



ASX:BIG
20th June 2018

Shareholder Update

BIG Un Limited (ASX:BIG, or 'BIG') wishes to inform stakeholders and the market that the Administrator of Big Review TV Ltd ('BRTV') has today released its Administrators' Report and Statement of Opinion to Creditors ('the Report').

The Company has attached the Report to this Shareholder Update.

ENDS



dw advisory

Level 2, 32 Martin Place
SYDNEY NSW 2000

GPO Box 7021
SYDNEY NSW 2001

T 02 9234 0444

F 02 9234 0455

E mail@dwadvisory.com.au

www.dwadvisory.com.au

BIG REVIEW TV LTD
A.C.N. 164 025 129
(ADMINISTRATORS APPOINTED) (“the Company”)

Administrators’ Report and Statement of Opinion to Creditors

Pursuant to 75-225 of the
Insolvency Practice Rules (Corporation) 2016

18 June 2018



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ANNEXURE 2 – Report as to Affairs

ANNEXURE 3 – ASIC Information Sheet

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ANNEXURE 5 – Schedule of Likely Recoveries

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ANNEXURE 8 – Meeting Notice and Other Meeting Information (including proof of debt and proxy forms)

1 INTRODUCTION

As you are aware, Mr Cameron Gray and I were appointed as joint and several voluntary administrators of the Company on 21 May 2018 pursuant to a resolution of the board of directors of the Company on that date.

In accordance with section 436DA of the Corporations Act 2001 ("**the Act**") a Declaration of Independence, Relevant Relationships and Indemnities ("**DIRRI**") was provided with notice of the first meeting of creditors and tabled at the first meeting of creditors. Attached as **Annexure "1"** is a copy of that document. This declaration remains current.

The purpose of the appointment of an administrator is to allow for an independent insolvency practitioner to take control of and investigate the affairs of an insolvent company. During the period of administration creditors' claims are put on hold. At the end of that period the administrator is required to provide creditors with information and recommendations to assist creditors to decide upon the company's future.

The purpose of this report is therefore to provide creditors with sufficient information for them to make an informed decision about the future of the Company, including:

- background information about the Company;
- the results of our investigations;
- the estimated returns to creditors;
- details of any proposed deed of company arrangement; and
- the options available to creditors and our opinion on each of these options.

In addition to reviewing the company's business operations and financial position, the investigation by the voluntary administrator considers whether all assets of the company have been accounted for, examines the relationship between the company and related persons and entities and considers whether company officers have committed any offences in relation to the management of the company. The purpose of the investigation is also to determine whether there are any transactions where money, property or other benefits could be recoverable by a liquidator (in the event a liquidator is appointed).

Since our appointment, we have undertaken the following investigations to prepare this report and to formulate our opinion:

- Conducted a review of company assets available
- Conducted a review of company books and records
- Analysed historical company financial accounts
- Reviewed transactions between the Company and related entities
- Conducted a review of likely creditors
- Considered breaches of director's and officer's duties
- Considered potentially voidable transactions including unfair preferences
- Considered a likely date of insolvency
- Considered the possibility of insolvent trading
- Considered possible offences committed by directors and officers
- The benefits of the proposed Deed of Company Arrangement

The scope of our investigation has been limited by time constraints imposed by the reporting timetable of the Act. Due to the time constraints there was insufficient time to undertake the following:

- Review of expense reimbursements to directors and verification of management fees paid to directors.
- Quantify any insolvent trading

The information contained and commented on in this report and annexures has been provided entirely from the Company's books and records, advice by company officers and company employees and communication with third parties. We have not sought verification or confirmation of this information in all instances. Our comments and opinions expressed in this report are necessarily subject to the above qualifications. However, in our opinion these limitations have not prevented us from being able to provide sufficient meaningful information in this report or from being able to form an opinion on what is in the creditors' best interests.

At the meeting of creditors to be held on Tuesday, 26 June 2018, creditors will be asked to make a decision by passing a resolution in respect of options available to them. In this report we have recommended to creditors that the Company enter a DOCA and detailed why this option is, in our opinion, in creditors' best interests.

2 BACKGROUND INFORMATION

2.1 History

The Company was incorporated on 30 May 2013 and is a wholly owned subsidiary of ASX listed entity, Big Un Limited ("**BIG**").

According to the 2017 Big Un Limited Annual Report *"the core activity of the company is the development of a global, video-driven ecosystem that targets B2B2C services by integrating video listings, social media and an innovative mobile video review application. The business operated across a three-pillar model with each pillar feeding and sharing video content across its own ecosystem.*

The first pillar is the creation of high-quality, affordable video licensing packages for small to medium sized businesses. The videos are curated and hosted on the Big Review TV platform. Revenue is generated through licensed subscription fees (Video SaaS) paid by businesses wanting to use the video content for marketing purposes.

The second pillar is the repurposing of video content for the production of online TV shows that are suitable for syndication to third parties and sponsorship by large brands. The TV shows also provide the ability for the Company to sell content and advertising slots to advertisers who target small to medium sized businesses. Online shows also appeal to small businesses who are willing to pay a premium license for inclusion in shows.

The wholly owned video library created by pillar one currently contains over 150 terabytes of video content and video data that is suitable for re-purposing into other video technology products in addition to creating online shows.

The third pillar is the company's video platform and mobile video review app which enables customers to search for and review businesses, creating and sharing their own review via social media channels.

The first and second pillars are generating revenue for the Company. Revenue from the third pillar is anticipated following technology enhancements that will provide consumer insights, analytics and data to businesses."

The Company operated from the following leased premises:

- Level 2, 341 Barrenjoey Road, Newport Beach NSW ("**Newport Premises**")
- Level 20, 1 Market Street, Sydney NSW ("**Market St Premises**")
- 9/210 Clarence Street, Sydney NSW ("**Clarence St Premises**")
- Level 2, 9 Maud Street, Maroochydore QLD ("**Queensland Premises**")
- 35/547 Plumber Street, Port Melbourne VIC ("**Melbourne Premises**")

Prior to the commencement of the voluntary administration the Company's sales function was conducted from the Queensland Premises and production was primarily run from the Newport Premises and Melbourne Premises. The Company's finance function was located in the Market St Premises and Clarence St Premises.

The Company also conducts business from Boulder, Colorado and had previously traded from premises in London and Los Angeles however these offices were closed prior to our appointment.

Prior to our appointment the Company employed approximately 90 employees.

2.2 Administrators' Trading

We have continued to trade the business of the Company with a view to maximising the return to creditors through either the sale of business or the entering into of a DOCA. In order to minimise costs we have closed (at least temporarily) the company's operations in Maroochydore and Melbourne and are only trading from Sydney and Boulder.

