



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

Big Un Limited (Administrators Appointed)

ACN 106 399 311

13 December 2018

Contents

Glossary	3
1 Executive Summary	5
2 Introduction	8
3 The Administrators' actions to date	8
4 Conduct of the Administration	12
5 Administrators' investigations	21
6 Proposal for a DOCA	26
7 Extension of the time required to hold the adjourned second meeting of creditors	30
8 Creditors' Trust	31
9 Estimated return to creditors	34
10 Administrators' Opinion	39
11 Remuneration	40
12 Meeting	41

Appendices

Appendix A – Declaration of Independence, Relevant Relationships and Indemnities

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

Appendix C – Remuneration Approval Request

Appendix D – Notice of Meeting of Creditors

Appendix E – Proof of Debt Form

Appendix F – Proxy Form

Appendix G – List of Shareholders putting forward the Deed Proposal

Glossary

Administrators	Matthew James Donnelly and Neil Robert Cussen
ARITA	Australian Restructuring, Insolvency and Turnaround Association
ASCV	AS Capital Ventures Pty Limited
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
BAS	Business Activity Statement
BDO	BDO Corporate Tax (WA) Pty Limited
Bellr	Bellr Pty Limited
Big Neo	Big Neo Pty Limited
BRTV	Big Review TV Limited (In Liquidation)
CFO	Chief Financial Officer
Contribution Amount	\$350,000
Creditors' Trust	The creditors' trust established by the Deed Administrators comprising the Creditors' Trust Deed Fund and the Third-Party Claims Fund
Deloitte	Deloitte Financial Advisory Pty Ltd
Directors/Officers Claims	Claims against Directors/Officers
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities
DLA	DLA Piper
DOCA	Deed of Company Arrangement
ERV	Estimated Realisable Value
Excluded Creditors	Nicholas Jordan, William James Knowles, The Intermedia Group Pty Ltd, The Transferee of the Shares and their Excluded Persons, being the shareholders nominated by the Proponent from time to time and any Related Creditors
FAT	Financial Acquisition Threshold
FCS	First Class Securities Pty Limited
Franki Global	Franki Global Inc.
GST	Goods and Services Tax
Intermedia Sale Proceeds	\$600,000 received from Intermedia Group Pty Ltd as consideration for a sale
IPR	Insolvency Practice Rules (Corporations) 2016
Liquidator Claims	Claims available to a liquidator
Licence Agreement	Licence Agreement executed by the Company, ASCV and Cameron Gray of DW Advisory on 30 June 2018
LPP	Legal professional privilege
Management	Management of the Company
PPSR	Personal Property Securities Register
Proponent	WOW World Digital Pty Limited

Proponent Shareholders	A group of 19 contributing shareholders as per Appendix G
RATA	Report as to Affairs
Realworld Advertising	Realworld Advertising Holding Pty Limited
Related Creditors	Related parties or related entities of any of the Proponent Shareholders
Rights and Asset Transfer Agreement	Rights and Asset Transfer Agreement executed by the Company and ASCV on 30 June 2018
Second Report to Creditors	Report to Creditors pursuant to Section 75-225 of the Insolvency Practice Rules (Corporations) 2016 dated 19 September 2018
Shoutback!	Shoutback! Pty Limited
SME	Small-to-medium enterprises
Subordinated Creditors	Excluded Creditors and the S563A Subordinated Creditors
S563A Subordinated Creditors	Shareholders who have successfully proved a claim against the Company pursuant to Section 563A of the Act
The Act	Corporations Act 2001
The ASIC Act	Australian Securities and Investments Commission Act 2001
The Company	Big Un Limited (Administrators Appointed)
The Court	Supreme Court of New South Wales
The Directors	Mr Brandon Charles Evertz, Ms Sonia Thurston, Mr Nicholas Jordan and Mr William James Knowles
The New Directors	Mr Nicholas Jordan, Mr William James Knowles, Mr Stephen Munro and Mr Vaughan Parkinson
The Group	Big Un Limited (Administrators Appointed) and all its subsidiaries including Big Review TV Limited (In Liquidation)
Third-Party Claims	Claims against third-parties including any professional advisors
VCL	Video Content Library
Wayfarer Media	Wayfarer Media Pty Limited

1 Executive Summary

1.1 Appointment

On 24 August 2018, we, Matthew James Donnelly and 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 not resolved that a 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. For further details, please refer to the Administrators' report to creditors pursuant to Section 75-225 of the Insolvency Practice Rules (Corporations) 2016 (**IPR**) dated 19 September 2018 (**Second Report to Creditors**). Please refer to **Section 3** of this report for details of the Administrators' actions from the date of the Second Report to Creditors 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.

Further investigations are required, including obtaining further information and documents from various parties including but not limited to Big Review TV Limited (In Liquidation) (**BRTV**) and First Class Securities Pty Limited trading as First Class Capital (**FCS**) to confirm the extent to which any offences have occurred, and to justify and quantify in sufficient detail the voidable transactions identified.

We have summarised the findings of our investigations to date in **Section 5** of this report.

1.4 Deed of Company Arrangement (DOCA)

On 12 December 2018, we received a revised Deed of Company Arrangement Proposal (**DOCA Proposal**) from the solicitor acting for WOW World Digital Pty Limited (**Proponent**), which we understand is a company controlled by a group of 19 current shareholders of the Company (**Proponent Shareholders**).

A summary of the DOCA Proposal, as clarified by the Proponent, is set out below.

Deed Fund and assets

A Deed Fund will be established comprising:

- A payment of \$350,000 by the Proponent (**Contribution Amount**) upon effectuation of the DOCA
- Any GST refund received by the Company from the Australian Taxation Office (**ATO**)
- Any claims against Directors/Officers (**Directors/Officers Claims**) and any claims against third-parties including any professional advisors (**Third-Party Claims**).

Creditors' Trust

A creditors' trust will be established (**Creditors' Trust**) and the Deed Administrators will act as trustees of the Trust which will comprise of two trust funds.

The DOCA Proposal involves Third-Party Claims and Directors/Officers Claims being transferred to the "Third-Party Claim Fund" on effectuation of the DOCA. Any such claims would therefore be pursued by the Trustees for the benefit of the Deed Creditors under the Creditors' Trust.

All other assets including the Contribution Amount and the GST Refund will be transferred to the "Creditors' Trust Deed Fund" for the benefit of the Deed Creditors under the Creditor's Trust.

Shareholders

Under Section 444GA of the Act, an administrator of a DOCA may transfer shares in the Company, with the consent of the relevant shareholders or leave of the Court by way of an application made pursuant to Section 444GA of the Act (**the Section 444GA Application**). This will give effect to:

- The existing Proponent Shareholders retaining their aggregate 25% shareholdings in the Company
- 55% being transferred to the Proponent of the remaining issued share capital of the Company held by non-Proponent Shareholders, being 75%. Based on this:
 - The Proponent will hold 55% of the issued share capital in the Company
 - The Proponent and the Proponent Shareholders will together hold 80% of the shares in the Company
 - All other shareholders in the Company will hold 20% of the issued share capital in the Company.

The Proponent will indemnify the Deed Administrators to a maximum amount of \$250,000 (with the sum of \$250,000 held in the Proponent's solicitors' trust account) for the costs associated with the Section 444GA Application. This indemnity is in addition to the Contribution Amount to be paid by the Proponent into the Deed Fund.

Please refer to **Section 6** of this report for further details of the proposed DOCA.

1.5 Dividend

A comparison of the estimated return to creditors in a DOCA scenario and Liquidation scenario are summarised below. We note that we have provided two scenarios to account for a potential claim against the Company by its subsidiary company, BRTV. Please refer to **Section 9** of this report for further details on the contingent claim of BRTV.

Scenario 1 *excludes* any contingent claim against the Company by BRTV:

Scenario 1 - return to creditors (cents/\$)	DOCA			Liquidation		
	Low	Medium	High	Low	Medium	High
Priority creditors	0.00	100.00	100.00	100.00	100.00	100.00
Unsecured creditors	0.00	3.12	19.63	0.00	1.93	26.61

Scenario 2 *includes* any contingent claim against the Company by BRTV:

Scenario 2 - return to creditors (cents/\$)	DOCA			Liquidation		
	Low	Medium	High	Low	Medium	High
Priority creditors	0.00	100.00	100.00	100.00	100.00	100.00
Unsecured creditors including BRTV	0.00	1.37	8.64	0.00	0.87	12.26

Please note that the estimated return to creditors above does not take into consideration the potential benefit from the litigation of Directors/Officers Claims and Third-Party Claims. The potential Directors/Officers Claims and Third-Party Claims identified to date, which might be significant, if successful, have the potential of providing unsecured creditors with a return of 100 cents in the dollar and possibly a return to Subordinated Creditors. Please refer to **Section 9** of this report for details of the potential Directors/Officers Claims and Third-Party Claims.

Please refer to **Section 9** of this report for a detailed comparison of the estimated return to creditors.

1.6 Administrators' opinion

At the upcoming adjourned second meeting of creditors, creditors will be asked to make a decision regarding the Company's future by passing a resolution in respect of the options that will be available to them. The options available to creditors of the Company are:

- The Company execute a DOCA; or
- The Administration end; or
- The Company be wound up.

It is our opinion that the Company **should** execute a DOCA for the following reasons:

- The DOCA/Creditors' Trust has the potential of providing a better return to creditors than Liquidation
- The various voidable transaction claims available to a liquidator (**Liquidator Claims**) are uncertain and subject to litigation which can be expensive and/or uncommercial to pursue, and may also require litigation funding. Please refer to **Section 5** for details of the various potential Liquidator Claims
- The DOCA/Creditors' Trust enables an enterprise to move forward in a legally complying manner whilst maximising the chance of the Company's survival
- The DOCA/Creditors' Trust provides certainty of outcome including the Deed Contribution being received in clear funds held in the trust account of the solicitor acting for the Proponent
- The various Third-Party Claims and Directors/Officers Claims remain available to creditors, subordinated or otherwise, in a DOCA/Creditors' Trust scenario
- In the event there are sufficient funds available to shareholders after unsecured creditors and creditors whose claims are subordinated pursuant to Section 563A of the Act (**S563A Subordinated Creditors**) are paid in full, the DOCA/Creditors' Trust entitles the shareholder group to participate based on the shareholdings at the date of our appointment as Administrators despite the Section 444GA Application to alter the Company's shareholding
- The DOCA nominates the current Administrators to be appointed as Deed Administrators for continuity
- Under the DOCA, two new directors and two post March 2018 directors will ensure prior disclosure misstatements are not repeated.

Creditors should note that:

- There is uncertainty as to whether the Court will approve the proposed application to transfer the Company's shares pursuant to Section 444GA of the Act
- The Proponents are not all independent shareholders. Please refer to **Appendix G** for a current list (at the time of drafting) of the shareholders involved in the DOCA as provided by the Proponent.
- ASIC may not grant the clearance required to permit the share transfer contemplated by the orders made pursuant to Section 444GA of the Act to occur without the approval of the shareholders of the Company
- We have identified up to circa \$1.8 million in Liquidator Claims which are only available in liquidation. As mentioned above, these claims are not available in DOCA/Creditors' Trust but they are uncertain and subject to litigation which can be expensive and/or uncommercial to pursue
- The Liquidator has the power to publically examine persons of interest pursuant to Sections 596A or 596B of the Act. These powers are not readily available in a DOCA/Creditors' Trust scenario and will require ASIC approval. This investigative tool will assist in pursuing any choses of action including but not limited to any Third-Party Claims, Directors/Officers Claims or Liquidator Claims.

Please refer to **Section 10** of this report for full details of our opinion.

1.7 Second meeting of creditors

The second meeting of creditors for the Company was held on 27 September 2018. At this meeting, creditors resolved to adjourn the second meeting of creditors for a period of up to 45 business days meaning the last day to hold the adjourned meeting of creditors was 30 November 2018.

On 14 November 2018, we received a document entitled "outline of proposed deed of company arrangement" from the solicitor acting for the Proponent which at the time we understood to be a company controlled by a group of 19 current shareholders of the Company.

To allow further time for us to explore and consider the proposals above and to obtain clarification on a number of outstanding issues, and for creditors to make a more informed decision as to the future of the Company at the second meeting of creditors, it was our opinion that it was in the creditors' best interests that an application was made to court to extend the date by which the second meeting of creditors was required to be held.

Accordingly, on 21 November 2018 we made an application to the Federal Court of Australia (**the Court**) to extend the date by which the second meeting of creditors was required to be held. The Court granted an extension for the adjourned second meeting of creditors to be held by no later than 20 December 2018.

Accordingly, the adjourned second meeting of creditors for the Company will be held on **Thursday, 20 December 2018 at 10:00AM (AEDT)** at the following address:

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

Please refer to **Section 12** of this report for further details regarding the upcoming adjourned second meeting of creditors. Should you wish to attend the adjourned second meeting of creditors via telephone, please email **Jessica Szeto** of this office at jszeto@deloitte.com.au by no later than **5:00PM (AEDT) on Wednesday, 19 December 2018** to receive the teleconference details for this meeting.

2 Introduction

2.1 Administrators' independence, 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 second meeting of creditors held on Thursday, 27 September 2018.

A copy of the DIRRI is attached as **Appendix A**. There have been no changes in the details recorded in the DIRRI.

2.2 Purpose of the appointment and report

As disclosed in the Second Report to Creditors, 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.

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 regarding the options available to creditors and our opinion on each of these options.

This supplementary report to creditors should be read in conjunction with the Second Report to Creditors.

3 The Administrators' actions to date

For full details of the key tasks and actions since our appointment as Administrators of the Company, please refer to **Section 6** of the Second Report to Creditors.

We detail below a summary of the key tasks and actions that we have undertaken since the Second Report to Creditors:

Assets

Dealing with shares held in other companies

- Liaising with Bellr Pty Limited (**Bellr**) to negotiate a potential buy-back of their shares
- Reviewing the financial statements for Bellr to determine the potential value of the shares
- Liaising with Realworld Advertising Holding Pty Limited (**Realworld Advertising**) to negotiate a potential buy-back of their shares
- Liaising with Wayfarer Media Pty Limited (**Wayfarer Media**) to determine the company's potential assets and the value of its ongoing business
- Reviewing the financial statements for Wayfarer Media to determine the potential value of the shares.

Recovery of the GST refund

- Liaising with the Company's pre-appointment tax agents, BDO Corporate Tax (WA) Pty Limited (**BDO**), to obtain further details regarding the potential GST refund due to the Company
- Liaising with the Company's CFO in relation to quantifying the GST refund due to the Company
- Liaising with the ATO regarding the audit being conducted by the ATO and the outstanding information being requested from the Company
- Liaising with our internal tax accountants to assist in conducting a Financial Acquisition Threshold (**FAT**) test to determine the Company's expenditure relating to capital raising costs
- Reviewing the Company's expenses as recorded in its management accounts to determine and isolate private expenses and personal expenses
- Reviewing the list of suppliers to the Group's operating entity, BRTV to identify and isolate any unregistered taxpayers
- Reviewing the Company's BAS lodgements and work papers for the March 2018 quarter for which the Company reported on a consolidated basis
- Preparing the Company's BAS lodgements for the June 2018 quarter and the September 2018 quarter to the date of the appointment of the Administrators.

Sale of assets

- Liaising with a third-party in relation to their potential interest in purchasing the available assets of the Company including any Video Content Library (**VCL**) and/or licences
- Conducting investigations into the available assets of the Company including any VCL and/or licences.

Creditors and other stakeholders

Dealing with creditors

- Convening and holding a second meeting of creditors on 27 September 2018
- Preparing the Administrators' supplementary report to creditors pursuant to Section 75-225 of the IPR including a remuneration approval request
- Further liaising with two secured parties listed on the Personal Property Securities Register (**PPSR**) to obtain details of their security interests
- Liaising with Toyota Finance Australia Limited to obtain a proof of debt accounting for the shortfall of their debt.

Dealing with shareholders and a potential proposal for a DOCA

- Liaising with a group of shareholders and their solicitor in relation to a potential proposal for a DOCA
- Liaising with our solicitors in relation to a potential proposal for a DOCA
- Instructing our solicitors to draft a confidentiality deed to be signed by all parties relating to a potential proposal for a DOCA
- Compiling and providing documents relevant to the preparation of a proposal for a DOCA to the group of shareholders and their solicitor

- Responding to various queries from the group of shareholders and their solicitor, specifically regarding the ability to transfer the licence, the proposed dilution of shares and the Directors/Officers Claims and Third-Party Claims
- Liaising with a number of parties to determine whether the Licence Agreement can be renegotiated to make the relevant licence transferrable.

Reviewing and conducting investigations into the proposal for a DOCA and an Alternative Holding DOCA

- Reviewing the DOCA Proposal received on 14 November 2018
- Reviewing the proposal for an Alternative Holding DOCA received on 14 November 2018
- Reviewing in detail the terms of the DOCA Proposal and a proposal for an Alternative Holding DOCA and identifying a number of queries in relation to the documents and discussing with our solicitors
- Instructing our solicitors to issue a letter to the solicitors acting for the Proponent to clarify a number of queries regarding the terms of the documents
- Preparing a comparative statement indicating the estimated return to creditors in a DOCA scenario and a Liquidation scenario
- Applying to the Court for an extension of the time to hold the adjourned second meeting of creditors to Thursday, 20 December 2018 to further review and consider the DOCA Proposals
- Progressing discussions and negotiations with the Proponent regarding the DOCA Proposal in consultation with our solicitors including identification and communication of various risks and issues
- Exploring the feasibility and practicality of a Creditors' Trust scenario following implementation of the DOCA particularly in relation to the Third-Party Claims and the Directors/Officers Claims
- Further assessment of the Liquidator Claims and the likelihood of recovery when compared to the DOCA Proposal.

Investigations

Conducting further enquiries

- Liaising with the Company's CFO to gain further insight into the assignment of the debt from FCS to AS Capital Ventures Pty Limited (**ASCV**)
- Investigating the calculation of FCS's debt based on FCS's claim in the administration of BRTV
- Liaising with the Company's CFO to quantify the FCS secured debt which was assigned to ASCV
- Liaising with the Company's share registry and the Australian Securities Exchange (**ASX**) to obtain further information relating to the purchase and sale of shares
- Liaising with ASCV and Franki Global Inc. (**Franki Global**) regarding their intentions concerning the licence including the possibility of a transfer to a third-party
- Liaising with Franki Global regarding a potential commercial consideration for the transfer of the licence to a third-party
- Issuing notices/further notices to provide books and records to a number of parties including advisory/consultancy firms
- Conducting further analysis into the identification of the date of insolvency of the Company and the consolidated group of companies
- Conducting further analysis into the financial statements including performing balance sheet tests and cash flow tests for the Company and the consolidated group
- Reviewing documents provided by a number of parties including documents provided by advisory/consultancy firms
- Reviewing the insurance policies account
- Liaising with the insurance premium funder in relation to the outstanding insurance policies account
- Further analysis of the Company, and the Group's, insolvency including a detailed review regarding the Company's cash flow position in the period leading up to the administration of BRTV and the administration of the Company.

Reviewing the Group's operations

- Considering the Company's relationship with BRTV as a consolidated group, the effect of the Group's revenue recognition practices and the impact it had on the Company and the market generally

- Considering the prospects and strengths of the possible Third-Party Claims and Directors/Officers Claims that can be pursued by the Company in relation to, amongst other things, the Group's revenue recognition practices given the impact it had on the Company and the market generally
- Reviewing the sponsorship agreement between BRTV and FCS
- Analysing the nature of the sponsorship agreement and the process in which funds were advanced to BRTV
- Reviewing advice provided by the Company's accountants in relation to the Company's revenue recognition policies under the sponsorship agreement with FCS
- Liaising with the Company's CFO to obtain further information in relation to the Company's customer database platforms, ZOHO and Hubspot
- Reviewing the Company's consolidated financial statements to understand the Company's revenue recognition policies
- Generating various reports from BRTV's management accounts to analyse the financial position and performance of the consolidated group of companies
- Reviewing BRTV's management accounts to sample test the recognition of revenue for a number of months taken over the period BRTV was trading and the sponsorship agreement was under operation
- Conducting a comparison of BRTV's performance on a monthly/quarterly basis, specifically around the revenue generated from the sponsorship agreement
- Reviewing the Company's announcements on the ASX to sample test the performance figures being announced to the revenue amounts that should have been recognised based on our revised calculations
- Conducting investigations into any potential correlation between the Company's announcements on the ASX with the movements in share prices
- Conducting investigations into a number of accounts and a number of transactions from the ledger of the Company and its subsidiary
- Conducting investigations into the administration of BRTV to identify the effects of the liquidation of BRTV including a review of the potential effects this will have on a number of agreements entered into by BRTV and the Company
- Conducting further investigations into the intercompany loan between the Company and BRTV
- Conducting investigations into the terms of the Licence Agreement specifically around the transferability of the licence.

