fee
Administration 32.5 hours \$11,694.50	Shareholder enquiries	<ul style="list-style-type: none"> Receiving and following up shareholder enquiries via telephone and email
	Document maintenance/ file review/checklist	<ul style="list-style-type: none"> Reviewing the administration file Filing documents Updating checklists
	Bank account administration	<ul style="list-style-type: none"> Preparing correspondence opening and closing accounts Requesting bank statements Performing bank account reconciliations Liaising with the bank regarding specific transfers
	ASIC lodgements	<ul style="list-style-type: none"> Preparing and lodging ASIC forms including forms 505, 507, 5011
	ATO and other statutory reporting	<ul style="list-style-type: none"> Notifying the ATO of our appointment
	Planning/review	<ul style="list-style-type: none"> Discussions regarding the status of the administration
	Books and records/storage	<ul style="list-style-type: none"> Dealing with books and records in our possession
TOTAL 317.0 hours \$105,087.50		

Schedule C: Time charged to each major task

Resolution 2: from 27 September 2018 to the completion of the Liquidation

Employee	Position	\$/hour (Excl. GST)	Total estimated hours	Total (\$)	Task Area									
					Assets		Creditors		Investigations		Dividend		Administration	
					Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Cussen, Neil	DRS Partner 3	595.00	16.4	9,758.00	0.5	297.50	6.2	3,689.00	7.8	4,641.00	1.2	714.00	0.7	416.50
Donnelly, Matthew	DRS Partner 3	595.00	9.7	5,771.50	0.5	297.50	4.0	2,380.00	4.1	2,439.50	0.7	416.50	0.4	238.00
Wright, Tony	DRS Director 2	500.00	65.8	32,900.00	2.2	1,100.00	15.2	7,600.00	32.3	16,150.00	10.2	5,100.00	5.9	2,950.00
Ribot, Jonathon	DRS Sr Analyst 1	340.00	225.9	76,806.00	4.5	1,530.00	55.7	18,938.00	102.6	34,884.00	47.7	16,218.00	15.4	5,236.00
Browne, Margaret	DRS Sr Analyst 1	340.00	3.4	1,156.00	-	-	-	-	-	-	-	-	3.4	1,156.00
Szeto, Jessica	DRS Graduate	200.00	294.0	58,800.00	5.7	1,140.00	69.2	13,840.00	136.0	27,200.00	62.5	12,500.00	20.6	4,120.00
Vella, Rebekah	DRS Support A	195.00	1.5	292.50	-	-	-	-	-	-	-	-	1.5	292.50
Clauson, Grace	DRS Vacationer	190.00	76.4	14,516.00	0.9	171.00	12.3	2,337.00	15.4	2,926.00	18.3	3,477.00	29.5	5,605.00
TOTAL			693.1	200,000.00	14.3	4,536.00	162.6	48,784.00	298.2	88,240.50	140.6	38,425.50	77.4	20,014.00
GST				20,000.00										
TOTAL (Incl. GST)				220,000.00										