Following our appointment we effected employee terminations to reduce overheads to trade as close to a break-even position as possible. The Company currently employs 22 full time and 2 part time employees.

During the administration to date sales have not achieved budget and as a consequence a significant trading deficiency of approximately \$250,000 to \$275,000 is expected to be incurred during the administration period. We have continued to trade in light of these disappointing trading results at the behest of the secured creditor, AS Capital Ventures Pty Ltd ("**ASCV**") who has made an offer to purchase the assets and undertaking of the Company (see Section 2.3 below) and proposed, in conjunction with BIG, a DOCA (see Section 8 below).

We have entered into a funding agreement with ASCV to allow us to continue the operations of the Company during the administration period. To date \$100,000 has been advanced by ASCV.

Trade-on sales to the date of this report have been approximately \$100,000 (inc. GST). In addition we have collected approximately \$95,000.00 in pre-appointment accounts receivable.

2.3 Sale of Business

We advertised the business for sale in the Australian Financial Review with expressions of interest closing on 8 June 2018.

We were contacted by eight interested parties who were advised that an information package would be forwarded on receipt of a validly completed Confidentiality Deed and a \$5,000 refundable bond.

We only received three completed Confidentiality Deeds with bonds. ASCV also returned an executed Confidentiality Deed.

The three parties who paid a bond have requested for their bond to be returned after either having an initial discussion with the Administrators or receiving an information package.

We have received an offer from ASCV to purchase all the assets and undertakings, excluding accounts receivable and GST refunds, of the Company for \$30,000,000. The offer is conditional and its acceptance is a pre-condition to the DOCA being proposed (see Section 8 hereunder). Between the date of this report and the forthcoming meeting of creditors we will be working with ASCV to finalise the terms of the sale.

Given the assets the subject of the sale are non-circulating assets, proceeds of the sale would ordinarily be available to satisfy the secured debt of ASCV (see Section 9.3(ii) hereunder).

2.4 Statutory Information

The following information was obtained from the database of the Australian Securities and Investments Commission.

Company Details

Date of Incorporation	30 May 2013
Registered Office	Level 20, 1 Market Street, Sydney, NSW 2000
Principal Place of Business	Level 9, 210 Clarence Street, Sydney, NSW 2000
Paid Up Capital	139,750,201 Ordinary Fully Paid Shares

Director Name	Appointment Date	Cessation Date
Brandon Evertz	30 May 2013	Continuing
Sonia Thurston	30 May 2013	Continuing
Ben Hunter	7 August 2014	27 March 2015
Yan Lo	30 May 2013	2 October 2014

Secretary Name	Appointment Date	Cessation Date
Yan Lo	30 May 2013	2 October 2014

Shareholder Name	Class of Share	Number of Shares Held
Big Un Limited	Ordinary	139,750,201

Secured Party	Date Registered	Type
First Class Securities Pty Limited	21/4/2016	ALLPAAP No exception
BOQ Finance (Aust) Limited	16/10/2017	PMSI
BOQ Finance (Aust) Limited	16/10/2017	PMSI
AS Capital Ventures Pty Limited	18/5/2018	ALLPAAP with exceptions

3 DIRECTORS' REPORT AS TO AFFAIRS

Attached as **Annexure "2"** is an extract from the Report as to Affairs ("**RATA**") as at the date of our appointment as voluntary administrators, signed by the director Sonia Thurston.

The RATA details assets subject to a non-circulating security interest with a valuation and estimated realisable value of \$23,094,188. These assets are available to meet the claims of the secured creditors of \$56,204,312. The RATA also details assets subject to circulating security interests with a valuation and estimated realisable value of \$2,870,030 which would be available to meet employee claims of \$1,282,785 with the balance being available to the Secured Creditors. There are no assets available to meet claims of ordinary unsecured creditors whose claims are detailed in the RATA at \$15,168,307 (including contingent creditors).

The RATA indicates a deficiency, subject to costs of administration, of \$46,691,185.

4 INVESTIGATION

4.1 Books and Records

Section 286 of the Act requires that a company maintains written financial records that correctly record and explain its transactions, financial position and performance and which would enable true and fair financial statements to be prepared and audited.

The company is an unlisted public company and as such is required by Section 292 of the Act to prepare annual financial reports and directors' reports. We have written to the company's accountants, former accountants, auditors, former auditors and directors requesting copies of the annual financial reports and directors' reports. We have not been provided with any copies and are advised that they were not prepared, with the directors being of the view that the preparation of annual financial reports and directors' reports by BIG was sufficient to meet their obligations. This is despite the BIG annual financial reports for 2015 to 2017 containing a statement that "subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Groups financial statements".

Non-compliance with section 286 of the Act may lead to a presumption of insolvency in terms of section 588E of the Act, which in turn may have an impact on the recoverability of certain transactions by a liquidator.

We have reviewed the records maintained by the Company. Despite our comments in respect of the breach of Section 292 of the Act we are of the opinion that the underlying records are of sufficient quality that most likely the Company complies with the provisions of section 286 of the Act.

4.2 Explanations for Difficulties

In their response to the Questionnaire for Directors and Officers, the directors have advised that the financial difficulties of the Company were due to "following months of negative publicity in the media forcing First Class Capital to re-structure their agreement with the Company. The Company was in the final stages of negotiations with First Class Capital and AS Capital Ventures for a re-structure and workout plan including the release of \$2.8 million from the trust account. Negotiations stalled unexpectedly over 19-20 May 2018 following which the directors of the Company appointed the external administrator".

We are of the view that the insolvency of the company was most likely as a result of the withdrawal of support by the secured creditor but would also include:

- (a) High cash burn in expenses not being met by sales
- (b) Excessive wage costs
- (c) Inadequate management skills.

4.3 Historical Financial Statements

We refer to our comments at Section 4.1 above. All comments and extracts are of the Management accounts of the Company for the years ended 30 June 2014, 30 June 2015, 30 June 2016 and 30 June 2017 and draft management accounts for the period ending 21 May 2017.

The following is a summary of the trading results of the Company for the years ended 30 June 2014, 30 June 2015, 30 June 2016 and 30 June 2017 and period ending 31 December 2017.