Dealing with the Company's email server and the production drive

- Liaising with our forensic team in relation to the imaging of the email server and the production drive
- Liaising with ASCV regarding access to the production drive
- Liaising with the Company's former solicitors, Vobis Equity Attorneys in relation to a notice it received from ASIC to produce documents pursuant to Section 33 of the Australian Securities and Investments Commission Act 2001 (**the ASIC Act**) related to the Company in order to protect the Company's legal professional privilege (**LPP**)
- Liaising with ASIC and our solicitors in relation to compliance of the above notice including conducting a LPP review
- Liaising with ASIC regarding a notice to produce documents issued on the Company pursuant to Section 33 of the ASIC Act including but not limited to the information recovered from the Company's email server and the production drive and issues around protecting the Company's LPP
- Liaising with solicitors in relation to LPP which may attach to a number of documents, emails or folders
- Liaising with the Directors and other parties, including BRTV, regarding the potential process to quarantine any documents which may be subject to LPP
- Liaising with ASIC to respond to various queries around LPP and liaising with the forensic team regarding the timing required to review any documents before production to ASIC
- Commencing the review of email correspondence to and from the Company's key personnel.

3.1 Administrators' receipts and payments

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

4 Conduct of the Administration

4.1 Secured creditors

As detailed in the Second Report to Creditors, we were awaiting a response from the following PPSR creditors who hold three security interests registered in the name of the Company as follows:

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

On 27 September 2018, Sandvik Mining and Construction Australia Pty Limited provided us with the requested information and discharged both security registrations.

We are currently still awaiting a response from LionGold Corp Limited.

4.2 Sale of assets

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

Shoutback! Pty Limited (**Shoutback!**) changed its name to Bellr on 30 June 2018. On 24 January 2018, the Company acquired 187,500 ordinary shares in Shoutback! 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.

As detailed in the Second Report to Creditors, Bellr has indicated their interest in a potential buy-back of their shares. To assist us in valuing the shares and the reasonableness of the offer, we have requested and reviewed the financial statements of Bellr.

We are currently in negotiations with Bellr regarding the potential buy-back of their shares.

4.2.2 Realworld Advertising Pty Limited

Realworld Advertising operates an advertising company named Site Tour, which developed a global marketplace for targeted audiences.

As detailed in the Second Report to Creditors, Realworld Advertising has indicated their interest in relation to a potential buy-back of their shares.

Subsequent to the initial interest received, we have formally invited any shareholders to put forward offers to purchase the shares the Company holds in Realworld Advertising. To assist us in valuing the shares and the reasonableness of any offer put forward, we have requested Realworld Advertising to provide us with all financial statements. To date, we have not received a response from Realworld Advertising.

4.2.3 Wayfarer Media Pty Limited

As detailed in the Second Report to Creditors, the Company owns 49% of the shares of Wayfarer Media a joint venture between the Company and IF Media Pty Limited.

The Company's financial statements indicate an investment into Wayfarer Media of \$50,000. To assist us in valuing the shares the Company holds in Wayfarer Media, we have requested a number of documents from Wayfarer Media including all financial statements, agreements and details on the VCL of Wayfarer Media.

To date, Wayfarer Media has provided limited financial statements and they have requested more time to obtain legal advice in relation to providing the balance of the documents requested.

4.2.4 GST refund

The books and records of the Company, including BAS lodgements with the ATO, reveal potential GST refunds due to the Company and BRTV details as follows:

Period	The Company (\$)	BRTV (\$)	Group (\$)
March 2018 quarter	151,876	986,181	1,138,057
June 2018 quarter	52,554	Unknown	52,554
September 2018 quarter to the date of the appointment of the Administrators	28,980	Nil	28,980
Total	233,410	986,181	1,219,591

As detailed in the Second Report to Creditors, the books and record of the Company reveal a GST refund owing to the Company of \$233,410 from the ATO as at the date of Administration.

We have been liaising with the Company's former tax agents, BDO, to obtain all working papers on the recovery of the GST refund. We have received a number of taxation work papers to assist us in our investigations.

Subsequent to the above, we have been liaising directly with the ATO in relation to its audit of the GST refund, particularly the March 2018 quarter BAS, to progress the outstanding issues, which we detail as follows:

1. Financial Acquisition Threshold Test

The Company had never historically conducted a FAT test to determine whether the Company's expenditure on capital raising expenses exceeded the FAT for claiming the full GST credit on the Company's capital raising expenses. If these expenses exceed the FAT, the Company may need to deny itself GST credits or the Company may only be entitled to claim a portion of the GST credit on these capital-raising expenses.

We have been liaising with the Company's CFO and our internal tax accountants to prepare and finalise the FAT test prior to providing this to the ATO.

We are in the process of finalising our FAT test calculations but we understand that the Company may be denied up to \$132,803 in GST refund for the March 2018 quarter BAS. Our investigations in this regard are ongoing.

2. Expenses test

The ATO has highlighted its concerns in relation to certain transactions for which GST credits may have been claimed, which may be classified as excluded transactions. Such transactions include but are not limited to personal expenses, expenses of related entities and transactions between the Company and unregistered taxpayers.

We are currently liaising with the ATO to determine any potential transactions with unregistered taxpayers. The ATO is also currently reviewing a sample of individual transactions to determine the extent of transactions that appear to be of a personal nature or expenses that appear to be expenses of related entities. We continue to liaise with the ATO to address their ongoing queries.

In addition to the above, we understand the Company and BRTV were grouped for GST purposes effective from 1 January 2018 onwards. To date and prior to our appointment as Administrators, the Company and BRTV only lodged one BAS as a group, being for the March 2018 quarter.

Based on the books and records of the Company and the work papers reviewed to date, the Company and BRTV may collectively be entitled to a GST refund for the March 2018 quarter of \$1,138,057 (less any amount that is denied pursuant to the FAT test or from the audit being conducted by the ATO).

We are of the preliminary view that the Company is entitled to the entirety of this GST refund as the representative member of the group. This position is however subject to confirmation from the ATO. As mentioned above, calculation of the final GST refund amount owing to the Company and BRTV is subject to change following application of the FAT test and the ATO audit.

Once the outcome of the March 2018 quarter BAS is finalised, we will then be in a position to finalise and lodge the June 2018 quarter BAS which may need to be prepared in conjunction with BRTV.

As BRTV was placed into Administration on 21 May 2018, we will proceed to finalise and lodge the Company's outstanding BAS for the September 2018 quarter to the date of our appointment as Administrators.

In the meantime, we continue to liaise with the ATO to recover any GST refund, which may be due to the Company and continue to respond to their ongoing queries.

4.2.5 Potential transfer of the licence

As advised in the Second Report to Creditors, the Company entered into a Licence Agreement executed by the Company, ASCV and Cameron Gray of DW Advisory on 30 June 2018 (**Licence Agreement**).

In the conduct of our investigations, we understand, from ASCV and Franki Global, that the Company's assets will shortly be transferred to Franki Global in which case it will then be the End Entity as defined in the Licence Agreement.

We have liaised with ASCV and Franki Global regarding their respective use of the Company's assets of the Company subject to the Licence Agreement as defined in the Rights and Asset Transfer Agreement executed by the Company and ASCV on 30 June 2018 (**Rights and Asset Transfer Agreement**).

In accordance with the Licence Agreement, Franki Global advised us of its intentions to enter into a new licence agreement with the Company. Subject to the completion of the above, Franki Global indicated that it would consider any commercially sensible proposals that may be put forth by the Company and/or a third-party, which may include the following:

- A transfer of the licence to a third-party
- A buy-back of the assets as defined in the Rights and Asset Transfer Agreement.

We have advised the DOCA Proponents, and other interested parties, that a transfer of the Company's interest in the licence or a buy-back of the assets will be considered if any party wishes to put forward a proposal. We will liaise with Franki Global in the event a proposal is received.

4.3 BRTV revenue analysis

We have conducted preliminary investigations into the revenue recognition policies adopted by the Company and all its subsidiaries including BRTV (**the Group**) and conducted a further review of the sponsorship agreement in place between BRTV and FCS.

The purpose of the review was to consider whether the Company, a public company listed on the ASX and parent of a consolidated group including BRTV, has any possible claims for damages against:

- Third-parties including but not limited to its professional advisors
- The Company's current and/or former directors, officers and/or related parties for a breach of duties and/or other offences,

following concerns raised around the revenue recognition practices adopted by the Group . This analysis is particularly relevant in circumstances where the Group's audited consolidated financial statements provided

inaccurate and unreliable information that was relied upon by users when making business or financial decisions.

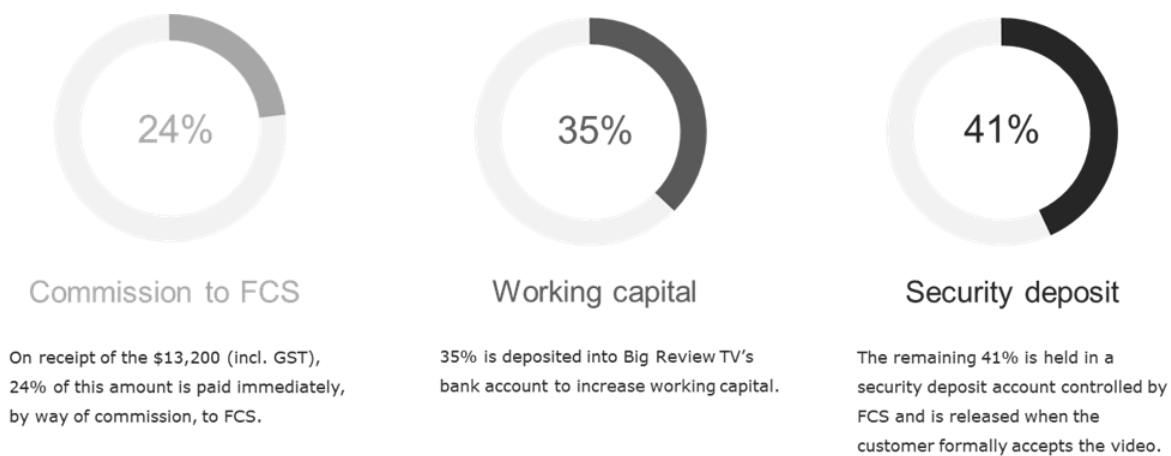
As detailed in the Second Report to Creditors, the Group's operating entity, BRTV operated to deliver subscription-based video marketing services to small-to-medium enterprises (**SMEs**). We understand the process to be that a potential customer would execute an application agreement, which would generally specify a payment of \$13,200 (Incl. GST) payable over a period of 12 months. This would be contingent upon the customer, at a later stage, accepting the final product, being the video produced.

BRTV held an arrangement with a finance provider, FCS. This arrangement allowed BRTV to gain access to a payment of \$13,200 (Incl. GST), before costs, through the funding provided by FCS upon execution of certain application agreements. We have requested copies of these application agreements from FCS and await the production of these documents.

We have not undertaken a full review to corroborate all the customers/sales BRTV recorded, however we have liaised with a former employee of BRTV to review BRTV's sales platform and customer relationship management system.

Based on our investigations and based on our understanding of the customer relationship management system, BRTV recorded 324 customers, which, from what we understand, were recurring, paying customers of BRTV. Customers were signed up on a number of packages with a range of prices, the highest price package being \$12,000 (Excl. GST).

This indicates that BRTV may have achieved up to only circa \$3.8million in sales revenue from recurring, paying customers of BRTV.



The Company's CFO advised that, upon execution of the application agreement and the receipt of the funds advanced by FCS, BRTV deferred the revenue to its balance sheet and released the revenue on a monthly basis in line with the 12-month term of the application agreement. The CFO advised that the Company received advice from its external accountant to confirm the revenue recognition policy adopted by the Group as outlined above.

In the event that a customer decided not to accept the product, being the video produced, BRTV had two options pursuant to the sponsorship agreement. It could either:

1. Assign another customer to FCS, or
2. Pay an amount equal to any sponsorship payment made for the customer that declined the product, being the video produced plus a cancellation fee.

Notwithstanding the above, the Company's CFO has advised that, as at February 2018, no cancellation fees have been paid by the Company to FCS.

To review in detail the revenue recognition policies adopted by the Group, we have:

- Conducted a preliminary review of the revenue arising from the sponsorship agreement recorded by BRTV, and
- Prepared a revised calculation of the revenue based on the sponsorship agreement as detailed above.

Based on a preliminary review of the management accounts of BRTV, noting that our enquiries are preliminary only, it appears that, in some instances:

- BRTV may have recorded the revenue generated from the sponsorship agreement in full on execution of certain application agreements (being \$12,000 (Excl. GST) per customer)
- No revenue was deferred to the balance sheet and/or recognised over the period of 12 months in accordance with the advice of its external accountant (that is, \$1,000 a month).

We will seek advice on the revenue recognition practices of the Group as advised by its professional advisor which may be relevant in progressing the Third-Party Claims and/or the Directors/Officers Claims.

4.4 Recognition of the Sponsorship Agreement/Debt to FCS

Please refer to the Second Report to Creditors for details regarding the secured debt to FCS and the assignment of the debt from FCS to ASCV. We have conducted further investigations into the Group's recognition of the secured debt to FCS and conducted a further review of the sponsorship agreement in place between BRTV and FCS.

As mentioned in **Section 4.3** above, this analysis is relevant when considering whether the Company, a public company listed on the ASX and parent of a consolidated group including BRTV, has any possible claims for damages against:

- Third-parties including but not limited to professional advisors
- The Company's current and/or former directors, officers and/or related parties for a breach of duties and/or other offences,

in circumstances where, because of the Group's revenue recognition practices, the Group's audited consolidated financial statements provided inaccurate and unreliable information and was relied upon by users when making business or financial decisions.

Our investigations reveal that the financial liability owing to FCS was not being recognised in BRTV's management accounts until the Company published its ASX Half Year Report as at 31 December 2017 and restated its financial statements as at 30 June 2017. We have liaised with FCS and the Group's CFO to understand the quantification of the secured debt to FCS and we are still awaiting information from both parties.

We have reviewed the Company's annual reports for the financial years ended 30 June 2016 and 30 June 2017. The financial statements contained in these annual reports do not reflect any debt due to FCS. This corroborates our findings from reviewing BRTV's management accounts. Please find below a summary of the Company's disclosures with respect to the debt due to FCS:

Period	Management accounts	Annual reports/Half Year reports	Amount (\$)
30 June 2016	Not recognised	Not disclosed	N/A
30 June 2017	Not recognised	Not disclosed	N/A
30 June 2017 (restated)	Not recognised	Disclosed as advances from FCS	18,693,911
31 December 2017	Not recognised	Disclosed as advances from FCS	49,122,315

As per the above table, the Company disclosed **\$49,122,315** owing to FCS under the sponsorship agreement in the Company's ASX Half Year Report at 31 December 2017.

Further to the above, the former Administrators of BRTV advised in their report to creditors pursuant to Section 75-225 of the IPR that, according to ASCV, the debt due and payable to ASCV was **\$45,161,656** as at 21 May 2018. We understand that the amount of **\$45,161,656** was derived based on funds that were advanced by FCS for the period from November 2016 to the date of the appointment of the Administrators of BRTV, being 21 May 2018.

The calculation was provided as follows:

Item	Amount (\$)
Principal	42,791,648
Interest	13,513,152
Cancellation fee	11,941,824
Sub-total	68,246,624
Less: Security deposit held	(23,084,968)
Total	45,161,656

As evident above, ASCV's debt consists of three components being the principal, interest and a cancellation fee. We comment on these components as follows:

Principal

We understand that the Sponsorship Agreement states that "*All Unpaid Sums not otherwise paid beforehand are payable and repayable by the Recipient on the Termination Date*".

As per the above table, ASCV claims a principal amount of \$42,791,648 (being the unpaid sum).

We have reviewed BRTV's bank accounts as detailed in BRTV's management accounts and conducted an analysis into the total funds advanced by FCS for the period from November 2016 to the date of the appointment of the Administrators of BRTV. Our investigations reveal that a total of \$45,914,087 was deposited into BRTV's bank accounts.

This indicates that the Company may have recorded a total of no more than \$3,122,439 (being the difference between \$45,914,087 and \$42,791,648) in sales revenue.

Based on this analysis, it appears that for the period from November 2016 to the date of the appointment of the Administrators of BRTV, BRTV may have only completed approximately 7% of contracts with customers. This may suggest that approximately 93% of the customers for which funds were advanced by FCS did not accept the video and that the customers were not replaced. Our investigations are ongoing in this respect.

Interest

According to the Sponsorship Agreement, the interest rate is charged at 24% per annum.

We understand the Sponsorship Agreement states that "*Any Unpaid Sum not paid on the Repayment Date will bear interest daily at the Interest Rate, compounding on monthly rests*".

The Sponsorship Agreement does not however stipulate any repayment date. Our investigations are ongoing in this respect.

Cancellation fee

According to the Sponsorship Agreement, the cancellation fee is charged at 24% of the contract value.

As evident above, the cancellation fee claimed is \$11,941,824. We understand this would have been calculated based on a total contract value of \$49,757,600, indicating that it is possible that \$49,757,600 in contracts may never have been completed.

We understand there is some dispute between BRTV and FCS regarding the cancellation fee.

We are seeking further documents from ASCV, FCS and the Company's CFO regarding the quantification of the debt to FCS. Our investigations in this respect will continue if we are appointed liquidators.

4.5 ASX Announcements

In the Second Report to Creditors, we provided a preliminary insight into the events leading up to the appointment of the Administrators including various announcements that were made on the ASX and the impact they may have had on the Company's share price.

Similarly to **Section 4.3 and 4.4** above, this analysis is relevant when considering any possible claims for damages by the Company against:

- Third-parties including but not limited to professional advisors
- The Company's current and/or former directors, officers and/or related parties for a breach of duties and/or other offences,

in circumstances where, because of the Group's revenue recognition practices, the Group's audited consolidated financial statements, and any announcements made to the market regarding financial results, provided inaccurate and unreliable information and was relied upon by users when making business or financial decisions.

We note that a number of announcements that were made on the ASX had an impact on the share price of the Company. Accordingly, we have conducted further investigations into the fluctuations of the share price over the past two years and have broken down our analysis based on three periods as follows:

Period from 1 July 2016 to 31 December 2016



We provide our comments into the ASX announcements that were made during this period below:

Date	Events	Comments
20 October 2016	The Company announced that cash revenues for the September 2016 quarter reached \$2.55m, an increase of over 500%.	After this announcement, the share price increased from around \$0.15 to \$0.23 in less than a month.
27 October 2016	Brandon Evertz states that the first quarter of FY2017 achieved over \$2.5m in cash revenue.	We note that we cannot attempt to verify this information at this stage because BRTV's management accounts only contain transactions with FCS from September 2016 onwards.
7 December 2016	The Company provided an update stating that the Company has experienced strong growth in the December quarter with \$3.8 million in cash receipts expected from sales	After this announcement, the share price increased from around \$0.22 to \$0.43 in less than 2 months. Please refer to Section 4.4 for details of our analysis regarding the revenue recognition practices adopted by the Group.

Period from 1 January 2017 to 30 June 2017



We provide our comments into the ASX announcements that were made during this period below:

Date	Event	Comments
25 January 2017	The Company provided a quarterly update stating that the Company experienced strong growth in the December quarter with \$4 million in cash receipts from customers.	After this announcement, the share price increased from around \$0.43 to \$0.50 in less than 4 months. Please refer to Section 4.4 for details of our analysis regarding the revenue recognition practices adopted by the Group.
20 April 2017	The Company states that the cash receipts from customers has increased by 372% from Q3 FY2016.	After this announcement, the share price increased from around \$0.49 to \$1.33 in less than 3 months. Please refer to Section 4.4 for details of our analysis regarding the revenue recognition practices adopted by the Group.