Schedule D: Time to be charged to each major task

Resolution 2: from 27 September 2018 to the completion of the Liquidation

Task Area	General Description	Includes
Assets 14.3 hours \$4,536.00	Funds held on trust by DLA Piper	<ul style="list-style-type: none"> • Liaise with the CFO and relevant staff of the Company regarding the funds held in the Company's former solicitors' trust account on behalf of the Company • Issue letters of demand to the Company's former solicitors
	GST Refund	<ul style="list-style-type: none"> • Liaise with BDO to received regular updates on the ongoing conversation with the ATO with respect to queries by the ATO including but not limited to queries regarding expenses that the ATO believes may be of a private or personal nature • Review the Company's management accounts to review expenses which may potentially be classified as being of a private or personal nature • Liaise with the ATO directly to provided any response to queries raised by the ATO
	Investments and buy-back of shares	<ul style="list-style-type: none"> • Respond to queries in relation to potential buy-back of shares held in a number of companies • Conduct a valuation of the shares and the profitability of a number of companies to quantify a reasonable offer
Creditors 162.6 hours \$48,784.00	Creditor enquiries	<ul style="list-style-type: none"> • Receive and follow up creditor enquiries via telephone and email • Maintain a creditor enquiry register • Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Secured creditor reporting	<ul style="list-style-type: none"> • Issue reminder letters to secured creditors to obtain details regarding their registrations and details of their debt
	Creditor reports	<ul style="list-style-type: none"> • Prepare the initial circular to creditors notifying of the appointment of the Liquidators • Prepare a report pursuant to Section 70-40 of Insolvency Practice Rules (Corporations) 2016 • Prepare other reports to creditors, as required
	Dealing with proofs of debt	<ul style="list-style-type: none"> • Receive and file proofs of debt when not related to a dividend
	Meeting of creditors	<ul style="list-style-type: none"> • Prepare a meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of the meeting and draft minutes of a meeting • Prepare and lodge minutes of a meeting with ASIC • Respond to stakeholder queries and questions immediately following a meeting
Investigation 298.2 hours \$88,240.50	Conducting investigations	<ul style="list-style-type: none"> • Conduct further investigations into the Company's affairs to identify any potential breaches of director's duties or misconduct • Issue further reminder letters to a number of parties including the Company's auditors, the Company's solicitors and the Company's accountants to provide books and records

Task Area	General Description	Includes
		<ul style="list-style-type: none"> • Conduct further analysis into the Company's bank statements to quantify and corroborate any potential voidable transactions identified • Review specific transactions and liaise with the directors and a number of parties regarding certain transactions • Conduct further analysis into the Company's bank statements to quantify and corroborate any potential voidable transactions identified • Liaise with the bank to perform bank traces on any further transactions identified • Review the result of bank traces on any transactions identified
	<p>Agreements entered into at the time the BRTV DOCA was executed</p>	<ul style="list-style-type: none"> • Liaise with solicitors in relation to the Rights and Asset Transfer Agreement in place with the Company • Liaise with solicitors in relation to the Deferral Deed • Liaise with solicitors in relation to the IP Asset Sale Agreement in place with BRTV • Liaise with solicitors in relation to the License agreement in place with the Company • Review legal advice in relation to the Company's and the Administrators' rights/obligations pursuant to these agreements
	<p>Conducting investigations into BRTV</p>	<ul style="list-style-type: none"> • Review BRTV's books and records obtained from BRTV's CFO to gain an understanding into BRTV's affairs • Review BRTV's management accounts maintained on Xero • Conduct further investigations regarding the sponsorship agreement and review all agreements in place • Collect and review BRTV's books and records • Prepare and review comparative financial statements for BRTV • Review specific transactions and liaise with the directors regarding certain transactions of BRTV
	<p>Conducting investigations into other entities</p>	<ul style="list-style-type: none"> • Review and obtain advice on the value of the intellectual property held in BIG IP Limited • Review and obtain advice on the other entities within the Group
	<p>G Suite and the production drive</p>	<ul style="list-style-type: none"> • Liaise with the forensic team to extract all accounts to be reviewed • Review the priority email accounts imaged by the forensic team and all other accounts
	<p>Identification of voidable transactions</p>	<ul style="list-style-type: none"> • Conduct further analysis into the bank statements of the Company to identify any further potential voidable transactions • Further review the Company's management accounts to corroborate a number of transactions • Conduct a comprehensive quantification of potential voidable transaction claims identified and liaise with solicitors • Conduct further bank traces to determine the recipient of certain payments identified • Conduct further investigations into any related entities of the Company or of the directors or former directors to identify any unreasonable director-related transactions