	30/06/2014	30/06/2015	30/06/2016	30/06/2017	21/05/2018
	\$	\$	\$	\$	\$
Income	157,684	653,749	2,356,797	12,732,081	48,019,477
Cost of sales	285,928	1,212,370	4,459,186	9,775,681	15,302,328
Gross Profit/(Loss)	(128,244)	(558,621)	(2,102,399)	2,956,399	32,717,149
Other Income	5,217	7,825	273,989	480,613	6,265
Operating Expenses	641,400	2,533,616	3,826,734	5,265,219	11,083,816
Profit/(Loss) before Income Tax	(764,427)	(3,084,412)	(5,655,144)	(1,828,206)	21,639,598
Income Tax Expense	-	-	-	-	-
Profit/(Loss) after Income Tax	(764,427)	(3,084,412)	(5,655,144)	(1,828,206)	21,639,598

The company has entered into a number of sponsorship agreements. The sponsorship agreements relate to a third party advancing to the Company an amount equivalent to the amount expected to be collected from a customer in respect of a video package. The company approaches small to medium enterprises to enquire as to their interest in having a video produced to utilise in their marketing of the business. If an entity is interested a preliminary acceptance, which may be either verbal or in writing, is obtained. For a number of preliminary acceptances in Australia a sponsorship agreement was entered into with First Class Securities Pty Ltd (FCS). This would involve FCS sponsoring the receiving entities invoiced amount of \$13,200 (including GST). In effect the company would receive \$10,032 of which \$5,412 was transferred to a trust bank account and \$4,620 was available as working capital. The amount of \$3,168 was retained by FCS as a sponsorship fee. It appears that preliminary acceptances to the value of \$17,358,000 were sponsored in the 2017 financial year and \$36,946,800 were sponsored in the 2018 financial year. Although there

are timing issues in regards to the recognition of sales revenue we are advised that the total amount of \$56,304,800 has been included in the income reflected above. This treatment of the sponsorship income was as advised by the Groups accountants and was not the subject of a management letter by the Groups auditors, both current and former.

We are advised that BIG has elected to adopt AASB 15 Revenue from Contracts with Customers from 1 July 2017 although it is not compulsory until accounting periods beginning after 1 January 2018. This would result in the agreement with FCS being treated as a financing arrangement and only when the underlying customer paid would the revenue be recognized. The change to accounting policy has necessitated the lodgment of amended Business Activity Statements for quarters within the 2018 financial year, which are currently subject to audit by the Australian Taxation Office. If accepted it is anticipated a refund of \$664,394 after allowing for amounts owed for PAYG will be received. We are advised that it is not the intention of BIG to restate prior year accounts.

The following is a summary of the financial position of the Company as at 30 June 2014, 30 June 2015, 30 June 2016, 30 June 2017 and 31 December 2017.

	30/06/2014	30/06/2015	30/06/2016	30/06/2017	21/05/2018
	\$	\$	\$	\$	\$
Current Assets	893,175	245,237	2,123,162	10,599,823	25,805,821
Current Liabilities	97,026	411,230	3,050,590	12,035,347	5,943,442
Working Capital					
Surplus/(Deficiency)	796,149	(165,993)	(927,428)	(1,435,524)	19,862,379
Non-Current Assets	363,995	838,327	1,088,584	1,098,848	2,278,086
Non-Current Liabilities	378,000	2,522,363	7,666,319	8,996,693	9,835,482
Net Surplus/(Deficiency)	782,144	(1,850,029)	(7,505,163)	(9,333,369)	12,304,983
Represented by:					
Issued Capital	1,331,655	1,719,638	1,719,648	1,719,648	1,719,648
Retained Profits/ (Accumulated Losses)	(766,487)	(3,793,766)	(9,224,811)	(11,053,017)	10,585,335
Income Tax Benefit	216,976	224,099	-	-	-
	782,144	(1,850,029)	(7,505,163)	(9,333,369)	12,304,983

From reference to the accounts we note same indicate operating losses, working capital and net asset positions as follows:

Year	Operating Profits/(Losses) \$	Working Capital Surplus/ (Deficiency) \$	Net Assets/ (Deficiency) \$
30/06/2014	(764,427)	796,149	782,144
30/06/2015	(3,084,412)	(165,993)	(1,850,029)
30/06/2016	(5,655,144)	(927,428)	(7,505,163)
30/06/2017	(1,828,206)	(1,435,524)	(9,333,369)
21/05/2018	21,639,598	19,862,379	12,304,983

4.4 Company Solvency

The Act defines a person as solvent if, and only if, the person is able to pay all the person's debts, as and when they become due and payable. A person who is not solvent is insolvent.

Indicators of Insolvency

The following are indicators of possible insolvency:

- (i) The Company has incurred trading losses in the 2014 to 2017 financial years.
- (ii) The Company has had a working capital deficiency in the 2015 to 2017 financial years.

Each of these factors may in some cases be an indicator, but not necessarily proof, of insolvency.

Indicators of Solvency

The following may be indicators of the Company's possible solvency:

- (i) The Company was able to rely on its holding company for financial support.
- (ii) Until 20 May 2018 the Company enjoyed the support of its secured creditor.

We note that many of the usual indicators of insolvency are not prevalent in the company in that there are no bounced cheques, no creditors under payment arrangements, the majority of trade creditors have outstanding balances within current trade terms and statutory obligations have been maintained.

Possible Date of Insolvency

It is likely that the company became insolvent in the fortnight prior to 17 May 2018 (being the day the Company failed to meet the fortnightly payroll). An exact date would require further detailed analysis.

4.5 Review of Securities

We have had an independent review conducted on the validity of the securities. This review indicates that each security document is valid and enforceable against the Company.

4.6 Transactions Considered Including Related Entity Transactions

4.6.1 Summary of Creditors who are Related Entities

The following creditors are related entities of the Company:

Creditor	Amount outstanding at date of appointment
BIG	\$9,835,482 (see Section 4.6.3(a) hereunder)
Brandon Evertz	\$910,146 (see Section 4.6.2(a) hereunder)
Sonia Thurston	\$910,723 (see Section 4.6.2(a) hereunder)
Richard Evertz	\$604,643 (see Section 4.6.2(a) hereunder)

4.6.2 Remuneration of Directors and Other Entities

- (a) Mr Brandon Evertz

Director, Mr Brandon Evertz received the following remuneration from the Company since 1 July 2014.

	30/06/2015	30/06/2016	30/06/2017	21/05/2018
	\$	\$	\$	\$
Salary and Wages	-	79,664	48,985	-
Superannuation	-	7,568	4,654	-
Management Fees (paid to related entity)	106,000	68,423	101,348	383,486
Total	106,000	155,645	154,987	383,486

We are yet to verify the management fees paid to Mr Brandon Evertz and determine any reimbursements.

The salaries and wages, superannuation and management fees paid to the directors and their close associates may be considered excessive, particularly in the 2018 financial year and as such may constitute potentially voidable transactions and/or be in breach of the Act (see Sections 5.1 and 5.3 hereunder).

(b) Ms Sonia Thurston

Director, Ms Sonia Evertz received the following remuneration from the Company since 1 July 2014.

	30/06/2015	30/06/2016	30/06/2017	21/05/2018
	\$	\$	\$	\$
Salary and Wages	-	83,928	51,607	-
Superannuation	-	7,973	4,903	-
Management Fees (paid to related entity)	106,000	68,423	101,348	383,486
Total	106,000	160,324	157,858	386,990

We are yet to verify the management fees paid to Ms Sonia Thurston and determine any reimbursements.