Period from 1 July 2017 to 31 December 2017



We provide our comments into the ASX announcements that were made during this period below.

Date	Event	Comments
12 July 2017	The Company announced an increase in cash receipts for 411% from Q4 FY2016	After this announcement, the share price increased from around \$1.33 to \$1.80 in less than 2 months. Please refer to Section 4.4 for details of our analysis regarding the revenue recognition practices adopted by the Group.
7 September 2017	The Company announced that it expects to achieve global cash receipts in excess of \$14m for the first quarter of FY2018.	After this announcement, the share price increased from around \$1.46 to \$3.91 in less than 3 months. Please refer to Section 4.4 for details of our analysis regarding the revenue recognition practices adopted by the Group.
31 October 2017	The Company announced it achieved cash receipts from customers for the first quarter of FY2018 of \$15m.	
9 November 2017	The Company announced it expects to achieve cash receipts from customers in excess of \$20m for the second quarter of FY2018.	After this announcement, the share price increased from around \$3.91 to \$4.31 in less than a month. Please refer to Section 4.4 for details of our analysis regarding the revenue recognition practices adopted by the Group.
16 November 2017	The Company 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.	After this announcement, the share price increased from around \$4.31 to \$4.79 in less than a week. Tipsly LLC was incorporated on 20 October 2017, being less than a month before the acquisition announcement. Our investigations are ongoing in relation to substantiating the number of underlying customers disclosed by Tipsly LLC.

5 Administrators' investigations

5.1 Overview

Section 438A(a) of the Act provides that the Administrators must investigate a company's business, property, affairs and financial circumstances.

The primary focus of the Administrators' investigations to date has been to ascertain if there are any actions that may be available to a liquidator of the Company. Such investigations are relevant for the creditors of the Company to make an informed decision as to whether to vote in favour of a DOCA or the winding up of the Company.

5.2 Date of insolvency

Assessing the Company's solvency is complex and involves much consideration. *ASIC v Plymin* lists a number of indicators of insolvency that may be considered in determining whether a company is insolvent or not. The indicators are not intended to be definitive but instead to provide guidance in determining the point of insolvency. It is ultimately a matter to be determined based on available evidence presented to a Court.

The role of the Administrator is to conduct preliminary investigations based on the available evidence. The investigations are not intended to be extensive and definitive and are subject to further review and analysis by a liquidator, if appointed. Given, however, the existence of the potential Third-Party Claims and Directors/Officers Claims, it is likely that, in the case of the Company, that a deed administrator/trustee would also conduct further analysis into the solvency of the Company, and the Group.

5.2.1 Preliminary position on date of insolvency

Please refer to the Second Report to Creditors for details on the Administrators' preliminary position on the date of insolvency. This view was based on a number of factors and indicators as described in *ASIC v Plymin*. It is one possible view and may change as further evidence comes to hand.

It is one view, albeit preliminary and subject to further investigations, that the solvency of the Company should not be assessed in isolation but rather on a group basis to include BRTV as:

- BRTV is the wholly owned subsidiary of the Company
- The business of the Company and BRTV were related to one another
- The Company did not generate significant revenue in its own right. Its primary purpose was to raise capital to fund the operations of BRTV
- The Company and BRTV shared common directors in Brandon Evertz and Sonia Thurston from at least December 2014
- The Company and BRTV operated from the same business premises from at least July 2016
- The Company and BRTV prepared its financial statements on a consolidated basis from at least the financial year ended 30 June 2015
- The Company and BRTV reported to the ATO for GST purposes as a group from at least 1 January 2018.

In light of, and in addition to, the above and given:

- The Company's primary purpose was to raise capital to fund the operations of BRTV which it did by way of a related-party loan from at least 31 December 2014
- The actual revenue generated by BRTV may have been substantially lower than the amount reported in the consolidated financial statements dated 31 December 2016 and thereafter
- The Directors of the Company, and the Group, should have been aware, at least based on the actual sales performance, that BRTV, and the Company (for the reasons outlined below), did not, and possibly would never have, sufficient cash resources to repay FCS

- The Directors of the Company, and the Group, should have been aware, at least based on actual sales performance, that BRTV was not, and possibly would never be, in a position to repay the loan outstanding to the Company, which, at the date of appointment of the Administrators of BRTV, was \$9,835,482,

it could be said that the Company, and the Group, may have been insolvent from at least 1 July 2017, and possibly earlier. Again, this view is preliminary only and is subject to further investigations by a liquidator, if appointed.

Further, pursuant to Section 588V of the Act, a holding company or a parent company may be liable for the debts incurred by its subsidiary company if there are reasonable grounds for suspecting that the holding company or parent company, or one or more of its directors, would be aware that the subsidiary company is insolvent.

As mentioned in the Second Report to Creditors it was our preliminary view at the time of drafting that report that the Company, and the Group, may have been insolvent from at least 1 July 2017. This view was preliminary only and was based on limited information including, but not limited to, the Group's restated audited consolidated financial statements as at 30 June 2017.

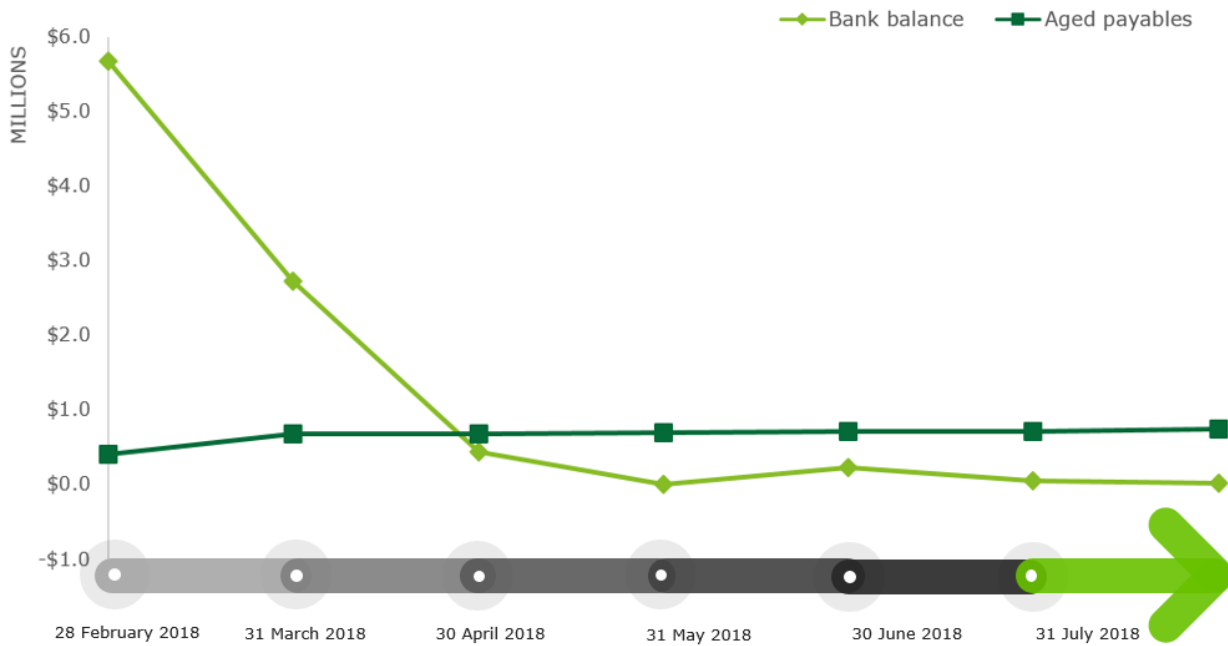
5.2.2 Alternative date of insolvency

Whilst we maintain that the Company, and the Group, may have been insolvent from at least 1 July 2017 for the reasons outlined in the Second Report to Creditors and in **Section 5.2.1** above, we have, for the purposes of this report, considered the solvency of the Company in its own right and without consideration to the financial position of the Group including BRTV.

We provide the following chronology of events following the Company's suspension from the ASX on 23 February 2018:

- The Company was unable to raise capital via the ASX following its suspension on 23 February 2018
- The Company's collective cash at bank as at 28 February 2018 was \$5,681,437
- The Company transferred \$4,787,864 to BRTV during the period from 26 February 2018 to 3 May 2018, being shortly prior to the appointment of Administrators to BRTV
- On 4 May 2018, the Company's collective cash at bank was \$531
- BRTV, on occasion, during the period from 23 February 2018 to 21 May 2018 would transfer funds to the Company's bank account to assist the Company with its cash flow requirements including payment of select creditor invoices
- The Company had insufficient cash at bank from at least 4 May 2018, if not earlier, to pay its current debts, which were ageing
- BRTV was placed into Administration on 21 May 2018 and was unable to make any additional loan repayments to the Company
- On 28 June 2018, the Company received \$600,000 in the Company's former solicitors' trust account as consideration for the sale of Company's interest in a number of companies which formed part of the group of companies controlled by Intermedia Group Pty Limited (**the Intermedia Sale Proceeds**)
- Shortly after, an amount of \$588,161 from the Intermedia Sale Proceeds and other funds held by the Company's former solicitors' trust account was disbursed to pay a small number of the Company's creditors.

Following is an analysis of the Company's bank balances and its accruing creditors for the period from February 2018 to August 2018:



We note that the "Bank balance" depicted in the above table comprises the closing balance of three bank accounts held in the Company's name as well as any funds held in the Company's former solicitors' trust account on behalf of the Company during the period.

As mentioned above, the Company was suspended from trading its securities on the ASX on 23 February 2018. Accordingly, as the Company was unable to raise further capital via the ASX from this date, it was reliant on its own cash resources or from loan repayments from its subsidiary BRTV to ensure that it was able to meet its debts as and when they became due and payable. It may therefore be the case, subject to further investigations and enquiries, that the Company was insolvent on or around this date given it was not trading and was unable to raise further capital.

We note that BRTV was placed into Administration on 21 May 2018. The Company was no longer able to rely on the intercompany loan with BRTV to support its cash flow requirements.

Based on this analysis, it could also be said that the Company may have been insolvent in or about May 2018. This view is based largely on the Company's cash position and whether it had sufficient available cash resources (by way of capital raising, loan repayments or otherwise) to be able to meet its debts as and when they became due and payable.

Although the Company had insufficient available cash resources including funding options from at least May 2018, we understand that on 28 June 2018, the Company received the Intermedia Sale Proceeds. This payment of \$600,000 was made into the Company's former solicitors' trust account. Of this amount, and other funds held in the Company's former solicitors' trust account, \$588,161 was subsequently disbursed over the days that followed to pay a small number of the Company's creditors. For the reasons explained in **Section 5.3.1**, we are of the preliminary view that these payments may constitute unfair preference payments pursuant to Section 588FA of the Act.

We note the above table reflects payables as at the relevant date which, for 30 June 2018 and 31 July 2018, are reduced by those creditors that were paid from the Intermedia Sale Proceeds.

Creditors should note that this analysis is based on the Company's management accounts and the accuracy of this data has not been verified by us.

Creditors are reminded that the date of insolvency is subject to further investigations by a liquidator, if appointed. In the event a liquidator is able to establish an earlier date of insolvency, this has the ability of increasing any potential voidable transaction claims.

5.3 Voidable transactions

Creditors should refer to **Section 7.4** of the Second Report to Creditors for further details in relation to the Administrators' initial investigations into voidable transactions.

It is important to note that some of these transactions are only voidable if they are considered insolvent transactions of the Company. In order 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.

Generally, such actions are expensive 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.

In these circumstances, creditors wishing to fund any such actions can contact my office. 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.

For the purposes of this analysis, and the Estimated Statement of Position (**ESOP**) in **Section 9**, we have adopted a date of insolvency of May 2018. As mentioned in **Section 5.2**, this preliminary date of insolvency is not definitive and may be subject to change, pending further investigations.

5.3.1 Unfair preference payments (Section 588FA of the Act)

We have identified a number of payments totaling **\$621,761** that were made to a number of creditors during the relation back period being the period from 24 February 2018 to the relation back day, being the date of our appointment as Administrators, that may constitute unfair preference payments.

A liquidator, if appointed, will investigate in detail regarding the circumstances surrounding the various transactions identified between the creditors and the Company before any recovery action can be commenced.

5.3.2 Uncommercial transactions (Section 588FB of the Act)

In our Second Report to Creditors, we reported that the Company incurred substantial expenses relating to fees paid to a number of consulting/advisory firms. Please refer to the Second Report to Creditors for details of these transactions.

Subsequent to the Second Report to Creditors, we have conducted further investigations into potential uncommercial transactions identified and believe that a number of the transactions could be more accurately classified as potential unreasonable director-related transactions. Please refer to **Section 5.3.3** for further details.

A liquidator, if appointed, will investigate these transactions, and other transaction of this nature, further.

5.3.3 Unreasonable director-related transactions (Section 588FDA of the Act)

Our investigations reveal that a number of parties, which appear to be related to, or associated with, the Company or with the Directors/Officers of the Company had received funds from the Company.

Our investigations reveal that the Company may have made a number of payments to a number of parties, which could potentially be classified as unreasonable director-related transactions of **\$798,451**. Further investigations will be required to be undertaken by a liquidator, if appointed, in relation to the nature of the engagement between the relevant parties and the Company and in relation to quantifying the value that was created by these companies for the benefit of the Company.

As outlined in the Second Report to Creditors, 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 issuance of

shares to a number of parties, which appear to be related to, or associated with, the Company and/or Directors/Officers of the Company.

We are currently liaising with the Company's share registry to obtain a comprehensive list of all share movements including all parties purchasing and selling the Company's shares on the stock market.

Further investigations will be required to be undertaken by a liquidator, if appointed, in relation to the nature of the engagement between these parties and the Company and whether the proposed issuance of shares occurred. If the issuance of shares did occur, then a liquidator, if appointed, would review the transactions to understand the substance and determine whether they were transactions entered into at arm's length or whether these transactions could be classified as unreasonable director-related transactions.

5.3.4 Transactions with the purpose of defeating creditors (Section 588FE(5) of the Act)

Our investigations reveal that for the period from February 2018, being the date the Company ceased trading on the ASX, to around May 2018, the Company transferred a total of \$4,787,864 to its subsidiary, BRTV. This is evidenced in the graph shown in **Section 5.2.2** and explains the significant drop in cash at bank balances from the point in time that the Company ceased trading on the ASX. We note that BRTV is now in liquidation.

A liquidator, if appointed, will conduct further investigations in relation to the Company's and the Group's solvency including the above transactions leading up to the point in time when the Company was no longer able to pay its debts when they became due and payable.

5.3.5 Insolvent trading (Section 588G of the Act)

Our investigations reveal that the Directors may be liable for a potential insolvent trading claim totaling \$451,270, being the debts incurred by the Company from the period May 2018 to the date of our appointment as Administrators.

We note that Brandon Evertz is the registered owner of real property in New South Wales. Please refer to **Section 5.2** for further details.

5.4 Limitations of investigations

This report has been prepared based on the Administrators' investigations to date from a review of documentation provided by the following parties:

- Directors, officers, management and employees
- Former solicitors
- External accountants and auditors
- Creditors

As a result of the limited time provided to us in order to conduct our investigations, we have not been able to verify all the information provided by the above parties.

A liquidator, if appointed will benefit from extensive powers under the Act to investigate into more detail, the affairs of the Company and will be able to conduct public examinations to verify and clarify a number of issues identified as part of the Administrators' and the Liquidators' investigations. This will assist in pursuing any Directors/Officers Claims, Third-Party Claims and Liquidator Claims.

If creditors resolve that the Company execute a DOCA as detailed in **Section 6**, we may, as trustee of the proposed Creditors' Trust, be eligible to apply to ASIC to seek leave for powers to conduct public examinations, however this must be approved by ASIC.

In the event that any further information is subsequently provided to the Administrators that may materially affect the conclusions within, the Administrators reserve the right to review and alter any of the conclusions or statements made in this report.

Notwithstanding the above, the Administrators 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.

5.5 Report to ASIC

The Administrators are required to complete and lodge a report with ASIC pursuant to Section 438D of the Act 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.

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

Our investigations reveal that the Directors may have breached their duties and we have finalised and lodged with ASIC our report pursuant to Section 438D of the Act detailing these offences. We note that any report lodged pursuant to Section 438D of the Act is not available to the public.

ASIC has subsequently requested a supplementary report pursuant to Section 438D of the Act. We endeavor to prepare this report shortly.

5.6 Creditor funding

Generally, any actions required to pursue voidable transactions and any insolvent trading claims are costly and are likely to require Court applications. As such, should there be inadequate funds available, or the Administrators consider it uncommercial or not in the creditors' best interests, the Administrators may not commence such recovery actions. Alternatives that can be considered include:

- Some or all the creditors may wish to fund an action and in doing so can be entitled to receive their contribution in priority to other creditors
- Litigation funding may be available to fund an action, however it is usually a requirement that legal advice indicates there is a strong potential for success
- Section 100-5 of the Act Schedule 2 – Insolvency Practice Schedule (Corporations) (**IPS**) entitles a liquidator to assign any right to sue. This may enable a liquidator to quickly convert what might otherwise be a lengthy and time-consuming legal action into an upfront payment in cash. Creditors must be notified in advance if a liquidator were to consider such an option.

6 Proposal for a DOCA

6.1 Terms of the DOCA

The Administrators received a DOCA Proposal from Wow World Digital Pty Limited on 14 November 2018 and a revised DOCA Proposal on 12 December 2018.

Our investigations revealed that the initial DOCA Proposal was unclear and there were a number of issues that required clarification. Following receipt of the DOCA Proposal, we successfully sought an extension of the date by which the second meeting of creditors was required to be held pursuant to section 75-140(3) of the IPR to 20 December 2018. Based on the DOCA Proposal reviewed, it was our opinion that we needed more time to fully understand the DOCA Proposal and consider the unexplained issues.

We sought to clarify those issues with the Proponent since receipt of the DOCA Proposal. This has involved an extensive exchange of correspondence between our solicitors and the Proponent's solicitors, and a meeting with a representative of the Proponent. The Proponent only finally clarified a number of the issues in respect of the DOCA Proposal on or around 10, 11 and 12 December 2018.

There are some technical aspects of the DOCA Proposal that will be finalised during the week leading up to the meeting. We are liaising with Proponents in this regard and will provide creditors with an update at the upcoming adjourned meeting of creditors.

The key terms of the DOCA Proposal as clarified by the Proponent are set out below.

Deed Fund/Creditors Trust Fund and assets

A Deed Fund/Creditors' Trust Fund will be established comprising:

- A payment of \$350,000 by the Proponent (**Contribution Amount**) upon effectuation of the DOCA
- Any GST refund received by the Company from the ATO
- Any Third-Party Claims and Directors/Officers Claims.

All other assets of the Company, including but not limited to its intellectual property rights, any rights held under the Licence Agreement, its interests in each of Realworld Advertising, Wayfarer Media and Bellr, will remain the property of the Company, will not form part of the Deed Fund/Creditors Trust Fund, and will not be available to pay creditors' claims.

Control of the Company

The management and control of the Company will remain with the Deed Administrators during the period from execution of the DOCA until implementation. During the DOCA period, the Deed Administrators will retain all powers of the directors of the Company

On implementation of the DOCA, control of the Company will return to the board of directors.

Creditors' Trust

The Creditors' Trust will be established and the Deed Administrators will act as Trustees of the Creditors' Trust.

On implementation of the DOCA:

- The Creditors' Trust Deed must be executed by all parties to it
- All claims of the Deed Creditors will be extinguished against the Company and transferred to claims against the Creditors' Trust
- The Deed Administrators must transfer the Deed Fund to the Creditors' Trust, less the remuneration, costs and expenses of the Administrators and the Deed Administrators (unless already paid pursuant to the indemnity).

Shareholders

Prior to 31 March 2019 (or such other date as is agreed by the Proponent and Deed Administrators in writing), orders will need to be made pursuant to Section 444GA of the Act.