Task Area	General Description	Includes
	Pursuing potential claims identified	<ul style="list-style-type: none"> • Conduct internal meetings and meetings with solicitors to discuss the potential claims identified against the directors for insolvent trading • Conduct internal meetings and meetings with solicitors to discuss claims against a number of parties relating to voidable transactions identified and/or third party claims • Prepare briefs to solicitors, as necessary • Draft and issue any demand letters to relevant parties to request for further information in relation to a number of transactions identified as potential voidable transactions • Instruct solicitors to issue any demand letters to relevant parties including letters to request for further information and demands for payment to the Company • Liaise with litigation funders in relation to third party claims • Attend to negotiations • Attend to settlement matters
Dividend 140.6 hours \$38,425.50	Processing proofs of debt (if applicable)	<ul style="list-style-type: none"> • Prepare correspondence to potential creditors inviting lodgement of proofs of debt • Receive and adjudicate proofs of debt • Request further information from claimants regarding proofs of debt • Prepare correspondence to any claimants advising of the outcome of the adjudication process
	Dividend procedures (if applicable)	<ul style="list-style-type: none"> • Prepare correspondence to creditors advising of the intention to declare a dividend • Advertise the intention to declare a dividend • Obtain clearance from the ATO to allow a distribution of the Company's assets • Prepare a dividend calculation file • Prepare correspondence to creditors announcing the declaration of a dividend • Advertise the announcement of a dividend • Prepare the distribution • Prepare the dividend file • Prepare the payment vouchers to pay a dividend • Prepare correspondence to creditors enclosing payment of a dividend
Administration 77.4 hours \$20,014.00	Shareholder enquiries	<ul style="list-style-type: none"> • Receive and follow up shareholder enquiries via telephone and email
	Document maintenance/ file review/checklist	<ul style="list-style-type: none"> • Perform file reviews • File documents • Update checklists
	Insurance	<ul style="list-style-type: none"> • Liaise with insurer regarding ongoing insurance requirements • Correspondence with previous brokers
	Bank account administration	<ul style="list-style-type: none"> • Prepare correspondence closing bank accounts • Perform bank account reconciliations • Correspondence with bank regarding specific transfers
	ASIC lodgements	<ul style="list-style-type: none"> • Prepare and lodge ASIC forms including forms 505, 5011, 5602 and 5603

Task Area	General Description	Includes
		<ul style="list-style-type: none"> • Liaise with ASIC regarding statutory forms
	Planning/review	<ul style="list-style-type: none"> • Discussions regarding the status of the administration
	Books and records/storage	<ul style="list-style-type: none"> • Deal with records in storage
TOTAL 693.1 hours \$200,000.00		

Appendix G – Appointment of proxy form

<p>Resolution 2</p> <p>In the event that the creditors vote to wind up the Company, to consider and if thought fit, approve the Joint and Several Liquidators' future remuneration:</p> <p><i>"That the future remuneration of the Joint and Several Liquidators from 27 September 2018 to the completion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and their partners and staff, calculated at the hourly rates as detailed in the remuneration approval request dated 19 September 2018, up to a capped amount of \$200,000 plus GST of \$20,000, and that the Joint and Several Liquidators can draw the remuneration on a monthly basis or as required".</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 3</p> <p>To consider and if thought fit, approve the Joint and Several Administrators' disbursements:</p> <p><i>"That the internal disbursements of the Joint and Several Administrators from 24 August 2018 to 14 September 2018, calculated at the rates as detailed in the remuneration approval request dated 19 September 2018 is approved for payment in the sum of \$514.00 plus GST of \$51.40, and that the Joint and Several Administrators may draw the disbursements immediately or as required."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 4</p> <p>In the event that the creditors vote to wind-up the Company, to consider and if thought fit, pass the following resolution:</p> <p><i>"That a Committee of Inspection be appointed."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 5</p> <p>In the event that the creditors vote to wind-up the Company, to consider and if thought fit, approve the destruction of the books and records of the Company at the conclusion of the winding-up:</p> <p><i>"That subject to obtaining the approval of the Australian Securities and Investments Commission under Section 542(4) of the Corporations Act 2001, the books and records of Big Un Limited and of the liquidation be disposed of by the Liquidators 6 months after the dissolution of the Company or earlier at the discretion of the Australian Securities and Investments Commission."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this

day of

2018

Signature

CERTIFICATE OF WITNESS

This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.

I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable

(1) If a firm, strike out "I" and set out the full name of the firm.

(2) Insert the name, address and description of the person appointed.



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