The salaries and wages, superannuation and management fees paid to the directors and their close associates may be considered excessive, particularly in the 2018 financial year and as such may constitute potentially voidable transactions and/or be in breach of the Act (see Sections 5.1 and 5.3 hereunder).

(c) Richard Evertz

Mr Richard Evertz, the father of Mr Brandon Evertz, received the following remuneration from the Company since 1 July 2014.

	30/06/2015	30/06/2016	30/06/2017	21/05/2018
	\$	\$	\$	\$
Salary and Wages	-	91,104	54,597	-
Superannuation	-	8,655	5,187	-
Management Fees (paid to related entity)	-	-	96,986	519,899
Total	-	99,759	156,770	519,899

We have identified further payments made to Evertz Partnership. Our investigations continue in respect to payments and whether they were made on account of services provided by Mr Richard Evertz.

The management fees paid to Mr Richard Evertz in the 2018 financial year may be considered excessive and as such may constitute potentially voidable transactions and/or be in breach of the Act (see Sections 5.1 and 5.3 hereunder).

4.6.3 Loan Accounts

Detailed hereunder movements in related entity loan accounts since 1 July 2013.

(a) Big Un Limited ("BIG")

	30/06/2015	30/06/2016	30/06/2017	21/05/2018
	\$	\$	\$	\$
Opening Balance	-	(2,064,941)	(7,215,482)	(8,546,693)
Debit Movements	22,483	278,923	1,170,672	5,518,454
Credit Movements	(2,087,423)	(5,429,464)	(2,501,883)	(6,357,242)
Closing Balance	(2,064,941)	(7,215,482)	(8,546,693)	(9,385,482)

BIG, the Company's holdings company, maintained the above loan account with the Company.

Repayments totaling \$177,650 were made to BIG from 9 May 2018 to 21 May 2018. Such repayments may constitute potentially voidable transactions and/or be in breach of sections 181 and/or 182 of the Act.

4.6.4 Personally Guaranteed Creditors

In their response to the Questionnaire for Directors and Officers, the directors have advised that there were no personally guaranteed creditors of the Company. We are not aware of any such creditors.

5 POSSIBLE RECOVERABLE TRANSACTIONS

5.1 Voidable Transactions

The law requires an administrator to specify whether there are any transactions that appear to the administrator to be voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator under Part 5.7B of the Act. This issue is relevant to creditors if they are being asked to choose between a deed of company arrangement or liquidation, because voidable transactions are only able to be challenged if liquidation occurs.

For general information about what voidable transactions are, please refer to the information attached as **Annexure "3"**.

Our review of the Company's records indicates:

- (i) **UNFAIR PREFERENCES** - We have not noted any payments/transactions made to creditors during the six months prior to our appointment which may constitute unfair preferences. Our investigations have substantially been limited to identifying regular payments or "round" amounts which may be indicative of a repayment instalment arrangement.
- (ii) **INSOLVENT TRANSACTION / RELATED PARTY** - We have noted the following payments/transactions with related parties during the four years prior to our appointment, which, subject to further investigation by a liquidator, if appointed, may constitute "insolvent transactions with a related party" or "unreasonable director-related transactions".
 - Repayments to BIG totaling \$177,650.21 during the period 9 May 2018 to 21 May 2018 (refer to Section 4.6.3(a) above).
- (iii) **UNREASONABLE DIRECTOR-RELATED TRANSACTIONS** - We have considered transactions involving directors or close associates within four years prior to our appointment. The following transactions may be considered "unreasonable" and consequently, following further investigation by a liquidator, if appointed, may be potentially voidable.

The salaries and wages, superannuation and management fees paid to the directors and their close associates may be considered excessive, particularly in the 2018 financial year. We note that the payments made from the Company represent their total entitlements from the Group and that there is no accounting for work that may have been performed for BIG or its other subsidiaries.

We also note that a number of expenses on behalf of BIG have been expensed in the management accounts of the Company.

Note that there is no requirement for the Company to be insolvent at the time of the transaction in order for an "unreasonable-director related transaction" to be voidable.

Apart from unreasonable director-related transactions, in order to be voidable, relevant transactions must also be INSOLVENT transactions. Any recovery by a liquidator in respect of an insolvent transaction will require establishing insolvency at the relevant time to the satisfaction of the court. Our comments in respect to the Company's insolvency are detailed at Section 4.4 above. Section 588FG of the Act provides statutory "defences" which may prevent or limit any potential orders being made by the court in relation to the transactions. Recovery may also be limited by the capacity of the recipient to make restitution and/or by the costs of any proceedings. See Section 10 hereunder in this regard.

A liquidator would need to carefully assess all of these matters prior to instituting any recovery proceedings in relation to voidable transactions.

5.2 Insolvent Trading

Information about possible insolvent trading is relevant to creditors when making a decision about the future of a company as directors of a company may generally only be held liable for insolvent trading if the company is in liquidation. As with the voidable transaction analysis above, creditors have to assess the advantages to them of a Deed of Company Arrangement, which cannot include proceeds from insolvent trading actions, compared to the likely return in a liquidation, which could include the proceeds of any successful insolvent trading action.

For general information about insolvent trading, please refer to the information sheet attached as **Annexure "3"**.

Where a company is a subsidiary, the holding company may under certain circumstances also be held liable for the insolvent trading of the subsidiary, pursuant to section 588V of the Act. A liquidator is similarly empowered to recover compensation from the holding company pursuant to section 588W of the Act. In this instance BIG could be held liable for any insolvent trading of the Company.

It is likely that the Company engaged in insolvent trading prior to my appointment. However, given the Company was able to rely on its holding company for financial support and until 20 May 2018 the Company enjoyed the support of its secured creditor, it is likely that based on current information any insolvent trading would be minimal and would not be commercial to pursue in the event of liquidation.

5.3 Director's and Officer's Duties

Under the Act directors, officers and others have certain duties and responsibilities and the Act itself provides for criminal sanctions and also civil sanctions for any such breach under certain circumstances. Recovery action may be available to a liquidator to the extent of any loss or damage suffered by the Company or benefit gained by the relevant person or others. It is not necessary to establish insolvency for the following breaches to have application.

(a) Good faith

Section 181 of the Act provides that directors and officers must exercise their powers and discharge their duties in good faith in the best interest of the corporation and for a proper purpose.

In view of the size of the deficiency the directors may be in breach of this section of the Act.

(b) Use of position

Section 182 of the Act provides that directors, secretaries or other officers or employees of a corporation must not improperly use their position to gain advantage for themselves or someone else or cause detriment to the corporation.