Under Section 444GA of the Act, the deed administrators may transfer shares in the Company, with the consent of the relevant shareholders or leave of the Court. This will give effect to:

- The existing Proponent Shareholders retaining their aggregate 25% shareholdings in the Company
- 55% being transferred to the Proponent of the remaining issued share capital of the Company held by non-Proponent Shareholders, being 75%. Based on this:
 - The Proponent will hold 55% of the issued share capital in the Company
 - The Proponent and the Proponent Shareholders will together hold 80% of the shares in the Company
 - All other shareholders in the Company will hold 20% of the issued share capital in the Company.

Prior to 31 March 2019 (or such other date as is agreed by the Proponent and the Deed Administrators in writing), the Deed Administrators will seek from ASIC such exemptions and/or declarations pursuant to the Act as may be required to permit the share transfer contemplated by the Section 444GA Application to occur without the approval of the shareholders of the Company.

We are of the opinion that a date of 31 May 2019 may be more achievable in relation to obtaining the above Court approval and ASIC clearance and we are liaising with the Proponent in relation to this.

The Proponent will indemnify the Deed Administrators to a maximum amount of \$250,000 (with the sum of \$250,000 held in the Proponent's solicitors' trust account) for the costs associated with the Section 444GA Application. This indemnity is in addition to the Contribution Amount to be paid by the Proponent into the Deed Fund/Creditors Trust Fund.

Creditors

Related parties or related entities of any of the Proponent Shareholders (**Related Creditors**) will not participate in the DOCA, the Deed Fund or the Creditors' Trust. Claims of Related Creditors will not be extinguished by the DOCA and will remain in place against the Company after the implementation of the DOCA.

In accordance with the Act, the DOCA will not prevent any secured creditors from realising or otherwise dealing with their security interests against the Company, but any secured creditors will not otherwise participate in the Deed Fund or the Creditors' Trust other than to the extent of any surplus unsecured debt after realisation by the secured creditor of the relevant secured assets (if any).

Company structure

The Deed Administrators will, pursuant to powers given to them under the DOCA, issue a letter that:

- To the extent that they have not voluntarily resigned from the Company prior to implementation of the DOCA, removes Brendon Evertz and Sonia Thurston as directors of the Company
- Appoints Stephen Munro and Vaughan Parkinson as directors of the Company.

Moratorium

All claims of Deed Creditors and Related Creditors will be subject to a moratorium during the Deed Period, which will prevent those parties from taking action to enforce their debt against the Company.

6.2 Parties to the DOCA

The Proponent is an entity established by a number of existing shareholders of the Company. The Proponent originally advised us that the number of shareholders involved in the DOCA was 19, but this number appears to have increased to 21 according to documents filed by the Proponent in connection with our application for an extension of the date for the reconvening of the adjourned second meeting of creditors.

The Proponent advised the Administrators that the relevant shareholders "through a loan structure presently control 25% of the voting shares".

In the revised DOCA, the Proponent appears to refer to only 19 independent shareholders involved in the DOCA. We understand that two of the Company's directors, William James Knowles and Nicholas Jordan are part of the 19 shareholders. We note that we have not received an updated listing detailing these 19 independent shareholders, however we attach the most current list (at the time of drafting and subject to change) of the shareholders involved in the DOCA as provided by the Proponent at **Appendix G**.

6.3 Distribution of funds

The Deed Administrators and Trustees will be responsible for assessing and adjudicating claims of Deed Creditors. The Creditors' Trust Deed Fund and the Third-Party Claim Fund will be available to pay the following amounts in the following order:

Creditors' Trust Deed Fund

- First, in payment of the Administrators and Deed Administrators for any amount which they are entitled to be paid or indemnified under Section 443D of the Act
- Second, in payment of the Trustees' remuneration and costs which are estimated to be incurred up to the date on which the Creditors' Trust terminates
- Third, in payment of any employee entitlements in accordance with the priorities in Section 556 of the Act
- Fourth, to creditors (other than Excluded Creditors) pari passu in full and final settlement of their claims.

In the event that there is a surplus balance after the creditors have received their distributions as above, the surplus shall be transferred from the Trustees to the Company, other than any other surplus arising from Third-Party Claims.

Third-Party Claim Fund

- First, in payment of the Trustees remuneration and costs associated with the recovery of the Third-Party Claims (to the extent that these costs are not recoverable from the Creditors' Trust Deed or otherwise)
- Second, to creditors (other than Excluded Creditors) up to 100% of the admitted amount of their claim
- Third, to shareholders of the Company as per their pro-rata shareholding as at the appointment date.

6.4 Termination of the DOCA

The DOCA will terminate after the Deed Fund/Creditors Trust Fund has been distributed. Upon payment to the unsecured creditors of their distribution from the DOCA, their claims will be satisfied in full and extinguished.

In the event that any terms of the DOCA are not satisfied, the Deed Administrators will at their discretion have a right to convene a meeting of creditors pursuant to Section 445F of the Act at which meeting the creditors may resolve to:

- Vary the DOCA, or
- Terminate the DOCA, or
- Terminate the DOCA and wind up the Company.

6.5 Administrators' comments on the DOCA Proposal

We provide the following comments in relation to the DOCA Proposal.

Transfer of shares

The Court may not grant leave for the transfer of shares in the Company under Section 444GA of the Act, unless it is satisfied that the transfer would not prejudice the interests of shareholders. This requires a determination by the Court as to the valuation in the Company's assets and whether the value will break in a liquidation scenario. We note that the DOCA/Creditors' Trust entitles the shareholder group to participate based on their shareholdings as at the date of our appointment as Administrators despite the Section 444GA Application to alter the Company's shareholding. Accordingly, the existing shareholders are not prejudiced by the making of the Section 444GA Application.

The valuation exercise in connection with the Section 444GA Application requires the preparation of detailed independent expert evidence as to the value of the assets of the Company, including any choses in action identified.

Our investigations reveal that a number of choses in action may be available to the Company and/or a liquidator, if appointed. Such choses in action have not at this stage been attributed a value but our

preliminary investigations reveal that these may be sufficient to provide for a 100% return to creditors and deliver a surplus to subordinated creditors and possibly shareholders.

The Proponent has offered an indemnity to the Deed Administrators to cover the costs of the Section 444GA Application. Having regard to the costs usually incurred in relation to applications pursuant to Section 444GA of the Act, it is possible that the indemnity may be insufficient to cover the Deed Administrators' costs, which will include their legal fees including Counsel's fees, Court filing fees and other associated disbursements, the independent expert's fees and remuneration. In addition, if the application is defended or challenged by any stakeholders, those costs will usually increase significantly. The Deed Administrator may also be at risk as to an adverse costs order if the application is unsuccessful.

Further to the above, we understand that the usual indemnity provided to the Deed Administrators under the DOCA, which is secured by a lien over the Company's assets, may not have any value to the Deed Administrators in circumstances where the Company currently has no funds available to it. Moreover, the Proponent's contribution of \$350,000 to the Deed Fund will only be payable if the Section 444GA Application is successful, the other conditions are satisfied and the DOCA is able to effectuate. To the extent that any part of the Deed Fund is realised against which the Deed Administrators may recover their costs upon effectuation of the DOCA, the overall return to creditors under the Creditors' Trust will be reduced.

The proposed transfer of shares to the Proponent will breach the prohibition in Section 606 of the Act on a party acquiring shares increasing their voting power in the Company from 20% or below to more than 20%. The Proponent has not articulated the basis on which:

- The proposed transfer will be excluded from this prohibition
- Otherwise, the basis on which, the Proponent considers that ASIC may grant relief from the requirement to comply with section 606 of the Act under its powers in Section 655B of the Act.

Whilst such relief is a condition as part of the DOCA Proposal, the Proponent has only confirmed that it is seeking Counsel's advice in respect of this issue, which "may therefore result in change". The potential change, whether to the DOCA Proposal or otherwise, has not been articulated. We will continue to liaise with the Proponent in this regard.

It is therefore uncertain whether the proposed transfer of shares can be undertaken and whether the DOCA can be implemented. As above, the Proponent has also not clarified who will bear the costs of any application to seek ASIC relief, and how such costs are to be funded, including where relief was refused by ASIC.

Transfer of claims to Creditors' Trust

The DOCA Proposal involves Third-Party Claims and Directors/Officers Claims being transferred to the Creditors' Trust. Any such claims would therefore be pursued by the Trustees for the benefit of the Deed Creditors under the Creditors' Trust.

Pursuant to the Act, the Deed Administrators or a liquidator, if appointed, would have the power to undertake formal examinations in Court against directors and former directors of the Company, or with leave of the Court, other persons that have taken part in or been concerned in examinable affairs of the Company, which could be used to obtain further information for the purposes of such claims.

Those powers would not be automatically available to the Trustees, and the Trustees could only conduct such examinations if leave were granted by ASIC. It is not clear that ASIC would grant such leave, which may impact the extent to which the Trustees can meaningfully pursue the claims.

We are currently in discussions with the solicitor for the Proponent regarding these queries and will provide creditors with a further update at the upcoming meeting.

7 Extension of the time required to hold the adjourned second meeting of creditors

As mentioned above, on 14 November 2018, we received a DOCA Proposal and a proposal for an Alternative Holding DOCA from the solicitor acting for WOW World Digital Pty Limited.

After reviewing the terms of the above proposals, on 16 November 2018, we instructed our solicitors to write to the solicitor for the Proponent requesting clarification on various issues, as outlined above.

Pursuant to the resolution to adjourn the second meeting of creditors by up to a period of 45 business days, the date by which the second meeting of creditors is required to be held under Section 75-140(3) of the IPR was 30 November 2018.

To allow further time for us to explore and consider the proposals and to obtain clarification on a number of outstanding issues, so that creditors can make an informed decision as to the future of the Company at the second meeting of creditors, it was our opinion that it was in the creditors' best interests that an application was made to court to extend the date by which the second meeting of creditors was required to be held.

Accordingly, we made an application to the Federal Court of Australia to extend the date by which the second meeting of creditors was required to be held. The Court granted an extension to hold the adjourned second meeting of creditors by no later than 20 December 2018. Accordingly, the adjourned second meeting of creditors will be held on **Thursday, 20 December 2018 at 10:00AM (AEDT)**.

8 Creditors' Trust

8.1 Purpose

A creditors' trust is a mechanism used to accelerate a company's exit from external administration. A creditors' trust provides for a trust to be formed to deal with the claims of creditors while allowing the return of the company back to the directors or to the purchaser without them having to operate with the term "Subject to Deed of Company Arrangement" after the company's name.

Under a DOCA, creditors' rights are regulated by both the terms of the DOCA and the provisions of the Act (which deal with such matters as the right of creditors to appeal against a rejection of a proof of debt). Under a Creditors' Trust, the rights of creditors will transform into the rights of a beneficiary under the terms of the trust instrument with any additional rights under the Trustee Act 1925 (NSW).

ASIC released a guide (Regulatory Guide 82) for administrators recommending the provision of certain information to creditors when they are recommending a DOCA, which includes a creditors' trust. A copy of the guidelines can be downloaded from the ASIC website (www.asic.gov.au), or can be made available by our office to creditors upon request. By implementing a Creditor's Trust structure:

- Following execution of the DOCA and satisfaction of the conditions as part of the DOCA Proposal, the control of the Company will revert to Mr Nicholas Jordan, Mr William James Knowles, Mr Stephen Munro and Mr Vaughan Parkinson (**New Directors**)
- A Creditors' Trust will be created, and creditors of the Company will become beneficiaries of that trust. All the assets that are available for distribution will be transferred to the Creditors' Trust. Creditors, as beneficiaries, will receive a distribution from the Creditors' Trust
- The Trustees of the Creditors' Trust (being the current Administrators) will be assigned the Company's rights to pursue the Directors/Officers Claims and Third-Party Claims identified.

ASIC Regulatory Guide 82 provides guidance on the use of Creditors' Trusts in the context of a DOCA. At paragraph 1.8, the Guide lists a number of disadvantages for creditors regarding the use of a Creditors' Trust. Below is an extract of paragraph 1.8 of the Guide:

"The key additional risks are that:

- (a) under the DOCA proposal, the DOCA may be 'effectuated' and creditors' rights against the company extinguished before:
 - (i) the amount available for distribution to creditors of the company/beneficiaries of the trust has been ascertained; or*
 - (ii) the trust fund has been received in full by the trustee; or*
 - (iii) creditors of the company/beneficiaries of the trust have received any payment from either the deed administrator or the trustee;**
- (b) creditors may have less (or no) legal rights if the DOCA proposal is not fully complied with by all*

- relevant parties; and*
- (c) *creditors may agree to the DOCA proposal without being aware (or fully appreciating the implications) of these matters"*

In these circumstances, these risks are mitigated by the following factors:

- There will be no transfer of property, or rights extinguished against the Company, until the conditions as part of the DOCA Proposal are satisfied, including the payment of the Contribution Amount
- Relevant claims and rights will be legally assigned to the Trustees of the Creditors' Trust.

8.2 Proposed Creditors' Trust

The Proponent will pay \$350,000 to the Deed Administrators once the Section 444GA Application is approved and the other conditions as part of the DOCA Proposal are satisfied. Following this, the Deed Fund will be transferred to the Trustees for the benefit of admitted creditors in accordance with the Trust Deed. The detail regarding the allocation of the distribution of funds is discussed further below.

It is important to note that the proposed Trust Deed reflects the same order of priorities that would ordinarily apply in a liquidation scenario pursuant to the Act. That is, all unsecured creditors would be treated equally and any distribution to unsecured creditors will be paid on a pro-rata basis.

Creditors are advised that if they are unsure of their position in relation to the proposed Creditors' Trust, they should seek their own legal advice prior to the second meeting of creditors.

8.3 Creditor claims and distribution of funds

The Trustees will adjudicate the claims from creditors. Those creditors with debts that have been adjudicated as valid will be considered as admitted creditors in the Creditors' Trust.

Related Creditors will not participate in the DOCA, the Deed Fund or the Creditors' Trust. Claims of Related Creditors will not be extinguished by the DOCA and will remain in place against the Company after the implementation of the DOCA.

Excluded Creditors are defined by the Proponent as:

- Nicholas Jordan
- William James Knowles
- The Intermedia Group Pty Ltd
- The Transferee of the Shares and their Excluded Persons, being the shareholders nominated by the Proponent from time to time and any Related Creditors (**Excluded Creditors**).

In accordance with the Act, the DOCA will not prevent any secured creditors from realising or otherwise dealing with their security interests against the Company, but any secured creditors will not otherwise participate in the Deed Fund or Creditors' Trust other than to the extent of any surplus unsecured debt after realisation by the secured creditor of the relevant secured assets (if any).

The Creditors' Trust Fund will be available to pay the following amounts in the following order:

- First, the Administrators' and Deed Administrators' remuneration, costs and expenses
- Second, the Trustees' remuneration, costs and expenses
- Third, claims of eligible employee creditors
- Fourth, claims of all other Deed Creditors on a pari passu basis, including any eligible employee creditors not paid in full, and excluding any Subordinated Creditors
- Fifth, claims of Subordinated Creditors on a pari passu basis
- Sixth, in the event that there is a surplus, to shareholders of the Company as at the date of the Administrators' appointment on a pari passu basis.

8.4 Available property

The available property consists of all of the Company's assets, excluding all other assets of the Company, which include, but are not limited to:

- Its intellectual property rights
- Any rights held under the Licence Agreement
- Its interests in each of Realworld Advertising, Wayfarer and Bellr.

8.5 Available recovery actions

The DOCA Proposal involves any Third-Party Claims and Directors/Officers Claims being transferred to the Creditors' Trust to form a Third-Party Claims Fund. Any such claims would therefore be pursued by the Trustees for the benefit of the Deed Creditors under the Creditors' Trust.

The Third-Party Claims Fund will be available to pay the following amounts in the following order:

- First, the Trustees' remuneration, costs and expenses associated with the recovery of the Directors/Officers Claims and Third-Party Claims
- Second, claims of creditors (other than the Excluded Creditors)
- Third, shareholders of the Company as per their pro-rata shareholding as at the date of our appointment as Administrators.

8.6 Terms of the DOCA

The Proposed DOCA will be implemented after satisfaction of all the conditions as part of the DOCA Proposal.

On implementation of the DOCA, the following steps must occur:

- The Proponent must pay the Contribution Amount to the Deed Administrators to be held in the Deed Fund
- The Deed Administrators must transfer shares of the non-Proponent Shareholders to the Proponent in accordance with the orders obtained following the Section 444GA Application
- The Deed Administrators must, pursuant to powers given to them under the DOCA, issue a letter that:
 - To the extent that they have not voluntarily resigned from the Company prior to implementation, removes Brendon Evertz and Sonia Thurston as directors of the Company,
 - Appoints Stephen Munro and Vaughan Parkinson as directors of the Company.
- The Creditors' Trust Deed must be executed by all parties to it
- The Deed Administrators must transfer the Deed Fund to the Creditors' Trust, less the remuneration, costs and expenses of the Administrators and the Deed Administrators unless already paid pursuant to the indemnity.

Each of the above steps must occur on the same date and as close to simultaneously as possible. If any of the above steps does not occur, implementation is taken not to have occurred, and the Deed Administrators will convene a meeting of creditors to determine the future of the Company.

8.7 Termination of the DOCA

If any of the conditions as part of the DOCA Proposal are not satisfied by the relevant date, the Deed Administrators will call a meeting of creditors to determine the future of the Company.

8.8 Control of the Company

Control of the Company will revert to the New Directors on effectuation of the DOCA.

9 Estimated return to creditors

9.1 Comparative scenarios

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

Estimated Statement of Position (ESOP)	Note	DOCA/Creditors Trust (Excl. GST) Recovery estimate			Liquidation (Excl. GST) Recovery estimate		
		Low \$	Medium \$	High \$	Low \$	Medium \$	High \$
Assets							
GST refund (the Company's component from March 2018 to date of appointment)	1	19,073	100,607	233,410	19,073	100,607	233,410
GST refund (BRTV's component for the March 2018 quarter)	1	-	493,091	986,181	-	493,091	986,181
Shares in Shoutback!	2	-	-	-	20,000	30,000	50,000
Shares in Realworld Advertising	2	-	-	-	150,000	150,000	150,000
Shares in Wayfarer	2	-	-	-	50,000	50,000	50,000
Litigation of company claims	3	Significant	Significant	Significant	Significant	Significant	Significant
Funds held on trust for the Company by DLA Piper	4	-	-	-	-	-	-
DOCA Contributions	5	350,000	350,000	350,000	-	-	-
Indemnity (s444GA Application)	6	250,000	250,000	250,000	-	-	-
Total assets		619,073	1,193,698	1,819,591	239,073	823,698	1,469,591
Recoveries available to a liquidator							
Unfair preferences (\$621,761)	7	-	-	-	-	124,352	248,704
Uncommercial transactions (Nil)	8	-	-	-	-	-	-
Unreasonable director-related transactions (\$798,451)	9	-	-	-	-	159,690	319,380
Insolvent trading claims (\$451,270)	10	-	-	-	-	-	90,254
Total recoveries available to a liquidator (\$1,871,482)		-	-	-	-	284,042	658,339
Total funds available for distribution		619,073	1,193,698	1,819,591	239,073	1,107,740	2,127,930
Administrators' costs							
Administrators' fees for the period 24 August 2018 to 27 September 2018	11	(70,000)	(70,000)	(70,000)	(70,000)	(70,000)	(70,000)
Administrators' fees for the period 27 September 2018 to 8 December 2018	11	(297,962)	(297,962)	(297,962)	(297,962)	(297,962)	(297,962)
Administrators' current disbursements	11	(26,082)	(26,082)	(26,082)	(26,082)	(26,082)	(26,082)
Legal fees	12	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Administrators' estimated prospective remuneration	13	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Administrators' estimated prospective disbursements	13	(10,000)	(10,000)	(10,000)	(15,000)	(15,000)	(15,000)
Total Administrators' costs		(584,044)	(584,044)	(584,044)	(589,044)	(589,044)	(589,044)
Deed Administrators/Trustees' costs							
Deed Administrators/Trustees' prospective remuneration	13	(150,000)	(150,000)	(150,000)	-	-	-
Deed Administrators/Trustees' prospective remuneration (s444GA Application)	13	(50,000)	(50,000)	(50,000)	-	-	-
Deed Administrators/Trustees' prospective disbursements	13	(40,000)	(40,000)	(40,000)	-	-	-
Legal fees (general)	12	(50,000)	(50,000)	(50,000)	-	-	-
Third party costs associated with s444GA application	14	(200,000)	(200,000)	(200,000)	-	-	-
Total Deed Administrators/Trustees' costs		(490,000)	(490,000)	(490,000)	-	-	-
Liquidators' costs							
Liquidators' prospective remuneration	13	-	-	-	(300,000)	(300,000)	(300,000)
Liquidators' prospective disbursements	13	-	-	-	(40,000)	(40,000)	(40,000)
Legal fees	12	-	-	-	(100,000)	(100,000)	(100,000)
Total Liquidators' costs		-	-	-	(440,000)	(440,000)	(440,000)
Total Administrators' and Liquidators' costs		(1,074,044)	(1,074,044)	(1,074,044)	(1,029,044)	(1,029,044)	(1,029,044)
Total funds available for priority employee claims		0.00	119,654	745,547	0.00	78,696	1,098,886
Priority employee claims							
Wages and superannuation		-	-	-	-	-	-
Leave of absence	15	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Redundancy		-	-	-	-	-	-
Total priority employee claims		(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Estimated dividend to priority creditors (cents/\$)		0.00	100.00	100.00	100.00	100.00	100.00
Total funds available for unsecured creditors		0.00	118,154	744,047	0.00	77,196	1,097,386
Unsecured creditors - Scenario 1							
Trade creditors	16	2,544,836	2,544,836	2,544,836	2,544,836	2,669,188	2,793,540
Unsecured portion of the priority employee claims	15	1,329,929	1,329,929	1,329,929	1,329,929	1,329,929	1,329,929
Total unsecured creditors		3,874,765	3,874,765	3,874,765	3,874,765	3,999,117	4,123,469
Estimated dividend to unsecured creditors (cents/\$)		0.00	3.05	19.20	0.00	1.93	26.61
Unsecured creditors - Scenario 2							
Trade creditors	16	2,460,327	2,460,327	2,460,327	2,544,836	2,669,188	2,793,540
Unsecured portion of the priority employee claims	15	1,329,929	1,329,929	1,329,929	1,329,929	1,329,929	1,329,929
BRTV (contingent)	18	4,824,147	4,824,147	4,824,147	4,824,147	4,824,147	4,824,147
Total unsecured creditors		8,614,403	8,614,403	8,614,403	8,698,912	8,823,264	8,947,616
Estimated dividend to unsecured creditors (cents/\$)		0.00	1.37	8.64	0.00	0.87	12.26

*We note that the medium scenario is most likely to occur.

Notes

1. GST refund

The Company

The Company's books and records reveal that the Company may be entitled to a GST refund for \$233,410 as at the date of Administration. Our investigations however reveal that the ATO may deny the Company up to \$132,803 of GST refund in the March 2018 quarter and accordingly, may only be entitled to \$19,073 of GST refund, which is our estimated recovery in a low scenario.

In a medium scenario, we have estimated the recovery of \$19,073 added to the recovery of the Company's component of the GST refund for the June 2018 quarter and the September 2018 quarter to the date of our appointment as Administrators.

We have assumed full recovery of \$233,410 in a high scenario.

BRTV

In relation to the BRTV component, to date and prior to our appointment as Administrators, the Company only lodged one BAS as a group, being for the March 2018 quarter. Based on work papers we have reviewed to date, the Group, comprising of the Company and its subsidiary, BRTV may be collectively entitled to a GST refund of \$1,138,057 from the ATO for the March 2018 quarter, which equates to \$986,181 for the BRTV component. Whether the Company is entitled to this GST refund is contingent and may be contested by the Liquidators of BRTV.

In a medium scenario, we have estimated the recovery of 50% of the total BRTV component as being available to the Company.

Please refer to **Section 4.2.4** for further details.

2. Shares in Shoutback!, Realworld Advertising and Wayfarer

We are currently liaising with the respective parties in relation to negotiations for potential buy-backs of their respective shares and reviewing the financial statements for the respective parties to determine the potential value of the shares.

In relation to Shoutback!, we received an offer from a related party to acquire its shares for \$20,000. For the purpose of the ESOP we have assumed a low scenario of \$20,000, a medium scenario of \$30,000 and a high scenario of \$50,000 (the initial purchase consideration paid by the Company).

In relation to Realworld Advertising and Wayfarer, we have assumed full recovery of the purchase consideration paid by the Company for the shares in all scenarios.

Please refer to **Sections 4.2.1, 4.2.2** and **4.2.3** for further details.

3. Litigation of Third-Party Claims and Directors/Officers Claims

We have identified a number of potential Third-Party Claims of the Company as part of our investigations. We have also identified claims against one or more of the Directors and/Officers of the Company for any possible offences in carrying out their respective duties and/or any other misconduct.

In their report to creditors pursuant to Section 75-225 of the IPR dated 18 June 2018, the former Administrators of BRTV refer to the existence of a Directors and Officers Insurance Policy. We understand any claim against the Directors/Officers of the Company may be caught under this policy. These claims are available in the DOCA/Creditors Trust and in liquidation.

At this stage, the potential claims identified cannot be quantified and will likely require litigation. Our investigations into the strengths of these claims, albeit preliminary, and into their potential recovery indicate that these claims, if successful, may provide unsecured creditors with a return of 100 cents in the dollar as well as a return to existing Subordinated Creditors. A return may also be available to shareholders.

As these claims cannot be quantified, we have not attempted to quantify the estimated costs associated with pursuing these claims. Accordingly, any costs associated with pursuing these claims have not been included as part of our ESOP.

These claims are all Company claims and are available in liquidation and DOCA/Creditors' Trust. These claims will be transferred to the Third-Party Claims Fund on effectuation of the DOCA.

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

Please refer to the Second Report to Creditors for details of the Administrators' actions in pursuing these amounts. We have been advised by DLA Piper that these funds have already been applied in payment of outstanding fees. This application may however constitute an unfair preference payment pursuant to Section 588FA of the Act. Please refer to **Section 5.3.1** for details. Creditors should note that this claim is not available in a DOCA/Creditors' Trust scenario.

5. DOCA Contributions

In addition to any potential recoveries from the GST refund, the Deed Fund comprises of a cash contribution of \$350,000. This contribution will transfer to the Creditors' Trust Deed Fund on effectuation of the DOCA.

Please refer to **Section 6** of this report for further details.

6. Indemnity for costs associated with making the Section 444GA Application

As part of the DOCA Proposal, the Proponent will indemnify the Deed Administrators to a capped amount of \$250,000 (which includes \$50,000 of the Deed Administrators' time costs in preparing for the application) to cover the costs associated with the Section 444GA Application. At this stage we believe this indemnity amount may be sufficient to cover the costs of making the application.

We assume the indemnity is also intended to cover the costs of obtaining clearance from ASIC as may be required pursuant to the Act to permit the share transfer contemplated by the orders made pursuant to Section 444GA of the Act to occur without the approval of shareholders of the Company. We will liaise further with the Proponent during the week leading up to the adjourned second meeting of creditors.

Should any of this change we will let creditors know.

Please refer to the **Section 6** of this report for further details.

7. Unfair preference claims

We have identified payments totaling **\$621,761** to a number of creditors that may constitute unfair preferences from the Revised Date of Insolvency to the relation back day, being the date of our appointment as Administrators.

We have estimated recoveries from unfair preference claims to be nil in a low scenario, 20% in a medium scenario and 40% in a high scenario of the total unfair preference claims identified. Please refer to **Section 5.3.1** for further details.

Claims of this nature are expensive, difficult to prove and subject to the asset position of the defendant. Further, there are a range of defences available to the defendants including the running account and good faith which reduces a liquidator's chance of recovery. In our experience, a medium scenario of 20%

of the claim amount following commencement of litigation would render a good result for creditors. This claim is only available to a liquidator and is not available in a DOCA/Creditors Trust.

8. Uncommercial transactions

Subsequent to the Second Report to Creditors, we have conducted further investigations into potential uncommercial transactions identified and believe that a number of the transactions could be more accurately classified as potential unreasonable director-related transactions. Please refer to **Section 5.3.2** for further details. Claims of this nature are only available to a liquidator and are not available in a DOCA/Creditors Trust.

9. Unreasonable director-related transactions

Our investigations reveal a number of potential unreasonable-director related transactions totaling **\$798,451**. We have estimated recoveries from unreasonable director-related transactions to be nil in a low scenario, 20% in a medium scenario and 40% in a high scenario of the total unreasonable director-related transactions identified. Please refer to **Section 5.3.3** for further details.

Claims of this nature are expensive, difficult to prove and subject to the asset position of the defendant. Further, there are a range of defences available to the defendants which reduces a liquidator's chance of recovery. In our experience, a medium scenario of 20% of the claim amount following commencement of litigation would render a good result for creditors. This claim is only available to a liquidator and is not available in a DOCA/Creditors Trust.

10. Insolvent trading claims

Our investigations reveal that the Directors may be liable for a potential insolvent trading claim totaling \$451,270. Given the personal financial position of the Directors, we have estimated recoveries from any insolvent trading claim to be 20% of the total insolvent trading claim identified in a high scenario. We note that Brandon Evertz is the registered owner of real property in New South Wales. Please refer to **Section 5.2** for further details.

11. 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 27 September 2018 (capped at \$70,000) plus the time charged for the period 28 September 2018 to 8 December 2018. Please refer to our Remuneration Approval Request dated 13 December 2018 for further details regarding the Administrators' remuneration and disbursements.

12. Legal Fees

Legal fees also refer to an estimate of our solicitors' costs for any tasks associated with enforcing the DOCA.

Legal fees refer to an estimate of our 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.

13. Prospective remuneration

The Administrators', Deed Administrators'/Trustees' and Liquidators' remuneration is based on an estimate of the time required to conduct the necessary statutory procedures, investigations and pursue possible recoveries. It also includes the Deed Administrators' estimated fees relating to the Section 444GA Application. The Administrators have conducted 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 our Remuneration Approval Request dated 13 December 2018 for further details regarding these tasks. It is also likely that any Deed Administrator/Trustee or Liquidator will continue to incur costs in dealing with ASIC and respond to their queries.

This estimate does not include an estimate of our time costs and disbursements in pursuing the Directors/Officers Claims, Third-Party Claims and Liquidator Claims identified.

14. Legal fees associated with the Section 444GA Application

These fees refer to an estimate of our solicitors' costs for tasks associated with the Section 444GA Application.

Having regard to the costs usually incurred in relation to applications made pursuant to Section 444GA of the Act, it is possible that the indemnity may be insufficient to cover the Deed Administrators' costs, which will include their legal fees including Counsel's fees, Court filing fees and other associated disbursements, the independent expert's fees and remuneration. If the application is defended or challenged by any stakeholders, those costs will usually increase significantly. The Deed Administrator may also be at risk as to an adverse costs order if the application is unsuccessful.

15. Priority employee claims

The RATA discloses an employee claim of \$1,331,429. We note that the employee is the relative of Brandon Evertz, a director of the Company, and is therefore an excluded employee pursuant to Section 9 of the Act. The entitlement for leave for an excluded employee is capped at \$1,500. We are seeking advice in relation to the terms of the employee's contract of employment and the employee's ability to claim in the Administration of the Company.

16. Unsecured creditors

Please refer to the Second Report to Creditors for further details in relation to the unsecured creditors of the Company.

17. Postponing subordinated claims

Pursuant to Section 563A of the Act, the payment of a debt owed by a company to a person in the person's capacity as a member of the company, whether by way of dividends, profits or otherwise, is to be postponed until all debts owed to, or claims made by, persons otherwise than as members of the company have been satisfied.

This means that some shareholders may be entitled to rank as subordinated creditors to recover damages against the Company if their claim is based on how they acquired the shares or if they still hold the shares.

Whilst we are unable to quantify the value of possible subordinated claims against the Company at this stage, it is our preliminary view that this class of creditor may be significant.

S563A Subordinated Creditors may be entitled to vote as a creditor of the Company at a meeting of creditors but only if the Court so orders.

Excluded Creditors in the DOCA scenario are also included in this category.

18. BRTV's claim

Pursuant to Section 588V of the Act, a holding or parent company may be liable for the debts incurred by its subsidiary company if there are reasonable grounds for suspecting that the holding or parent company or one or more of its directors would be aware that the company is insolvent.

Please refer to **Section 5.2** of our report regarding the solvency of the Company, and the Group.

In their report to creditors dated 18 June 2018, the BRTV Administrators (now liquidators) disclosed creditors of \$4,824,147, which excludes related-party claims including the Company.

As at the date of this report, we have not been advised of any such claim by BRTV, however we note that this claim is contingent and has been reported to creditors for completeness.

10 Administrators' Opinion

10.1 Introduction

The following options are available to creditors to decide:

- The Company execute a DOCA; or
- The Administration end; or
- The Company be wound up.

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

10.2 The Company execute a DOCA

On 12 December 2018, we received a revised DOCA Proposal. The key features of the DOCA Proposal is detailed in **Section 6**.

As detailed in **Section 9** of this report, the DOCA/Creditors' Trust will result in a greater return to creditors than winding up of the Company.

Accordingly, it is our opinion that the Company **should** execute a DOCA.

10.3 The Administration 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 of the Company is not returned to the Directors.

10.4 The Company be wound up

As detailed in **Section 9** of this report, the DOCA/Creditors' Trust will result in a greater return to creditors than winding up of the Company.

Accordingly, we are of the opinion that the Company **should not** be wound up.

10.5 Administrators' opinion

It is our opinion that the Company execute a DOCA at the upcoming adjourned second meeting of creditors for the following reasons:

- The DOCA/Creditors' Trust has the potential of providing a better return to creditors than Liquidation
- The recovery of Liquidator Claims are uncertain and subject to litigation which can be expensive and/or uncommercial to pursue
- The DOCA/Creditors' Trust enables an enterprise to move forward in a legally complying manner whilst maximising the chance of the Company's survival
- The DOCA/Creditors' Trust provides certainty of outcome including the Deed Contribution being received in clear funds held in the trust account of the solicitor acting for the Proponent

- The various Third-Party Claims remain available to creditors, subordinated or otherwise, in a DOCA/Creditors' Trust and Liquidation scenario
- In the event that there are sufficient funds available to shareholders after unsecured creditors, Subordinated Creditors are paid in full, the DOCA/Creditors' Trust entitles the shareholder group to participate based on the shareholding at the date of our appointment as Administrators despite any Section 444GA Application
- The DOCA nominates the current Administrators to be appointed as Deed Administrators for continuity
- Under the DOCA, two new directors and two post March 2018 directors will ensure prior disclosure misstatements are not repeated.

Creditors should note that:

- There is uncertainty as to whether the Court will approve the proposed application to transfer the Company's shares pursuant to Section 444GA of the Act
- The Proponents are not all independent shareholders. Please refer to **Appendix G** for a current list (at the time of drafting) of the shareholders involved in the DOCA as provided by the Proponent.
- ASIC may not grant the clearance required to permit the share transfer contemplated by the orders made pursuant to Section 444GA of the Act to occur without the approval of the shareholders of the Company
- We have identified up to circa \$1.8 million in Liquidator Claims which are only available in liquidation. As mentioned above, these claims are not available in DOCA/Creditors' Trust but they are uncertain and subject to litigation which can be expensive and/or uncommercial to pursue
- The Liquidator has the power to publically examine persons of interest pursuant to Sections 596A or 596B of the Act. These powers are not readily available in a DOCA/Creditors' Trust scenario and will require ASIC approval. This investigative tool will assist in pursuing any choses of action including but not limited to any Third-Party Claims, Directors/Officers Claims or Liquidator Claims.

11 Remuneration

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

Creditor approval for fees will be sought at the adjourned second meeting of creditors where a detailed narrative will be submitted together with the fee breakdown of work performed by our staff.

11.1 Voluntary administration

The Administrators' remuneration is based on the firm's hourly rates, which are included in **Appendix C** to this report.

The time costs incurred and the estimated fees from the date of the second meeting of creditors, being 28 September 2018, are summarised below:

Period	Amount \$ (Excl. GST)
Voluntary Administration	
Resolution 1: from 28 September 2018 to 8 December 2018	\$297,962
Resolution 2: from 9 December 2018 to 20 December 2018	\$30,000
Total – Voluntary Administration	\$327,962

A summary of the time spent by the Administrators and their staff in the Administration from 28 September 2018 to 8 December 2018 at their respective hourly rates is included in **Appendix C**.

A summary of the estimated time to be spent by the Administrators and their staff in the Administration from 9 December 2018 to 20 December 2018 at their respective hourly rates is included in **Appendix C**.

These fees will be capped and accordingly, the Administrators will be unable to draw fees more than this amount without further approval from creditors.

11.2 Deed of Company Arrangement

At the adjourned second meeting of creditors, should creditors resolve for the Company to execute a DOCA, the Administrators will propose a resolution in relation to the prospective fees of the Deed Administrators. The Deed Administrators' remuneration is based on the firm's hourly rates, which are included in **Appendix C** to this report.

The estimated fees for the DOCA from the execution of the DOCA to the finalisation of the DOCA is summarised below:

Period	Amount \$ (Excl. GST)
Deed of Company Arrangement	
Resolution 3: from the execution of the Deed of Company Arrangement to the finalisation of the Deed of Company Arrangement	\$200,000
Total – Deed of Company Arrangement	\$200,000

A summary of the estimated time to be spent by the Deed Administrators and their staff in the operation of the DOCA from the execution of the DOCA to the finalisation of the DOCA at their respective hourly rates is included in **Appendix C**.

These fees will be capped and accordingly, the Deed Administrators will be unable to draw fees more than this amount without further approval from creditors.

11.3 Liquidation

At the adjourned second meeting of creditors, should creditors resolve for the Company to be wound up, the Administrators will propose a resolution in relation to the prospective fees of the Liquidators. The Liquidators' remuneration is based on the firm's hourly rates, which are included in **Appendix C**.

The estimated fees for the Liquidation from 20 December 2018 to the completion of the Liquidation is summarised below:

Period	Amount \$ (Excl. GST)
Liquidation	
Resolution 4: from 20 December 2018 to the completion of the Liquidation	\$300,000
Total – Liquidation	\$300,000

A summary of the estimated time to be spent by the Liquidators and their staff in the Liquidation from 20 December 2018 to the completion of the Liquidation at their respective hourly rates is included in **Appendix C**.

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, the Administrators now reconvene the second meeting of creditors for the Company to be held on **Thursday, 20 December 2018 at 10:00AM (AEDT)** 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 as **Appendix D**.

Creditors wishing to attend the meeting by telephone are requested to contact **Jessica Szeto** on (02) 9840 6768 or by email to jszeto@deloitte.com.au **before 5:00pm (AEDT) on Wednesday, 19 December 2018** to obtain the teleconference details.

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

- The Company execute a Deed of Company Arrangement
- The Administration end
- The Company be wound up.

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

Those creditors who have already lodged a POD are not required to submit a further proof, unless these creditors have an amended claim. If a creditor wishes to rely upon a POD that they lodged with us previously, they must refer to that POD when submitting a proxy, or when attending the adjourned second meeting of creditors.

A creditor will not be able to vote at the meeting unless a POD is lodged with us prior to the commencement of the meeting. 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 (**Appendix F**).

A specific 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. 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.

Completed forms must be returned to this office by **5:00PM (AEDT) on Wednesday, 19 December 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

Yours faithfully



Neil Robert Cussen
Joint and Several Administrator

Appendix A – 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.

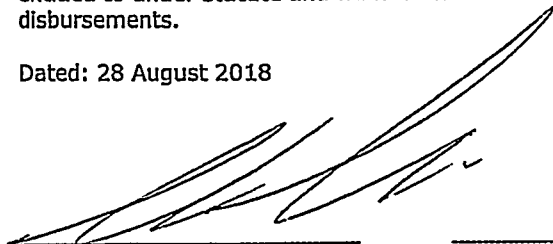
iv. No other relevant relationships to disclose

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.