In view of:

- (i) the employee entitlements and management fees paid to related parties; and
- (ii) the expenses incurred on behalf of BIG

the directors may be in breach of this section of the Act.

- (c) Obligation to prepare annual financial reports and directors reports

The directors have breached this section in not ensuring that annual financial reports and directors reports were prepared for the Company. We note that the annual financial reports lodged on behalf of the Company were those of BIG.

Relevant Directors

Possible recoverable transactions referred to Section 5.3 above have application to directors and officers at the relevant times. To this end, the directors at the date of our appointment were Mr Brandon Evertz and Ms Sonia Thurston. Refer to Section 2.3 above for details of company officers at relevant times.

6 OFFENCES & OTHER ISSUES

6.1 Offences

Offences pursuant to various provisions of the Act may have been committed by company officers. Whilst possible breaches may lead to prosecution by the appropriate authorities, identification of offences will not necessarily of itself lead to additional recoveries by a liquidator.

6.2 Other Issues

Other issues identified include:

- (i) Directors and Officers Insurance

We note that BIG has in its annual financial statements disclosed the existence of a Directors and Officers Insurance policy which would extend to the directors and officers of subsidiaries. We have reviewed a copy of the policy and note that it does have an insolvency exclusion.

- (ii) Third Party Insurance

We note that BIG has adopted a change of accounting policy from 1 July 2018. The accounting treatment adopted to 30 June 2017 was as advised by the Company's former accountants and "signed off" by its former and current auditors. If it was not open to the Company to adopt this accounting treatment and as a result the Company incurred a loss a claim may exist against the professional indemnity policies of those parties. We are not presently aware of a causal link, however further investigation is required.

7 REPORT TO ASIC

In accordance with the requirements of section 438D of the Act we will lodge a report with ASIC detailing the matters referred to at Sections 5 above and other statistical and statutory information specifically required by ASIC.

8 PROPOSAL FOR A DEED OF COMPANY ARRANGEMENT

We have received a proposal for a DOCA from ASCV and BIG. The DOCA is conditional on the following:

1. ASCV successfully acquiring the assets and undertakings (excluding accounts receivable and GST refunds) of the Company including the video content library ("VCL").

2. ASCV entering into a license agreement with BIG for use of the VCL. The granting of the license to BIG is subject to certain preconditions occurring.

Contemporaneously with the execution of the DOCA, if accepted by creditors, the Administrators will enter into an Intellectual Property Sale Agreement ("**IP Sale Agreement**") with ASCV as Purchaser on terms acceptable to ASCV and the Administrators. The transaction will be by way of a Credit Bid and the purchase price payable under that IP Sale Agreement will be applied as a reduction to the debt owed to ASCV, firstly being applied to any unsecured debt and then the balance to be applied to the secured debt. ASCV will also contemporaneously and as a condition of the IP Sale Agreement enter into a licence agreement exclusively licensing the IP to BIG and its subsidiaries to allow BIG and its subsidiaries including the Company to trade in Australia.

Creditors are referred to **Annexure "4"** which provides specific details of the resolution to execute the proposed DOCA. A comparative table of estimated returns to creditors and costs under both the proposed DOCA and liquidation is included at **Annexure "5"** - 'Schedule of Likely Recoveries'.

In summary, subject to compliance with its terms, the proposed DOCA provides for:

1. All creditors entitled to participate to accept their entitlements under the Deed in full settlement of all claims existing at the relevant date.
2. The control and stewardship of the Company will revert to the directors on execution of the Deed.
3. Deed Fund 1 will comprise of:
 - (i) the anticipated GST refunds for the quarters ended 30 September 2017, 31 December 2017 and 31 March 2018 ("**GST Refunds**"); and
 - (ii) accounts receivable at the date of execution of the DOCA.
4. Deed Fund 1 to be applied as follows:
 - (i) firstly, Voluntary Administrators' and Deed Administrators' disbursements estimated at \$30,000 (inc. GST) and trading deficiency estimated at \$275,000;
 - (ii) secondly, the remuneration of the Administrators, plus GST, in their capacity as voluntary administrators and deed administrators under the Deed calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 23 May 2018, plus GST, with the Deed Administrators being authorised to draw such remuneration, plus GST, from monies held by them to a limit of \$154,000.00 (inc. GST).
 - (iii) thirdly, payment of admitted employee creditors entitled to priority pursuant to Section 556 of the Corporations Act 2001 and subrogating employee creditors, if any, estimated at \$1,023,149;
 - (iv) fourthly, the fixed amount of \$100,000 representing approximately 3.4 cents in the dollar on admitted participating ordinary unsecured, partly-secured and contingent creditors' claims estimated at \$2,978,787 to be distributed pro-rata to participating ordinary unsecured and contingent creditors; and
 - (v) finally, any surplus to be paid to AS Capital Ventures Pty Ltd ("**ASCV**") on account of its residual claim against the Company.

It is envisaged continuing employees will be paid their annual leave entitlements in the ordinary course of business.

For the avoidance of doubt only employee entitlements that have crystallised and become due and payable before the effectuation of the Deed will be paid (either by the Company in the ordinary course of business or out of Deed Fund 1).

Should admitted participating ordinary unsecured creditors', partly-secured creditors' and contingent creditors' claims exceed \$2,978,787 the fixed amount of \$100,000 will not increase and distribution to this class of creditor will reduce accordingly. Conversely, should claims from this class of creditor decrease distribution will increase accordingly.

Ordinary unsecured creditors and contingent creditors to accept their entitlements out of the Deed Fund in full settlement of their claims.

5. If these are insufficient recoveries from the GST Refunds and pre-appointment accounts receivable to satisfy the amounts detailed hereunder and any increase to the amount particularised at (i) to (v) in full within 18 months the Company will have 30 days to make a top-up contribution to satisfy the amounts in full.

	\$
(i) Administrators' remuneration (fixed) (incl. GST)	110,000
(ii) Deed Administrators' remuneration (fixed) (incl GST)	44,000
(iii) Administrator's and Deed Administrators disbursements (estimate) (incl GST)	30,000
(iv) Administrators' trading deficiency (estimate) (incl GST)	275,000
(v) Priority employee claims (estimate)	1,023,149
(vi) Participating ordinary unsecured, partly-secured and contingent creditors (fixed amount) (based on claims admitted by the directors of \$2,978,787 @ approx. 3.4c in \$)	100,000
Estimated Deed Fund 1	<u><u>1,582,149</u></u>

6. The Deed Administrators to retain cash at bank at the date of execution of the Deed to be applied to Deed Fund 1.
7. The Company's holding company, Big Un Limited ("**BIG**") has in its annual financial statements disclosed the existence of a Directors and Officers Insurance policy which would extend to the directors and officers of subsidiaries ("**D&O Policy**").

Further, BIG adopted a change of accounting policy from 1 July 2018. The accounting treatment adopted to 30 June 2017 was as advised by the Company's former accountants and "signed off" by its former and current auditors. If it was not open to the Company to adopt this accounting treatment and as a result the Company incurred a loss a claim may exist against the professional indemnity policies of those parties ("**Third Party Policies**").

The Company may have actions against various parties which may result in recoveries from the D&O Policy and Third Party Policies ("**Litigation**"). Any recoveries from the Litigation will comprise Deed Fund 2.

8. The Litigation to remain in the control of the Deed Administrators for the benefit of creditors. For the avoidance of doubt, the Deed Administrators shall have complete discretion in relation to the commencement, prosecution and settlement of the Litigation.
9. ASCV and/or the Company shall be entitled to fund the Deed Administrators in the Litigation, and to be reimbursed for any such funding prior to any distribution to creditors. If ASCV and the Company decline to fund the action, the Deed Administrators have the right to seek litigation funding from external parties or other creditors.
10. In the event ASCV fund the Deed Administrators in the Litigation, the Deed Administrators to keep ASCV fully informed of the progress of the Litigation.
11. Any recoveries (less costs) made as a consequence of the Litigation will be paid to the Deed Administrators for the purpose of Deed Fund 2.
12. Should the Deed Administrators decide not to pursue the Litigation, the Company shall be entitled to do so. For the avoidance of doubt, any recoveries (less reasonable costs as determined by the Deed Administrators) effected by the Company from the Litigation is to be paid to Deed Fund 2.
13. Deed Fund 2 to be applied as follows:

- (i) firstly, in payment of the Deed Administrator's legal costs and disbursements, including GST;
- (ii) secondly, the remuneration of the Administrators in their capacity as Deed Administrators under the Deed calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 23 May 2018, plus GST, with the Deed Administrators being authorised to draw such remuneration, plus GST, from monies held by them, up to an amount as approved by creditors, any committee of inspection or the Court;
- (iii) thirdly, to ASCV for the balance of its claim if not already satisfied in full from Deed Fund 1;
- (iv) fourthly, to admitted participating ordinary unsecured, partly-secured and contingent creditors' claims to be distributed pro-rata to participating ordinary unsecured and contingent creditors for the balance of their claims not satisfied from Deed Fund 1; and
- (v) finally, the balance, if any, to be paid to the Company.

14. Notwithstanding any other provision of this Deed, ASCV shall retain its security interest over the Company and specifically, without limitation, over the available causes of action that are or may be the subject of the Litigation on the following terms:

- (i) ASCV shall only enforce its security if the Deed is terminated prior to its effectuation or if the Company commits a further event of default after the execution of the Deed;
- (ii) provided that the Company does not commit any event of default after the execution of the Deed, ASCV shall limit its recourse in respect of the balance of its debt to recoveries that may be obtained from Deed Fund 2; and
- (iii) ASCV otherwise preserves its rights under its security over the Company.

15. Claims of the following parties deferred in full until effectuation of the DOCA ("Deferred Creditors") - their claims estimated as follows:

	\$
Big Un Limited	9,835,481.65
Transglobal Holdings Capital LLC ("Transglobal")	1,845,360.00

16. The claim of Transglobal will be extinguished upon effectuation of the DOCA.

Creditors should be aware that the Deed provides for control and stewardship of the Company to revert to the directors on execution of the Deed. Under normal circumstances, execution of a deed will preclude any actions such as insolvent trading being brought by the administrator against current or former company officers. Moreover, creditors bound by the Deed are unlikely to be able to take further action in relation to any debt which is subject to the Deed. Creditors should however, seek their own advice (including in relation to personal guarantees, if any) as to the impact of execution of a deed, or the liquidation of the Company.

Creditors should also be aware that the claims of BIG is not extinguished by the Deed but is deferred until payment of the deed creditors. Potentially, such claim may, over time, be met in full.

Certain partly secured debts such as leases are likewise not automatically compromised or extinguished by the execution of a deed. In time, these obligations may be discharged in full.

We have not attempted to quantify tax losses which are likely to be reduced by the effective forgiveness of debt under the terms of the Deed. To the extent available, the Company, or other parties, may gain benefit in the future from such tax losses.

Should the monies comprising the Deed fund not be received in accordance with the provisions of the Deed, the Administrators will be entitled to call a meeting pursuant to section 445F of the Act to consider, inter alia, a resolution to wind up the Company.

9 ESTIMATED RETURN FROM A WINDING UP

Creditors are referred to **Annexure "5"** - 'Schedule of Likely Recoveries'. Subject to the assumptions and qualifications detailed herein, (primarily that recoveries and creditors' claims are in keeping with our estimates and the amount acknowledged as owing by the directors and that no recoveries of any substance would result from matters arising out of the administrators'/liquidators' investigation), we would estimate a dividend of 9 cents in the dollar to employees in respect of their priority claims and no return to ordinary unsecured creditors in the event of liquidation

Detailed below are our comments in respect to the assets and liabilities of the Company as at the date of our appointment as voluntary administrators.

9.1 Assets

(i) Cash at Bank (Book Value: \$23,073,377; Estimated Realisable Value ("ERV"): \$14,729)

Immediately subsequent to our appointment, the Company's accounts held at National Australia Bank ("NAB") were frozen. The balances at the date of our appointment was \$23,073,377.

There was \$23,043,768 in an account styled Big Review TV FCC Trust Account. This account is subject to the security of FCS and/or ASCV and is not available to ordinary unsecured creditors.

In addition there is \$14,880 in a term deposit which acts as security for the rental bond for leased premises. These funds would not be available for ordinary unsecured creditors.

Immediately upon our appointment we requested a sweep of the Company's NAB accounts and on 31 May 2018 received \$46,383 from NAB which included the balance at the date of our appointment and accounts receivable collected since our appointment.

(ii) Cash on Hand (Book Value: \$400; ERV: \$400)

Cash on hand at the date of our appointment totalled \$400.

(iii) Book Debts (Book Value: \$3,291,696; ERV: \$2,855,301)

The RATA lists book debts with a book value of \$3,291,696 and an estimated realisable value of \$2,855,301.

Included in this amount is \$664,394 which represents a refund due from the Australian Taxation Office (ATO) for overpaid GST less a set-off for unpaid PAYG. We are advised that the ATO has escalated the claim to final audit.

Trade debtors include the following

	Amount	No.	Average
Trade debtors	\$2,627,302	722	\$3,639
Provision for doubtful debts	\$436,395	100	\$4,364
Total	\$2,190,907	622	\$3,522

We note that the largest debt provided for is \$40,320.

In our opinion if the Company was placed in liquidation the recovery of debts would be difficult due to the ongoing provision of services being an integral part of most agreements and the relatively small amount of each individual debt.