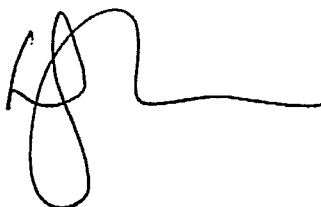
C. Indemnities and up-front payments

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 B – 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 C – Remuneration Approval Request



Big Un Limited (Administrators Appointed)
ACN 106 399 311

Remuneration Approval Request
13 December 2018

Contents

1	Declaration	2
2	Executive summary	2
3	Remuneration	3
	3.1 Remuneration claim resolutions	3
	3.2 Details of remuneration	4
	3.3 Total remuneration reconciliation	4
4	Disbursements	8
	4.1 Externally provided disbursements	9
	4.2 Internal disbursement claim	9
	4.3 Future basis of internal disbursements	9
5	Report on progress of the administration	10
6	Summary of receipts and payments	10
7	Queries	10
8	Approval of remuneration and internal disbursements	10

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

The total remuneration currently claimed is summarised below:

Period	Report Reference	Amount \$ (Excl. GST)
Current remuneration approval sought:		
Voluntary Administration		
Resolution 1: 28 September 2018 to 8 December 2018	3, Schedule A and B	\$297,962.00
Resolution 2: 9 December 2018 to 20 December 2018*	3, Schedule C and D	\$30,000.00
Total – Voluntary Administration		\$327,962.00
Deed of Company Arrangement (if applicable)		
Resolution 3: from the execution of the Deed of Company Arrangement to the finalisation of the Deed of Company Arrangement*	3, Schedule E and F	\$200,000.00
Liquidation (if applicable)		
Resolution 4: 20 December 2018 to the completion of the Liquidation*	3, Schedule G and H	\$300,000.00
*Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the Administration/Liquidation. 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 5: 15 September 2018 to 8 December 2018	4	\$26,082.71
Total – Voluntary Administration		\$26,082.71
Total disbursements claimed		\$26,082.71

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

3 Remuneration

3.1 Remuneration claim resolutions

At the adjourned second 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, 20 December 2018 at 10:00AM (AEDT)**, we will seek approval by the creditors of the following resolutions concerning our remuneration claims. Please refer to **Schedules A to H** of this report for details of the major tasks performed and the costs associated with each of those major tasks.

Resolution 1: from 28 September 2018 to 8 December 2018

"That the remuneration of the Joint and Several Administrators for the period 28 September 2018 to 8 December 2018, calculated at hourly rates as detailed in the remuneration approval request dated 13 December 2018, is approved for payment in the sum of \$297,962 plus GST of \$29,796.20, and that the Joint and Several Administrators can draw the remuneration immediately or as required."

Resolution 2: from 9 December 2018 to 20 December 2018

"That the future remuneration of the Joint and Several Administrators from 9 December 2018 to 20 December 2018, being the date of the adjourned second meeting of creditors, is determined at a sum equal to the cost of time spent by the Joint and Several Administrators and their partners and staff, calculated at the hourly rates as detailed in the remuneration approval request dated 13 December 2018, up to a capped amount of \$30,000, plus GST of \$3,000, and that the Joint and Several Administrators can draw the remuneration on a monthly basis or as required".

Resolution 3: from the execution of the Deed of Company Arrangement to the finalisation of the Deed of Company Arrangement

"That the future remuneration of the Joint and Several Deed Administrators from the execution of the Deed of Company Arrangement to the finalisation of the Deed of Company Arrangement is determined at a sum equal to the cost of time spent by the Joint and Several Deed Administrators and their partners and staff, calculated at the hourly rates as detailed in the remuneration approval request dated 13 December 2018, up to a capped amount of \$200,000, plus GST of \$20,000, and that the Joint and Several Deed Administrators can draw the remuneration on a monthly basis or as required".

Resolution 4: from 20 December 2018 to the completion of the Liquidation

"That the future remuneration of the Joint and Several Liquidators from 20 December 2018 to the completion of the Liquidation is determined at a sum equal to the cost of time spent by the Joint and Several Liquidators and their partners and staff, calculated at the hourly rates as detailed in the remuneration approval request dated 13 December 2018, up to a capped amount of \$300,000, plus GST of \$30,000, 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/Liquidation 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 28 September 2018 to 8 December 2018

Schedule A sets out the time charged to each major tasks performed by the Joint and Several Administrators and their staff working on the Administration for the period from 28 September 2018 to 8 December 2018, which is the basis of the Resolution 1 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts in Resolution 1 are contained in **Schedule B**.

Resolution 2: from 9 December 2018 to 20 December 2018

Schedule C sets out the expected costs for the major tasks likely to be performed by the Joint and Several Administrators and their staff for the period from 9 December 2018 to 20 December 2018, 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**.

Resolution 3: from the execution of the Deed of Company Arrangement to the finalisation of the Deed of Company Arrangement

Schedule E sets out the expected costs for the major tasks likely to be performed by the Joint and Several Deed Administrators and their staff for the period from the execution of the Deed of Company Arrangement to the finalisation of the Deed of Company Arrangement, which is the basis of the Resolution 3 claim. More detailed descriptions of the tasks likely to be performed within each task area, matching the amounts in Resolution 3, are contained in **Schedule F**.

Resolution 4: from 20 December 2018 to the completion of the Liquidation

Schedule G 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 from 20 December 2018 to the completion of the Liquidation, which is the basis of the Resolution 4 claim. More detailed descriptions of the tasks likely to be performed within each task area, matching the amounts in Resolution 4, are contained in **Schedule H**.

Should a lesser amount actually be incurred, only the lesser amount will be charged to the Administration/Liquidation 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

As previously advised in our remuneration approval request dated 19 September 2018, we have agreed to cap our remuneration for the Administration to the second meeting of creditors held on 27 September 2018 at \$70,000 plus GST of \$7,000.

As you are aware, at the second meeting of creditors held on 27 September 2018, it was resolved that the second meeting of creditors be adjourned for up to 45 business days. Subsequent to an application made to the Federal Court of Australia, a further extension of the adjournment of the second meeting of creditors to a day no later than Thursday, 20 December 2018 was granted.

Accordingly, we estimate that the total remuneration for this Administration/Deed of Company Arrangement/Liquidation will range from \$597,962 (excl. GST) to \$697,962 (excl. GST) which consists of the following:

1. **Previous (Administration):** Remuneration for the period from 24 August 2018 to 27 September 2018 **capped at \$70,000 plus GST of \$7,000**
2. **Current (Administration):** Remuneration for the period from 28 September 2018 to 8 December 2018 calculated to be **\$297,962 plus GST of \$29,796.20**
3. **Future (Administration):** Remuneration for the period from 9 December 2018 to 20 December 2018 estimated to be **\$30,000 plus GST of \$3,000**
4. **Future (Deed of Company Arrangement):** Remuneration for the period from the execution of the Deed of Company Arrangement to the finalisation of the Deed of Company Arrangement estimated to be **\$200,000 plus GST of \$20,000**
5. **Future (Liquidation):** Remuneration for the period from 20 December 2018 to the completion of the Liquidation estimated to be **\$300,000 plus GST of \$30,000**

In preparing this remuneration approval request, we have made our best estimate at what we believe the Administration/Deed of Company Arrangement/Liquidation 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/Deed of Company Arrangement/Liquidation 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. Matters that may affect the progress and the cost of the Administration/Deed of Company Arrangement/Liquidation, include:

- Considering potential implications that may arise in enforcing the Deed of Company Arrangement
- Legal issues in relation to, amongst other things, considering and/or pursuing any potential claims against the directors and/or third parties, including but not limited to, professional advisors.

We have undertaken the following key tasks and actions since the Administrators' report to creditors pursuant to Section 75-225 of the IPR dated 19 September 2018:

Assets

Dealing with shares held in other companies

- Liaising with Bellr to negotiate a potential buy-back of their shares
- Reviewing the financial statements for Bellr to determine the potential value of the shares
- Liaising with Realworld Advertising to negotiate a potential buy-back of their shares
- Liaising with Wayfarer Media to determine the company's potential assets and the value of its ongoing business
- Reviewing the financial statements for Wayfarer Media to determine the potential value of the shares.

Recovery of the GST refund

- Liaising with the Company's pre-appointment tax agents, BDO, to obtain further details regarding the potential GST refund due to the Company
- Liaising with the Company's CFO in relation to quantifying the GST refund due to the Company
- Liaising with the ATO regarding the audit being conducted by the ATO and the outstanding information being requested from the Company
- Liaising with our internal tax accountants to assist in conducting a FAT test to determine the Company's expenditure relating to capital raising costs
- Reviewing the Company's expenses as recorded in its management accounts to determine and isolate private expenses and personal expenses
- Reviewing the list of suppliers to the Group's operating entity, BRTV to identify and isolate any unregistered taxpayers
- Reviewing the Company's BAS lodgements and work papers for the March 2018 quarter for which the Company reported on a consolidated basis
- Preparing the Company's BAS lodgements for the June 2018 quarter and the September 2018 quarter to the date of the appointment of the Administrators.

Sale of assets

- Liaising with a third-party in relation to their potential interest in purchasing the available assets of the Company including any VCL and/or licences
- Conducting investigations into the available assets of the Company including any VCL and/or licences.

Creditors and other stakeholders

Dealing with creditors

- Convening and holding a second meeting of creditors on 27 September 2018
- Preparing the Administrators' supplementary report to creditors pursuant to Section 75-225 of the IPR including a remuneration approval request
- Further liaising with two secured parties listed on the PPSR to obtain details of their security interests
- Liaising with Toyota Finance Australia Limited to obtain a proof of debt accounting for the shortfall of their debt.

Dealing with shareholders and a potential proposal for a DOCA

- Liaising with a group of shareholders and their solicitor in relation to a potential proposal for a DOCA
- Liaising with our solicitors in relation to a potential proposal for a DOCA
- Instructing our solicitors to draft a confidentiality deed to be signed by all parties relating to a potential proposal for a DOCA
- Compiling and providing documents relevant to the preparation of a proposal for a DOCA to the group of shareholders and their solicitor
- Responding to various queries from the group of shareholders and their solicitor, specifically regarding the ability to transfer the licence, the proposed dilution of shares and the Directors/Officers Claims and Third-Party Claims
- Liaising with a number of parties to determine whether the Licence Agreement can be renegotiated to make the relevant licence transferrable.

Reviewing and conducting investigations into the proposal for a DOCA and an Alternative Holding DOCA

- Reviewing the DOCA Proposal received on 14 November 2018
- Reviewing the proposal for an Alternative Holding DOCA received on 14 November 2018
- Reviewing in detail the terms of the DOCA Proposal and a proposal for an Alternative Holding DOCA and identifying a number of queries in relation to the documents and discussing with our solicitors
- Instructing our solicitors to issue a letter to the solicitors acting for the Proponent to clarify a number of queries regarding the terms of the documents
- Preparing a comparative statement indicating the estimated return to creditors in a DOCA scenario and a Liquidation scenario
- Applying to the Court for an extension of the time to hold the adjourned second meeting of creditors to Thursday, 20 December 2018 to further review and consider the DOCA Proposals
- Progressing discussions and negotiations with the Proponent regarding the DOCA Proposal in consultation with our solicitors including identification and communication of various risks and issues
- Exploring the feasibility and practicality of a Creditors' Trust scenario following implementation of the DOCA particularly in relation to the Third-Party Claims and the Directors/Officers Claims
- Further assessment of the Liquidator Claims and the likelihood of recovery when compared to the DOCA Proposal.

Investigations

Conducting further enquiries

- Liaising with the Company's CFO to gain further insight into the assignment of the debt from FCS to ASCV
- Investigating the calculation of FCS's debt based on FCS's claim in the administration of BRTV
- Liaising with the Company's CFO to quantify the FCS secured debt which was assigned to ASCV
- Liaising with the Company's share registry and the ASX to obtain further information relating to the purchase and sale of shares
- Liaising with ASCV and Franki Global regarding their intentions concerning the licence including the possibility of a transfer to a third-party
- Liaising with Franki Global regarding a potential commercial consideration for the transfer of the licence to a third-party
- Issuing notices/further notices to provide books and records to a number of parties including advisory/consultancy firms
- Conducting further analysis into the identification of the date of insolvency of the Company and the consolidated group of companies
- Conducting further analysis into the financial statements including performing balance sheet tests and cash flow tests for the Company and the consolidated group
- Reviewing documents provided by a number of parties including documents provided by advisory/consultancy firms
- Reviewing the insurance policies account
- Liaising with the insurance premium funder in relation to the outstanding insurance policies account
- Further analysis of the Company, and the Group's, insolvency including a detailed review regarding the Company's cash flow position in the period leading up to the administration of BRTV and the administration of the Company.

Reviewing the Group's operations

- Considering the Company's relationship with BRTV as a consolidated group, the effect of the Group's revenue recognition practices and the impact it had on the Company and the market generally
- Considering the prospects and strengths of the possible Third-Party Claims and Directors/Officers Claims that can be pursued by the Company in relation to, amongst other things, the Group's revenue recognition practices given the impact it had on the Company and the market generally
- Reviewing the sponsorship agreement between BRTV and FCS
- Analysing the nature of the sponsorship agreement and the process in which funds were advanced to BRTV
- Reviewing advice provided by the Company's accountants in relation to the Company's revenue recognition policies under the sponsorship agreement with FCS
- Liaising with the Company's CFO to obtain further information in relation to the Company's customer database platforms, ZOHO and Hubspot
- Reviewing the Company's consolidated financial statements to understand the Company's revenue recognition policies
- Generating various reports from BRTV's management accounts to analyse the financial position and performance of the consolidated group of companies
- Reviewing BRTV's management accounts to sample test the recognition of revenue for a number of months taken over the period BRTV was trading and the sponsorship agreement was under operation
- Conducting a comparison of BRTV's performance on a monthly/quarterly basis, specifically around the revenue generated from the sponsorship agreement
- Reviewing the Company's announcements on the ASX to sample test the performance figures being announced to the revenue amounts that should have been recognised based on our revised calculations
- Conducting investigations into any potential correlation between the Company's announcements on the ASX with the movements in share prices

- Conducting investigations into a number of accounts and a number of transactions from the ledger of the Company and its subsidiary
- Conducting investigations into the administration of BRTV to identify the effects of the liquidation of BRTV including a review of the potential effects this will have on a number of agreements entered into by BRTV and the Company
- Conducting further investigations into the intercompany loan between the Company and BRTV
- Conducting investigations into the terms of the Licence Agreement specifically around the transferability of the licence.

Dealing with the Company's email server and the production drive

- Liaising with our forensic team in relation to the imaging of the email server and the production drive
- Liaising with ASCV regarding access to the production drive
- Liaising with the Company's former solicitors, Vobis Equity Attorneys in relation to a notice it received from ASIC to produce documents pursuant to Section 33 of the ASIC Act related to the Company in order to protect the Company's LPP
- Liaising with ASIC and our solicitors in relation to compliance of the above notice including conducting a LPP review
- Liaising with ASIC regarding a notice to produce documents issued on the Company pursuant to Section 33 of the ASIC Act including but not limited to the information recovered from the Company's email server and the production drive and issues around protecting the Company's LPP
- Liaising with solicitors in relation to LPP which may attach to a number of documents, emails or folders
- Liaising with the Directors and other parties, including BRTV, regarding the potential process to quarantine any documents which may be subject to LPP
- Liaising with ASIC to respond to various queries around LPP and liaising with the forensic team regarding the timing required to review any documents before production to ASIC
- Commencing the review of email correspondence to and from the Company's key personnel.

Whilst some of our fees have been incurred in relation to general administrative matters, the majority of the work performed has been incurred in relation to tasks involved in creating and maximising the pool of funds available for distribution amongst 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 the 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 adjourned second 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, 20 December 2018 at 10:00AM (AEDT)**, we will seek creditor approval to pay our internal disbursements.

4.1 Externally provided disbursements

A number of services (both professional and non-professional) have been supplied by external providers. While we do not need to obtain approval for these disbursements, it is appropriate that we disclose the 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 15 September 2018 to 8 December 2018. We will be seeking approval of the following resolution to approve our disbursements. Details to support this resolution are included in the table below.

Resolution 5: from 15 September 2018 to 8 December 2018

"That the internal disbursements of the Joint and Several Administrators for the period from 15 September 2018 to 8 December 2018, calculated at the rates as detailed in the remuneration approval request dated 13 December 2018 is approved for payment in the sum of \$26,082.71, plus GST of \$2,608.27, and that the Joint and Several Administrators may draw the disbursements immediately or as required."

Disbursements claimed	Basis (Excl. GST)	Total \$ (Excl. GST)
Insurance costs	At cost	25,580.33
Search costs	At cost	24.81
Other costs	At cost	477.57
Total		26,082.71

* The ASIC Supervisory Cost Recovery Levy Act 2017 was introduced on 1 July 2017. The costs for some ASIC lodgements and advertisements for the financial year ending 30 June 2019 will not be known until approximately January 2020, but based on budgeting and forecast modelling prepared by ASIC it is estimated the cost will be in the vicinity of \$77 per item.

4.3 Future basis of internal disbursements

Future disbursements provided by our firm will be charged to the Administration/Deed of Company Arrangement/Liquidation on the following basis:

Internal disbursements	Rate (Excl. GST)
ASIC fees (lodgements & advertisements)*	\$77 per item or at cost
Litigation support software fees	At cost
Binding	At cost
Faxes & photocopies	At cost

Internal disbursements	Rate (Excl. GST)
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 financial year ending 30 June 2019.

5 Report on progress of the administration

Please refer to the Administrators' supplementary report to creditors pursuant to IPR 75-225 dated 13 December 2018 for an update on the Administration to date.

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 adjourned second meeting of creditors to be held on **Thursday, 20 December 2018 at 10:00AM (AEDT)**.

Schedule A: Time charged to each major task

Resolution 1: from 28 September 2018 to 8 December 2018

Employee	Position	\$/hour (Excl. GST)	Total actual hours	Total (\$)	Task Area							
					Assets		Creditors		Investigations		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Jenkins, Chris	TAX Partner	990.00	2.9	2,871.00	2.9	2,871.00	-	-	-	-	-	-
Cussen, Neil	DRS Partner	595.00	128.7	76,576.50	36.1	21,479.50	26.00	15,470.00	58.60	34,867.00	8.00	4,760.00
Wright, Tony	DRS Director	500.00	103.8	51,900.00	3.7	1,850.00	38.5	19,250.00	60.5	30,250.00	1.1	550.00
Hughes, Paula	TAX Manager	675.00	5.0	3,375.00	5.00	3,375.00	-	-	-	-	-	-
Montilla, Ruby	DRS Manager	450.00	0.9	405.00	-	-	-	-	0.9	405.00	-	-
Napiza, Norman	RA Manager	430.00	5.5	2,365.00	-	-	-	-	5.50	2,365.00	-	-
Ribot, Jonathan	DRS Sr Analyst	340.00	217.1	73,814.00	29.9	10,166.00	45.2	15,368.00	142.0	48,280.00	-	-
Lodha, Pallav	DRS Sr Analyst	340.00	27.0	9,180.00	-	-	-	-	23.4	7,956.00	3.6	1,224.00
Browne, Margaret	DRS Sr Analyst	340.00	1.4	476.00	-	-	-	-	-	-	1.4	476.00
Wong, Gerard	TAX Analyst	320.00	12.8	4,096.00	12.8	4,096.00	-	-	-	-	-	-
Wildhaber, Monica	RA Graduate	230.00	73.5	16,905.00	-	-	-	-	73.5	16,905.00	-	-
Lai, Kimberly	RA Graduate	230.00	7.0	1,610.00	-	-	-	-	7.0	1,610.00	-	-
Szeto, Jessica	DRS Graduate	200.00	182.3	36,460.00	-	-	70.30	14,060.00	112.0	22,400.00	-	-
Vella, Rebekah	DRS Support A	195.00	0.2	39.00	-	-	-	-	-	-	0.2	39.00
Murray, Yvonne	DRS Support A	195.00	0.1	19.50	-	-	-	-	-	-	0.1	19.50
Clauson, Grace	DRS Vacationer	190.00	75.3	14,307.00	-	-	5.3	1,007.00	51.1	9,709.00	18.9	3,591.00
Lin, Nicole	DRS Vacationer	190.00	9.5	1,805.00	-	-	1.50	285.00	3.50	665.00	4.50	855.00
Hyde, Sarah	DRS Vacationer	190.00	5.2	988.00	-	-	1.5	285.00	-	-	3.7	703.00
Wan, Ashleigh	RA Vacationer	70.00	11.0	770.00	-	-	-	-	11.00	770.00	-	-
TOTAL			869.2	297,962.00	90.4	43,837.50	188.3	65,725.00	549.0	176,182.00	41.5	12,217.50
GST				29,796.20								
TOTAL (including GST)				327,758.20								

Schedule B: Detailed description of tasks performed

Resolution 1: from 28 September 2018 to 8 December 2018

Task Area	General Description	Includes
Assets 90.4 hours \$43,837.50	Shareholdings and other assets	<ul style="list-style-type: none"> • Liaising with Bellr to negotiate a potential buy-back of their shares • Reviewing the financial statements for Bellr to determine the potential value of the shares • Liaising with Realworld Advertising to negotiate a potential buy-back of their shares • Liaising with Wayfarer Media to determine the company's potential assets and the value of its ongoing business • Reviewing the financial statements for Wayfarer Media to determine the potential value of the shares • Liaising with a third party in relation to their interest in purchasing the assets of the Company including any VCL and/or licences • Conducting investigations into the available assets of the Company including any VCL and/or licences.
	GST Refund	<ul style="list-style-type: none"> • Liaising with the Company's pre-appointment tax agents, BDO, to obtain further details regarding the potential GST refund due to the Company • Liaising with the Company's CFO in relation to quantifying the GST refund due to the Company • Liaising with the ATO regarding the audit being conducted by the ATO and the outstanding information being requested from the Company • Liaising with internal tax accountants to assist in conducting a FAT test to determine the Company's expenditure relating to capital raising costs • Reviewing the Company's expenses as recorded in its management accounts to determine and isolate private expenses and personal expenses • Reviewing the list of suppliers to the Group's operating entity, BRTV to identify and isolate any unregistered taxpayers • Requesting further clarification from the ATO in relation to the information requested from the Company and the format of the delivery of this information • Reviewing the Company's BAS lodgements and work papers for the March 2018 quarter for which the Company reported on a consolidated basis • Preparing the Company's BAS lodgements for the June 2018 quarter and the September 2018 quarter to the date of the appointment of the Administrators.
	Insurance matters	<ul style="list-style-type: none"> • Liaising with our insurance brokers regarding the initial and ongoing insurance requirements • Reviewing all relevant insurance policies • Liaising with previous brokers.