(iv) Non-Circulating Assets (Going Concern: \$72,760; ERV: \$10,467)

Non-circulating assets comprising of office fitout and computer equipment were assessed by Hymans to have a value of \$77,220 on a fair market value in continued use basis and \$50,420 on a forced liquidation basis.

We are of the view there would be little to any value in the equipment in a forced liquidation after removal and sale costs.

(v) Motor Vehicles

We note that the company is the registered owner of four Tesla motor vehicles. The vehicles are subject to a lease agreement between BIG and Toyota Finance. The lease expenses have been paid from the Company bank account and expensed in the management accounts. We note that the lease has been in operation for only six months and as such it is extremely unlikely that any equity exists in the vehicles.

(vi) Other Assets

Other assets comprise a partly developed web and technology platform as well as trademarks.

Without a formal valuation or an offer to purchase it is difficult to put a value on these items.

Although the Company does not account for work in progress there are in excess of 3,000 customers who have entered into a preliminary acceptance in which filming and editing is at various stages. These customers would be brought into accounts receivables if they were to complete a final acceptance and could be worth as much as \$36,000,000.

9.2 Possible Recoverable Transactions

Ultimately, only a Court can determine if the transactions identified at Section 5 entitle the Company and/or its liquidator to effect recoveries. Prior to commencing proceedings a liquidator would consider the commerciality of any proceedings, the extent and nature of any proof required, likely defences (statutory or otherwise) and the financial resources of any party from whom compensation might be sought. In that regard, see Section 10 hereunder.

For the purposes of this report we have not attempted to quantify any recoveries from the transactions detailed at Section 5.

9.3 Liabilities

(i) Employee Claims (\$1,282,785)

The priority claims of employees as per the RATA total \$1,282,785 and are comprised of:

	<u>\$</u>
Wages	886,300
Superannuation	-
Annual leave	396,484
Possible payment in lieu of notice	-
Possible redundancy	-
Total	<u><u>1,282,785</u></u>

In the event of liquidation directors and certain relatives of directors are classified as “excluded employees” under the Act and their claims to priority are limited to \$2,000 for wages and superannuation and \$1,500 for leave entitlements. Excluded employees do not receive priority for any retrenchment payments. This limitation applies only to the priority of payment and excluded employees rank as unsecured creditors for the non-priority balance of their claims.

Our estimate of employee entitlements in a liquidation scenario are:

	\$
Wages	357,953
Superannuation	217,648
Annual leave	230,026
Payment in lieu of notice	495,922
Redundancy	405,635
Total	<u>1,707,184</u>

On liquidation, should there be a shortfall in relation to employee claims, which based on current estimates is likely, the Federal Government, through its Fair Entitlements Guarantee ("FEG") may, subject to certain prescribed limits, meet the outstanding employee entitlements of Australian permanent residents for unpaid wages and leave, termination payments and redundancy (where such entitlements arise under a written instrument of employment). FEG does not cover superannuation and excluded employees are not eligible for a FEG advance. Where such payments have been met under FEG, the Federal Government will rank by way of subrogation as a priority creditor in the liquidation for the amount so advanced.

(ii) Secured Creditors (\$56,204,312)

As advised in Section 4 above the Company entered into a sponsorship arrangement with FCS. That arrangement is secured by a General Security Agreement. On 15 May 2018 the debts the subject of the Sponsorship Agreement were assigned to ASCV. The RATA submitted by the Directors indicates that \$56,204,312 is due. After allowing for the transfer of the trust account \$33,160,544 would be due and payable.

ASCV has advised that the following is due and payable.

	\$
Funds Advanced	42,791,648
Interest	13,513,152
Cancellation Fee	11,941,824
	<u>68,246,624</u>
Less Security Trust Account	23,084,968
	<u>\$45,161,656</u>

The main difference between the amount acknowledged by the directors and that claimed by ASCV is the cancellation fee. The directors claim that the cancellation fee was waived in writing by FCS but we have not located any waiver at the date of this report and our investigations will continue. The secured creditor denies that any waiver of rights has been given.

We note that of the funds advanced on behalf of customers to the date of our appointment \$298,938 has been recovered from customers and not paid to either FCS or ASCV.

Should the matter proceed to liquidation further investigations will be required to determine if the agreement with FCS constitutes an unfair loan pursuant to Section 588FD of the Corporations Act. We note that for practical purposes interest has been charged at 31.5%. We further note that to constitute an unfair loan the Court would take into account

- (a) The risk to which the lender was exposed; and
- (b) The value of any security in respect of the loan; and
- (c) The term of the loan; and
- (d) The schedule for payments of interest and charges and for repayments of principal; and
- (e) The amount of the loan; and
- (f) Any other relevant matter

We note that any successful challenge to the agreement would not affect the underlying security but may affect the amount owed under the security. We note that previous cases have found rates similar or higher than that charged to not be excessive and we are not aware of any successful claims pursuant to Section 588FD of the Corporations Act.

The Company entered into a lease agreement in October 2017 with BOQ in respect of computer equipment in Maroochydore. At the date of our appointment the payout was \$15,983 and the underlying equipment has a realizable value of \$9,035.

(iii) Unsecured Creditors (\$14,659,629)

Unsecured creditors' claims as per the RATA total \$14,659,629. This amount is comprised of:

	\$
Trade creditors	1,052,387
Sponsorship creditors	3,771,760
Related parties	9,835,482
Total	14,659,629

(iv) Contingent Claims (Estimated at unknown)

The RATA details contingent claims of \$494,545 to the landlords of Sydney and Maroochydore for potential consequential loss on the premise leases. It is unlikely these claims will be determined for some time.

9.4 Deficiency/Potential Dividend

A dividend to preferential creditors will be largely dependent on the collection of accounts receivable. A dividend to unsecured creditors is unlikely unless recovery actions exist.

10 OTHER MATERIAL INFORMATION

10.1 Commercial Considerations/Funding

If the matter does proceed to liquidation and it was contemplated recovery action be considered against the current directors or related parties, in the first instance we would recommend the examination of directors and all relevant parties pursuant to section 596 of the Act. We estimate the cost of same would approximate not less than \$50,000 plus a similar amount in liquidator's remuneration. In the event that a decision was subsequently taken to pursue recoveries, legal fees (assuming matters would be defended) would be substantial. Given that, as per the RATA, related party claims represent more than 90 percent of all ordinary unsecured claims, we are of the view that the recovery actions detailed at Section 5 above are not commercially viable and do not recommend commencing recovery proceedings in the event of liquidation.

Creditors and any potential litigation funders would also need to consider the capacity of any party, against which proceedings may be contemplated, to pay in the event of a successful outcome. In that regard, refer to Section 10.2 hereunder.

Any creditor who would consider funding in connection with any possible recovery action should advise me of same in writing within seven days.