Task Area	General Description	Includes
Creditors 188.3 hours \$65,725.00	Creditor enquiries	<ul style="list-style-type: none"> Receiving and following up all creditor enquiries via telephone and email Receiving and following up all shareholder enquiries via telephone and email Maintaining a creditor enquiry register Reviewing and preparing correspondence to the creditors and their representatives via facsimile, email and post.
	Secured creditor reporting	<ul style="list-style-type: none"> Issuing reminder letters to the secured creditors to obtain all outstanding details regarding their registrations and their debt Responding to all secured creditors' queries Liaising with Toyota Finance Australia Limited to obtain a proof of debt accounting for the shortfall of the creditor's debt.
	Proposal for a DOCA and proposal for an Alternative Holding DOCA	<ul style="list-style-type: none"> Liaising with a group of shareholders and their solicitor in relation to a proposal for a DOCA Liaising with our solicitors in relation to the proposal for a DOCA and the terms of a proposal for a DOCA Instructing our solicitors to draft a confidentiality deed to be signed by all parties relating to a potential proposal for a DOCA Compiling and providing documents relevant to the preparation of a proposal for a DOCA to the group of shareholders and their solicitor Responding to various queries from the group of shareholders and their solicitor, specifically regarding the assets of the Company Reviewing the DOCA Proposal and an Alternative Holding DOCA Proposal received on 14 November 2018 Liaising with the solicitor for the Proponent to clarify components of the DOCA Proposal and an Alternative Holding DOCA Proposal Liaising with our solicitors in relation to the terms and conditions of the DOCA Proposal and an Alternative Holding DOCA Proposal Discussing with our solicitors in relation to any clarifications that are required in order to assess the DOCA Proposal and an Alternative Holding DOCA Proposal Preparing a comparative statement indicating the estimated return to creditors in a DOCA scenario against a Liquidation scenario Applying to the Court for an extension of the time required to hold the adjourned second meeting of creditors to further review and consider the DOCA Proposal Liaising with a number of parties to determine whether the Licence Agreement can be renegotiated to make the relevant licence transferrable. Progressing discussions and negotiations with the Proponent regarding the DOCA Proposal in consultation with our solicitors including identification and communication of various risks and issues

Task Area	General Description	Includes
		<ul style="list-style-type: none"> Exploring the feasibility and practicality of a Creditors' Trust scenario following implementation of the DOCA particularly in relation to the Third-Party Claims and the Directors/Officers Claims Further assessment of the Liquidator Claims and the likelihood of recovery when compared to the DOCA Proposal.
	Report to creditors	<ul style="list-style-type: none"> Preparing the Administrators' supplementary report to creditors pursuant to Section 75-225 of the IPR including a remuneration approval request Preparing an assessment, including Administrators' comments on the DOCA Proposal and an Alternative Holding DOCA Proposal.
	Dealing with proofs of debt	<ul style="list-style-type: none"> Receiving and filing proofs of debt when not related to a dividend Requesting further documents to substantiate claims that have been received.
	Meeting of creditors	<ul style="list-style-type: none"> Convening and holding a second meeting of creditors on 27 September 2018 Preparing and lodging with ASIC the minutes of the second meeting of creditors Responding to stakeholder queries and questions immediately following the second meeting of creditors.
Investigations 519.2 hours \$159,868.50	Conducting general investigations	<ul style="list-style-type: none"> Liaising with the Company's CFO to gain further insight into the assignment of the debt from FCS to ASCV Investigating the calculation of FCS's debt based on FCS's claim in the administration of BRTV Liaising with the Company's CFO to quantify the secured debt of FCS which was subsequently assigned to ASCV Liaising with the Company's share registry and the ASX to obtain further information relating to the purchase and sale of shares and the Company's share history Issuing notices/further notices to provide books and records to a number of parties including a number of the Company's advisors and consultants Reviewing documents provided by a number of parties including a number of the Company's advisors and consultants Further reviewing various annual reports produced by the Company and various ASX announcements made by the Company's officers Further reviewing specific transactions and liaising with the directors regarding certain transactions Conducting further analysis into the identification of the date of insolvency of the Company and the consolidated group of companies Conducting further analysis of the Company, and the Group's, insolvency including a detailed review regarding the

Task Area	General Description	Includes
		<p>Company's cash flow position in the period leading up to the administration of BRTV and the Company.</p> <ul style="list-style-type: none"> • Conducting further analysis into the financial statements including performing balance sheet tests and cash flow tests for the Company and the consolidated group • Reviewing the insurance policies account • Liaising with the insurance premium funder in relation to the outstanding insurance policies account.
	<p>Conducting investigations into the operations of the Company and of BRTV</p>	<ul style="list-style-type: none"> • Further reviewing the sponsorship agreement between BRTV and FCS • Further analysing the nature of the sponsorship agreement and the process by which funds were advanced to BRTV • Considering the Company's relationship with BRTV as a consolidated group, the effect of the Group's revenue recognition practices and the impact it had on the Company and the market generally • Considering the prospects and strengths of the possible Third-Party Claims and Directors/Officers Claims that can be pursued by the Company in relation to, amongst other things, the Group's revenue recognition practices given the impact it had on the Company and the market generally • Reviewing the sponsorship agreement between BRTV and FCS • Reviewing an advice provided by the Company's accountants in relation to the Group's revenue recognition policies and its sponsorship agreement with FCS • Liaising with the Company's CFO to obtain further information in relation to the Company's customer database platforms, ZOHO and Hubspot • Further reviewing the Company's consolidated financial statements and annual reports to understand the recognition of revenue • Generating various reports to analyse the financial position and performance of the Group • Reviewing BRTV's management accounts to sample test the recognition of revenue • Conducting a comparison of monthly/quarterly recognition of revenue by BRTV based on our revised calculations • Reviewing the Company's announcements on the ASX to sample test the Group's performance figures being announced against our revised calculations of the Group's revenue • Conducting investigations into the correlation between the Company's announcements on the ASX with the movements in share prices based on ASX historical data • Conducting investigations into a number of accounts and a number of transactions extracted from the ledger of the Company and of BRTV • Conducting investigations into the administration of BRTV to identify the effects of the liquidation of BRTV • Conducting further investigations into the intercompany loan between the Company and BRTV

Task Area	General Description	Includes
		<ul style="list-style-type: none"> Conducting further investigations into the Licence Agreement to understand the terms within the agreement including clauses around the potential transferability of the licences.
	G Suite and the production drive	<ul style="list-style-type: none"> Liaising with our forensic team in relation to the imaging of the email server and the production drive Liaising with ASCV regarding access to the production drive Liaising with the Company's former solicitors Vobis in relation to a notice it received from ASIC to produce documents pursuant to Section 33 of the ASIC Act related to the Company in order to protect the Company's LPP Liaising with ASIC and our solicitors in relation to compliance of the above notice including conducting a LPP review Liaising with ASIC regarding a notice to produce documents issued on the Company pursuant to Section 33 of the ASIC Act including but not limited to the information recovered from G Suite and the production drive and issuing around protecting the Company's LPP Liaising with solicitors in relation to LPP which may attach to a number of documents, emails or folders Liaising with the Directors and other parties including BRTV regarding the potential process to quarantine any documents which may be subject to LPP Liaising with ASIC to respond to various queries around LPP and liaising with the forensic team regarding the timing required to review any documents before production to ASIC Commencing the review of email correspondence to and from the Company's key personnel.
Administration 71.3 hours \$28,531.00	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"> Requesting bank statements Liaising with the bank regarding specific transfers.
	ASIC lodgements	<ul style="list-style-type: none"> Preparing and lodging ASIC forms, as needed.
	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 869.2 hours \$297,962.00		

Schedule C: Time to be charged to each major task

Resolution 2: from 9 December 2018 to 20 December 2018

Employee	Position	\$/hour (ex GST)	Total estimate d hours	Total (\$)	Task Area							
					Assets		Creditors		Investigations		Administration	
					Hours	\$	Hours	\$	Hours	\$	Hours	\$
Cussen, Neil	DRS Partner	595.00	4.4	2,618.00	0.1	59.50	1.0	595.00	3.2	1,904.00	0.1	59.50
Donnelly, Matthew	DRS Partner	595.00	0.8	476.00	0.1	59.50	0.2	119.00	0.4	238.00	0.1	59.50
Wright, Tony	DRS Director	500.00	8.4	4,200.00	1.3	650.00	2.3	1,150.00	4.6	2,300.00	0.2	100.00
Ribot, Jonathon	DRS Sr Analyst	340.00	31.7	10,778.00	6.1	2,074.00	12.5	4,250.00	12.5	4,250.00	0.6	204.00
Browne, Margaret	DRS Sr Analyst	340.00	1.6	544.00	-	-	-	-	-	-	1.6	544.00
Szeto, Jessica	DRS Graduate	200.00	49.7	9,940.00	10.8	2,160.00	19.3	3,860.00	18.2	3,640.00	1.4	280.00
Clauson, Grace	DRS Vacationer	190.00	7.6	1,444.00	1.4	266.00	2.1	399.00	2.0	380.00	2.1	399.00
TOTAL			104.2	30,000.00	19.8	5,269.00	37.4	10,373.00	40.9	12,712.00	6.1	1,646.00
GST				3,000.00								
TOTAL (including GST)				33,000.00								
Average hourly rate						266.11		277.35		310.81		269.84

Schedule D: Detailed description of tasks to be performed

Resolution 2: from 9 December 2018 to 20 December 2018

Task Area	General Description	Includes
Assets 19.8 hours \$5,269.00	GST Refund	<ul style="list-style-type: none"> • Further liaise with the Company's pre-appointment tax agents, BDO, to obtain further details regarding the potential GST refund due to the Company • Further liaise with the internal tax accountants in relation to the FAT test • Further review the Company's expenses as recorded in its management accounts to determine and isolate private expenses and personal expenses • Request further clarification from the ATO in relation to the information requested from the Company and the format of the delivery of this information • Liaise with the ATO in relation to their determination and respond to their queries. • Reviewing the Company's BAS lodgements and work papers for the March 2018 quarter for which the Company reported on a consolidated basis • Preparing the Company's BAS lodgements for the June 2018 quarter and the September 2018 quarter to the date of the appointment of the Administrators.
	Shareholdings and other assets	<ul style="list-style-type: none"> • Further liaise with Bellr to negotiate a potential buy-back of their shares • Further liaise with Realworld Advertising to negotiate a potential buy-back of their shares • Further liaise with Wayfarer Media to determine the company's potential assets and the value of its ongoing business • Further liaise with a number of third parties in relation to their interest in purchasing the assets of the Company including any VCL and/or licences.
Creditors 37.4 hours \$10,373.00	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 a reminder letter to the secured creditors to obtain all outstanding details regarding their registrations and their debt • Correspondence with Toyota Finance Australia to obtain details of the shortfall of the creditor's debt.
	Proposal for a DOCA	<ul style="list-style-type: none"> • Reviewing the DOCA Proposal and an Alternative Holding DOCA Proposal received on 14 November 2018 • Reviewing the revised DOCA Proposal received on 12 December 2018

Task Area	General Description	Includes
		<ul style="list-style-type: none"> • Exploring the feasibility and practicality of a Creditors' Trust scenario following implementation of the DOCA particularly in relation to the Third-Party Claims and the Directors/Officers Claims • Progressing discussions and negotiations with the Proponent regarding the DOCA Proposal in consultation with our solicitors including identification and communication of various risks and issues • Liaising with a number of parties to determine whether the Licence Agreement can be renegotiated to make the relevant licence transferrable.
	Creditor reports	<ul style="list-style-type: none"> • Prepare the Administrators' supplementary report to creditors pursuant to Section 75-225 of the IPR including a remuneration approval request • Prepare an assessment, including Administrators' comments on the DOCA Proposal and an Alternative Holding DOCA Proposal.
	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"> • Convene and hold the adjourned second meeting of creditors on 20 December 2018 • Prepare the minutes of the adjourned second meeting of creditors • Respond to stakeholder queries and questions immediately following the adjourned second meeting of creditors.
Investigation 40.9 hours \$12,712.00	Conducting general investigations	<ul style="list-style-type: none"> • Further liaise with the Company's CFO to gain further insight into the assignment of the debt from FCS to ASCV • Further liaise with the Company's CFO to quantify the secured debt of FCS which was subsequently assigned to ASCV • Further liaise with the Company's share registry and the ASX to obtain further information relating to the purchase and sale of shares and the Company's share history • Further reviewing various annual reports produced by the Company and various ASX announcements made by the Company's officers • Liaise with the Company's share registry and the ASX in relation to information relating to the purchase and sale of shares.
	Conducting investigations into the operations of the Company and of BRTV	<ul style="list-style-type: none"> • Further review of the sponsorship agreement between BRTV and FCS • Further analyse the nature of the sponsorship agreement and the process by which funds were advanced to BRTV

Task Area	General Description	Includes
		<ul style="list-style-type: none"> • Further review of an advice provided by the Company's accountants in relation to the Group's revenue recognition policies and its sponsorship agreement with FCS • Liaise with the Company's CFO to obtain further information in relation to the Company's customer database platforms, ZOHO and Hubspot • Further review of the Company's consolidated financial statements and annual reports to understand the recognition of revenue • Conduct further investigations into the intercompany loan between the Company and BRTV • Conduct further investigations into the Licence Agreement to understand the terms within the agreement including clauses around the potential transferability of the licences.
	G Suite and the production drive	<ul style="list-style-type: none"> • Further liaise with our forensic team in relation to the imaging of the email server, the production drive and the Directors' mobile phones • Further liaise with ASIC regarding the information recovered, specifically the email server and the Directors' mobile phones • Further liaise with our solicitors in relation to any legal professional privilege attached to any of the information imaged including the email accounts and the Directors' mobile phones • Further liaise with the Directors regarding compliance with any notice for documents which may be served on the Company by ASIC • Further review the email correspondence to and from the Company's key personnel.
Administration 6.1 hours \$1,646.00	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 matters	<ul style="list-style-type: none"> • Liaise with insurer regarding ongoing insurance requirements.
	ASIC lodgements	<ul style="list-style-type: none"> • Prepare and lodge ASIC forms, as needed.
	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 books and records in our possession.
TOTAL 104.2 hours \$30,000.00		

Schedule E: Time to be charged to each major task

Resolution 3: from the execution of the Deed of Company Arrangement to the finalisation of the Deed of Company Arrangement

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	595.00	25.2	14,994.00	2.4	1,428.00	0.6	357.00	18.4	10,948.00	2.4	1,428.00	1.4	833.00
Donnelly, Matthew	DRS Partner	595.00	5.6	3,332.00	1.0	595.00	0.2	119.00	2.4	1,428.00	1.2	714.00	0.8	476.00
Wright, Tony	DRS Director	500.00	81.6	40,800.00	9.6	4,800.00	5.0	2,500.00	56.0	28,000.00	6.4	3,200.00	4.6	2,300.00
Ribot, Jonathon	DRS Sr Analyst	340.00	183.8	62,492.00	41.6	14,144.00	25.0	8,500.00	88.4	30,056.00	22.4	7,616.00	6.4	2,176.00
Browne, Margaret	DRS Sr Analyst	340.00	8.8	2,992.00	-	-	-	-	-	-	-	-	8.8	2,992.00
Szeto, Jessica	DRS Graduate	200.00	281.0	56,200.00	59.8	11,960.00	58.8	11,760.00	114.0	22,800.00	36.2	7,240.00	12.2	2,440.00
Clauson, Grace	DRS Vacationer	190.00	101.0	19,190.00	6.4	1,216.00	19.6	3,724.00	33.60	6,384.00	21.6	4,104.00	19.8	3,762.00
TOTAL			687.0	200,000.00	120.8	34,143.00	109.2	26,960.00	312.8	99,616.00	90.2	24,302.00	54.0	14,979.00
GST				20,000.00										
TOTAL (Incl. GST)				220,000.00										

Schedule F: Detailed description of tasks to be performed

Resolution 3: from the execution of the Deed of Company Arrangement to the finalisation of the Deed of Company Arrangement

Task Area	General Description	Includes
Assets 120.8 hours \$34,143.00	GST Refund	<ul style="list-style-type: none"> Further liaise with the Company's pre-appointment tax agents, BDO, to obtain further details regarding the potential GST refund due to the Company Further liaise with the internal tax accountants to assist in conducting a Financial AT test to determine the Company's expenditure relating to capital raising costs Further review the Company's expenses as recorded in its management accounts to determine and isolate private expenses and personal expenses Request further clarification from the ATO in relation to the information requested from the Company and the format of the delivery of this information Liaise with the ATO in relation to their determination and respond to their queries. Reviewing the Company's BAS lodgements and work papers for the March 2018 quarter for which the Company reported on a consolidated basis Preparing the Company's BAS lodgements for the June 2018 quarter and the September 2018 quarter to the date of the appointment of the Administrators.
Creditors 109.2 hours \$26,960.00	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 general 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 312.8 hours \$99,616.00	Conducting investigations	<ul style="list-style-type: none"> Liaise with solicitors in relation to the advice received from the accountants regarding the revenue recognition policies Quantify claims against third parties

Task Area	General Description	Includes
	<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 Licence agreement in place with the Company
	<p>Pursuing potential claims identified</p>	<ul style="list-style-type: none"> • Conduct internal meetings and meetings with solicitors to discuss claims against a number of parties relating to potential voidable transactions identified and/or any potential 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 further information and demands for payment to the Company • Liaise with any litigation funders in relation to any potential third-party claims • Attend to any negotiations • Attend to any settlement matters.
	<p>Section 444GA application</p>	<ul style="list-style-type: none"> • Liaise with solicitors in relation to the application to be made pursuant to Section 444GA of the Act • Liaise with the Proponent in relation to the proposed transfer of shares • Obtain independent expert evidence as to the value of the assets of the Company • Instruct solicitors and Counsel in relation to the application to be made pursuant to Section 444GA of the Act • Attend Court proceedings.
<p>Dividend 90.2 hours \$24,302.00</p>	<p>Processing proofs of debt (if applicable)</p>	<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
	<p>Dividend procedures (if applicable)</p>	<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

Task Area	General Description	Includes
		<ul style="list-style-type: none"> • Prepare the dividend file • Prepare the payment vouchers to pay a dividend • Prepare correspondence to creditors enclosing payment of a dividend
Administration 54.0 hours \$14,979.00	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 • 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 687.0 hours \$200,000.00		

Schedule G: Time to be charged to each major task

Resolution 4: from 20 December 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	595.00	32.8	19,516.00	1.0	595.00	12.4	7,378.00	15.6	9,282.00	2.4	1,428.00	1.4	833.00
Donnelly, Matthew	DRS Partner	595.00	19.4	11,543.00	1.0	595.00	8.0	4,760.00	8.2	4,879.00	1.4	833.00	0.8	476.00
Wright, Tony	DRS Director	500.00	100.4	50,200.00	4.4	2,200.00	27.0	13,500.00	51.8	25,900.00	5.4	2,700.00	11.8	5,900.00
Ribot, Jonathon	DRS Sr Analyst	340.00	309.0	105,060.00	9.0	3,060.00	81.6	27,744.00	161.4	54,876.00	37.2	12,648.00	19.8	6,732.00
Browne, Margaret	DRS Sr Analyst	340.00	6.8	2,312.00	-	-	-	-	-	-	-	-	6.8	2,312.00
Szeto, Jessica	DRS Graduate	200.00	408.0	81,600.00	11.4	2,280.00	101.8	20,360.00	197.0	39,400.00	73.0	14,600.00	24.8	4,960.00
Vella, Rebekah	DRS Support A	195.00	3.0	585.00	-	-	-	-	-	-	-	-	3.0	585.00
Clauson, Grace	DRS Vacationer	190.00	153.6	29,184.00	1.8	342.00	24.6	4,674.00	30.80	5,852.00	57.4	10,906.00	39.0	7,410.00
TOTAL			1,033.0	300,000.00	28.6	9,072.00	255.4	78,416.00	464.8	140,189.00	176.8	43,115.00	107.4	29,208.00
GST				30,000.00										
TOTAL (Incl. GST)				330,000.00										

Schedule H: Detailed description of tasks to be performed

Resolution 4: from 20 December 2018 to the completion of the Liquidation

Task Area	General Description	Includes
Assets 28.6 hours \$9,072.00	GST Refund	<ul style="list-style-type: none"> Further liaise with the Company's pre-appointment tax agents, BDO, to obtain further details regarding the potential GST refund due to the Company Further liaise with the internal tax accountants to assist in conducting a FAT test to determine the Company's expenditure relating to capital raising costs Further review the Company's expenses as recorded in its management accounts to determine and isolate private expenses and personal expenses Request further clarification from the ATO in relation to the information requested from the Company and the format of the delivery of this information Liaise with the ATO in relation to their determination and respond to their queries. Reviewing the Company's BAS lodgements and work papers for the March 2018 quarter for which the Company reported on a consolidated basis Preparing the Company's BAS lodgements for the June 2018 quarter and the September 2018 quarter to the date of the appointment of the Administrators.
	Shareholdings and other assets	<ul style="list-style-type: none"> Further liaise with Bellr to negotiate a potential buy-back of their shares Further liaise with Realworld Advertising to negotiate a potential buy-back of their shares Further liaise with Wayfarer Media to determine the company's potential assets and the value of its ongoing business Further liaise with third parties in relation to their interest in purchasing the assets of the Company including any VCL and/or licences.
Creditors 255.4 hours \$78,416.00	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 a reminder letter to the secured creditors to obtain all outstanding details regarding their registrations and their debt Correspondence with Toyota Finance Australia to obtain details of the shortfall of the creditor's debt.
	Creditor reports	<ul style="list-style-type: none"> Prepare the Liquidators' initial circular to creditors notifying of the appointment of the Liquidators

Task Area	General Description	Includes
		<ul style="list-style-type: none"> • Prepare the Liquidators' report to creditors pursuant to Section 70-40 of the IPR • Prepare other reports to creditors, as needed.
	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"> • Convene and hold any meeting of creditors, as needed. • Prepare and lodge minutes of any meeting of creditors with ASIC, as needed • Respond to stakeholder queries and questions immediately following any meeting of creditors, as needed.
Investigation 464.8 hours \$140,189.00	Conducting general investigations	<ul style="list-style-type: none"> • Further liaise with the Company's CFO to gain further insight into the assignment of the debt from FCS to ASCV • Further liaise with the Company's CFO to quantify the secured debt of FCS which was subsequently assigned to ASCV • Further liaise with the Company's share registry and the ASX to obtain further information relating to the purchase and sale of shares and the Company's share history • Issue further notices to provide books and records to a number of parties and review documents.
	Conducting investigations into potential voidable transactions	<ul style="list-style-type: none"> • Conduct further investigations into the Company's affairs to identify any potential breaches of director's duties or potential misconduct • 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 investigations into any related entities of the Company or of the directors or former directors to identify any unreasonable director-related transactions • Liaise with the bank to perform any bank traces necessary on any further transactions identified • Review the result of any bank traces on any transactions identified • Conduct a comprehensive quantification of potential voidable transaction claims identified and liaise with solicitors.
	Pursuing potential claims identified	<ul style="list-style-type: none"> • Conduct internal meetings and meetings with solicitors to discuss claims against a number of parties relating to potential voidable transactions identified and/or any potential third-party claims • Prepare briefs to solicitors, as necessary

Task Area	General Description	Includes
		<ul style="list-style-type: none"> • 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 further information and demands for payment to the Company • Liaise with any litigation funders in relation to any potential third-party claims • Attend to any negotiations • Attend to any settlement matters.
	<p>Conducting investigations into sgreements entered into at the time the BRTV DOCA was executed</p>	<ul style="list-style-type: none"> • Liaise with our solicitors in relation to the implications of the Rights and Asset Transfer Agreement entered into by the Company • Liaise with our solicitors in relation to the implications of the Deferral Deed entered into by the Company • Liaise with our solicitors in relation to the IP Asset Sale Agreement entered into by BRTV • Liaise with our solicitors in relation to the Licence agreement in place with the Company • Review any legal advice in relation to the Company’s and the Administrators’ rights/obligations pursuant to these agreements, if any.
	<p>Conducting investigations into the operations of the Company and of BRTV</p>	<ul style="list-style-type: none"> • Further review the sponsorship agreement between BRTV and FCS • Further analyse the nature of the sponsorship agreement and the process by which funds were advanced to BRTV • Further review an advice provided by the Company’s accountants in relation to the Group’s revenue recognition policies and its sponsorship agreement with FCS • Liaise with the Company’s CFO to obtain further information in relation to the Company’s customer database platforms, ZOHO and Hubspot • Further review the Company’s consolidated financial statements and annual reports to understand the recognition of revenue • Conduct further investigations into the intercompany loan between the Company and BRTV • Conduct further investigations into the Licence Agreement to understand the terms within the agreement including clauses around the potential transferability of the licences.
	<p>G Suite and the production drive</p>	<ul style="list-style-type: none"> • Further review the email correspondence to and from the Company’s key personnel.
	<p>Conducting investigations into the Company’s other</p>	<ul style="list-style-type: none"> • Review and obtain advice on the value of the intellectual property held in BIG IP Limited

Task Area	General Description	Includes
	subsidiaries	<ul style="list-style-type: none"> Review and obtain advice on the value of any assets held in the Company's other subsidiaries.
Dividend 176.8 hours \$43,115.00	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 and supporting documentation 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, including the dividend file Prepare the payment vouchers to pay a dividend Prepare correspondence to creditors enclosing payment of a dividend.
Administration 107.4 hours \$29,208.00	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.
	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 as needed 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 books and records in our possession.
TOTAL 1033.0 hours \$300,000.00		

Appendix D – 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 (THE COMPANY)

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, 20 December 2018 at 10:00AM (AEDT)**.

A G E N D A

1. To receive the report of the Joint and Several Administrators.
2. Questions from creditors.
3. 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.
4. To fix the remuneration of the Joint and Several Administrators.
5. If the Company is to execute a Deed of Company Arrangement to fix the remuneration of the Deed Administrator.
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 Joint and Several Liquidators.
8. 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, 19 December 2018 at 4:00PM (AEDT):

- (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 13th day of December 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 215

Appendix E – 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 F – Proxy Form

APPOINTMENT OF PROXY
 CREDITORS MEETING

BIG UN LIMITED
 (ADMINISTRATORS APPOINTED)
 ACN 106 399 311 (THE COMPANY)

*I/*We ⁽¹⁾	
Of	
being a creditor of the Company, appoint ⁽²⁾ or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on Thursday, 20 December 2018 at 10:00AM (AEDT) or at any adjournment of that meeting.	

Please mark any boxes with an X

Proxy Type: General Special

	For	Against	Abstain
<p>Resolution 1</p> <p>To consider and if thought fit, pass the following resolution (choose <u>ONE</u> of a, b or c):</p> <p>a. 'That the Company execute a DOCA'</p> <p>b. 'That the Administration should end'</p> <p>c. 'That the Company be wound up'</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<p>Resolution 2</p> <p>To consider and if thought fit, approve the Joint and Several Administrators' remuneration:</p> <p><i>"That the remuneration of the Joint and Several Administrators for the period 28 September 2018 to 8 December 2018, calculated at hourly rates as detailed in the remuneration approval request dated 13 December 2018, is approved for payment in the sum of \$297,962 plus GST of \$29,796.20, and that the Joint and Several Administrators can draw the remuneration immediately 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' future remuneration:</p> <p><i>"That the future remuneration of the Joint and Several Administrators from 9 December 2018 to 20 December 2018, being the date of the adjourned second meeting of creditors, is determined at a sum equal to the cost of time spent by the Joint and Several Administrators and their partners and staff, calculated at the hourly rates as detailed in the remuneration approval request dated 13 December 2018, up to a capped amount of \$30,000, plus GST of \$3,000, and that the Joint and Several Administrators can draw the remuneration on a monthly basis 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 enter into a Deed of Company Arrangement, to consider and if thought fit, approve the Joint and Several Deed Administrators future remuneration:</p> <p><i>"That the future remuneration of the Joint and Several Deed Administrators from the execution of the Deed of Company Arrangement to the finalisation of the Deed of Company Arrangement is determined at a sum equal to the cost of time spent by the Joint and Several Deed Administrators and their partners and staff, calculated at the hourly rates as detailed in the remuneration approval request dated 13 December 2018, up to a capped amount of \$200,000, plus GST of \$20,000, and that the Joint and Several Deed Administrators can draw the remuneration on a monthly basis or as required".</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 Joint and Several Liquidators' future remuneration:</p> <p><i>"That the future remuneration of the Joint and Several Liquidators from 20 December 2018 to the completion of the Liquidation is determined at a sum equal to the cost of time spent by the Joint and Several Liquidators and their partners and staff, calculated at the hourly rates as detailed in the remuneration approval request dated 13 December 2018, up to a capped amount of \$300,000, plus GST of \$30,000, 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 6</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 for the period from 15 September 2018 to 8 December 2018, calculated at the rates as detailed in the remuneration approval request dated 13 December 2018 is approved for payment in the sum of \$26,082.71, plus GST of \$2,608.27, 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 7</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"/>
---	--------------------------	--------------------------	--------------------------

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.

Appendix G – List of Shareholders putting forward the Deed Proposal (subject to change)

NOTICE OF FILING

This document was lodged electronically in the FEDERAL COURT OF AUSTRALIA (FCA) on 30/11/2018 4:06:58 PM AEDT and has been accepted for filing under the Court's Rules. Details of filing follow and important additional information about these are set out below.

Details of Filing

Document Lodged: Non-Prescribed List/Chronology
File Number: NSD2142/2018
File Title: AN APPLICATION BY NEIL ROBERT CUSSEN AND MATTHEW JAMES DONNELLY IN THEIR CAPACITY AS JOINT AND SEVERAL ADMINISTRATORS OF BIG UN LIMITED (ADMINISTRATORS APPOINTED)
Registry: NEW SOUTH WALES REGISTRY - FEDERAL COURT OF AUSTRALIA



A handwritten signature in blue ink, reading 'Warwick Soden'.

Dated: 3/12/2018 1:01:29 PM AEDT

Registrar

Important Information

As required by the Court's Rules, this Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date and time of lodgment also shown above are the date and time that the document was received by the Court. Under the Court's Rules the date of filing of the document is the day it was lodged (if that is a business day for the Registry which accepts it and the document was received by 4.30 pm local time at that Registry) or otherwise the next working day for that Registry.



**AMENDED LIST OF SHAREHOLDER PROPOSERS PUTTING FORWARD
DEED PROPOSAL BY WOW WORLD MEDIA PTY LTD**

No. NSD 2142 of 2018

Federal Court of Australia
District Registry: New South Wales
Division: General

IN THE MATTER OF BIG UN LIMITED (ADMINISTRATORS APPOINTED)
ACN 106 399 311

**NEIL ROBERT CUSSEN AND MATTHEW JAMES DONNELLY IN THEIR
CAPACITY AS JOINT AND SEVERAL ADMINISTRATORS OF BIG UN
LIMITED (ADMINISTRATORS APPOINTED) ACN 106 399 311**

Plaintiffs

Pursuant to the order made 21 November 2018, the intervenor Wow World Digital Media Pty Ltd notifies the court that the shareholders standing behind the Deed Proposer, Wow World Digital Pty Ltd are:

No.	Name	AKA	Shares
1.	Simon Grover	The Intermedia Group Pty Ltd	7,528,514
		Tatmarni Pty Ltd	3,111,667
		Glenn Silburn	250,000
		Paul Wootton	23,975
		Eightball	9,590
		Simon Cooper	44,444
2.	Stephen Munro	Lockell Pty Ltd	250,000
		Roda Superannuation Fund	685,000
3.	David Solomon	Chipmunk Investments Pty Ltd ATF TG & M Investment Trust	7,000
4.	Stanley Lim	Stanley Weng-Lee Lim	325,337
		Standi Investment Super Fund	25,000

5.	Peter Binet	PG Binet Pty Ltd	1,619,488
		Peter Geoffrey Binet	336,466
		Binet family Super Fund	449,381
		Louise Helen Binet	16,554
6.	Anthony Meyer	ADASL Pty Ltd <The Meyer Unit A/C> (Formerly A P Reyem Pty Ltd)	14,979,798
		Meyer Enterprise Australia Pty Ltd <The Meyer Growth B Fund A/C>	1,642,721
		Anthony Paul Meyer<Lucia Meyer A/C>	175,000
		Anthony Paul Meyer<Sienna Meyer A/C>	145,000
		Adam Rafael Meyer	145,000
		Mr Thomas Richard Walter Meyer	512,308
		Arnaga Pty Ltd	732239
		Estate of June Kahan	91,000
		Anita Moss	19,887
		Dr Thomas Moss	19,887
		Mt Jemi Pty Ltd ATF Rubin Family Trust	39,256
		Janina Diana Moss and Deborah Gillian Meyer<Nina Perger Superannuation A/c>	128,985
		Ms Suzanne Nicole Moss	300
7.	Mark Bellifemine		74,000
8.	Nicholas Llyod	NRJLA Pty Ltd ATF Lloyd Family Trust	10,500

		JELUAN Pty Ltd ATF Maranatha Super Fund	66,038
9.	Emma Sue Louis	WJ Louis Emma Sue Louis Superannuation fund	140,000
10.	William Louis	Clinical Pharmacology Consultants Pty Ltd William Louis Superannuation fund	460,000
11.	Dan Moore	Larrakeyah Pty Ltd, Moore Family Trust	280,000
12.	William Knowles		Unknown
13.	Nicholas Jordan		Unknown
14.	Peter Dowell	PRICEMAKER LIMITED	120,000
		FORSYTH BARR CUSTODIANS LTD	326,723
15.	Will Clark	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	3,075,252
16.	Russell Ekas	MR RUSSELL EMERICK EKAS & MRS ANNE CHRISTINE EKAS <SPORT ATTACK SUPER FUND A/C>	88,264
17.	Vaughan Parkinson	VAUGHAN PARKINSON SUPERANNUATION FUND PTY LTD	412,000
		MR VAUGHAN PARKINSON	370,000
18.	Clive Riseam	CLIVE RISEAM & JUDITH RISEAM <SUPERANNUATION FUND A/C>	4,431,165

		CLIVE RISEAM & JUDITH RISEAM <SUPERANNUATION FUND A/C>	375,075
		JUDITH RISEAM	279,379
		CLIVE RISEAM	484,293
		MR RICHARD JAMES RISEAM	586,558
19.	Peter Sier	301 MCLEISHS ROAD, YEA, VIC, AUS, 3717	380,000
20.	David McFarlane	MR DAVID CLIVE SILVERS MCFARLANE	250,000
		MR DAVID MCFARLANE & MRS JULIETTE MCFARLANE <MCFARLANE SUPER FUND A/C>	1,000,000
		MR JOSEPH BASTEN & MR THOMAS BASTEN <BASTEN SUPER FUND A/C>	741,000
		MR RICHARD JAMES LONGBOTTOM & MS KATHERINE VICTORIA SHIPTON	679,300
		MRS LYNETTE MARY WHITE	619,584
		SOBRADO PTY LTD <SUPER FUND A/C>	451,500
		PARALYSED PTY LTD <HERCULES DYNASTY S/F A/C>	426,400
		MR DAVID CLIVE SILVERS MCFARLANE	250,000

		MR RICHARD LONGBOTTOM & MS KATHERINE SHIPTON <LONGBOTTOM FAMILY S/F A/C>	203,375
		MR JOSEPH CHARLES CAMUGLIA & MRS KIRSTEN INGRET CAMUGLIA <JOSEPH CAMUGLIA S/FUND A/C>	120,000
		MR JOHN JOSEPH CAMUGLIA & MRS NATASHA CAMUGLIA <JOHN CAMUGLIA SUPER FUND A/C>	100,000
		MR ANTHONY JOHN CAMUGLIA & MRS ROSEMARIE CAMUGLIA <ANTHONY CAMUGLIA S/FUND A/C>	100,000
		MR STEPHEN ADDISON & MISS CLARE RICH <STEPHEN ADDISON S/F A/C>	84,500
		ONE MANAGED INVESTMENT FUNDS LIMITED <TECHNICAL INVESTING ABSOLUTE RETURN A/C>	80,000
21.	John Tran	JWT Group Pty Ltd	917,500
		John Tran	92,500

1— Vaughan Parkinson

2— Peter Dowell

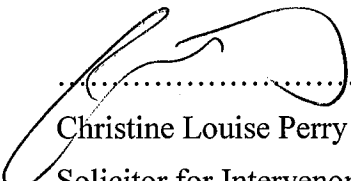
3— Alan Rigby

4— David Solomon

- 5 — Mark Bellifemine
- 6 — Russell Ekas
- 7 — Simon Grover
- 8 — Nick Lloyd
- 9 — Stephen Munro
- 10 — Anthony Meyer
- 11 — Bill Louis
- 12 — Sue Louis
- 13 — Bill Knowles
- 14 — Nick Jordan
- 15 — Will Clark
- 16 — Stan Lim
- 17 — John Tran
- 18 — Neil Louis
- 19 — Dan Moore

~~Clive Riseam (who was notified as being included in the group) has recently withdrawn but may rejoin the group.~~

Dated: 30 November 2016


.....
Christine Louise Perry
Solicitor for Intervenor, Wow World Digital Pty Ltd



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

The entity named herein is a legally separate and independent entity. In providing this document, the author only acts in the named capacity and does not act in any other capacity. Nothing in this document, nor any related attachments or communications or services, have any capacity to bind any other entity under the 'Deloitte' network of member firms (including those operating in Australia).

About Deloitte

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's approximately 200,000 professionals are committed to becoming the standard of excellence.

About Deloitte Australia

In Australia, the member firm is the Australian partnership of Deloitte Touche Tohmatsu. As one of Australia's leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, and financial advisory services through approximately 6000 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit our web site at www.deloitte.com.au.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

© 2017 Deloitte Touche Tohmatsu