10.2 Director's Personal Financial Position

We have requested from Mr Brandon Evertz and Ms Sonia Thurston statements outlining their personal assets and liabilities. We have received unsigned statutory declarations from both directors which indicate minimal ability to meet any claim against them.

Property searches conducted Australia Wide on Mr Brandon Evertz and Ms Sonia Thurston disclose that Brandon Evertz owns a property in the locality of Blackheath. This property is subject to a mortgage and is likely to have minimal equity.

11 ADMINISTRATORS' RECOMMENDATION

The following options are available to creditors to decide pursuant to section 439C of the Act, being that:

- the Company execute the proposed DOCA;
- the administration should end; or
- the Company be wound up.

Our opinion on each option and the reasons for our opinion are set out in the following:

(a) The Company execute the proposed DOCA

The details of the proposed DOCA are outlined at **Section 8** above and detailed on **Annexure "4"**.

Should the Company proceed to liquidation employees are for the most part likely to receive a payment from FEG up to the caps provided, a dividend in excess of the caps and to FEG will largely be dependent of recovery of accounts receivable which in our opinion is unlikely. A dividend to ordinary unsecured creditors is unlikely.

The DOCA will allow continued employment for some employees, a dividend of 100 cents in the dollar to terminated employees and a dividend of approximately 3.4 cents in the dollar to unsecured creditors.

As the return to creditors in the proposed DOCA exceeds that expected under a liquidation, we are of the opinion, subject to the assumptions and qualifications hereunder, that it is in the creditors' interest that the Company execute the DOCA.

(b) The administration should end

The Company is insolvent. Consequently, we are of the opinion that it is not in the creditors' interest that the administration end.

(c) The company should be wound up

As a deed has been proposed which will provide a greater return to creditors than an immediate winding up of the Company, we are of the opinion that it is not in the creditors' interest that the Company be wound up.

(d) Recommendation

For the reasons given above we recommend that the Company execute the DOCA.

12 REMUNERATION/DISBURSEMENTS OF ADMINISTRATORS/LIQUIDATORS

As noted in our previous communication with creditors, we will be seeking approval of our remuneration for necessary work properly performed during the course of the administration to date. We will also be seeking creditor approval for remuneration to the completion of the voluntary administration period and remuneration as administrators of a deed of company arrangement.

Our remuneration has been calculated on a time basis in accordance with DW Advisory's rates of charge as attached to the Initial Remuneration Notice dated 23 March 2018, discounted by 20%. A Remuneration Approval Report is attached as **Annexure "6"**. The Remuneration Approval Report describes in detail the specific tasks undertaken in the administration to date as well as outlining the matters still remaining for which prospective remuneration is sought.

In summary, the remuneration for which approval is sought for the various stages:

(a) Voluntary Administration

Time cost at discounted rates to 15 June 2018 totalled \$98,754.20 plus GST and we have estimated further time cost at discounted rates of \$20,000.00 plus GST for the period from 16 June 2018 to the completion of the voluntary administration.

We propose to limit as remuneration as voluntary administrators to \$100,000.00 plus GST.

(b) Deed of Company Arrangement

Remuneration for the Deed of Company Arrangement period is estimated at \$40,000.00 plus GST.

(c) Liquidation

At the meeting of creditors, creditors may appoint a Committee of Inspection (“COI”). If appointed we will seek approval of our remuneration from time to time as liquidators by the COI failing which we will seek approval from creditors.

We are not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, we must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor’s consent for the payment of internal disbursements where there may be a profit or advantage. Creditors will be asked to approve our internal disbursements where there is a profit or advantage prior to these disbursements being paid from the administration.

We will be seeking creditor approval to pay our internal disbursements where there is an element of profit or advantage and in this instance approval of externally provided professional services of Hymans Valuers and Auctioneers. Details of these disbursements are also provided in the Remuneration Approval Report attached as **Annexure “6”**.

A summary of receipt and payment in the voluntary administration to 15 June 2018 is attached as **Annexure “7”**.

The Australian Restructuring Insolvency & Turnaround Association has issued an information sheet for creditors on approving remuneration of an external administrator. This information sheet is available for download from www.arita.com.au.

13 MEETING

A meeting of creditors has been convened for Tuesday, 26 June 2018 at McGrath Executive Suites, Level 5, 115 Pitt Street, Sydney NSW at 10.00am.

The principal purpose of this meeting is for creditors to vote on the future of the Company. Creditors should be aware that as incumbent administrators we will act as administrators of the deed of company arrangement or as liquidators, unless the creditors nominate and resolve to appoint another person to so act.

The notice of meeting, formal proof of debt form and a form of proxy are **attached** as Appendix “A” to covering letter entitled ‘Meeting of creditors to decide future of the company and report providing opinion’ which was sent to creditors and are also attached as **Annexure “8”** to this report. Creditors who wish to vote at the meeting and/or appoint a proxy should lodge these forms at our office by 5.00pm on Monday, 25 June 2018.

In the interim if creditors have any queries or wish to raise additional matters, please contact Mr Kevin Koo of our office in the first instance.


Anthony Elkerton
Joint Administrator

ANNEXURE “1”

Declaration of Independence, Relevant Relationships and Indemnities

Big Review TV Ltd (Administrators Appointed)
A.C.N. 164 025 129 ("the Company")

Practitioner/s appointed to an insolvent entity are required 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; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of ourselves, our partners and DW Advisory.

A. Independence

We, Anthony Wayne Elkerton and Cameron Hamish Gray of DW Advisory have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as voluntary 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 Adam Shepard, the director of the secured creditor, AS Capital Ventures Pty Ltd. We believe that this referral does not result in a conflict of interest or duty because:

- referrals from solicitors, business advisors and accountants are commonplace and do not impact on our independence in carrying out our duties as liquidators; and
- our appointment was not conditional upon any inducements, benefits or referral commissions which may restrict the proper discharge of our judgement and duties as liquidators.

Mr Gray and Mr Ronald Dean-Willcocks, also a principal of DW Advisory, first met with Mr Shepard in relation to the Company on 16 May 2018.

On 21 May 2018 Mr Elkerton and Mr Gray together with their legal advisor met with the directors of the Company, Mr Brandon Evertz and Ms Sonia Thurston and their legal advisors, former director of the Company, Mr Richard Evertz, Mr Andrew Corner, the Company's CFO, Nicholas Jordan and William Knowles, representatives of Big Un Ltd, the Company's holding company, and Mr Shepard.

Between the meetings of 16 May 2018 and 21 May 2018 Mr Elkerton had a couple of short telephone discussions with Mr Shepard and a few brief emails were exchanged with Mr Shepard.

The purpose of the meetings, telephone discussions and email correspondence was to:

- obtain background on the Company's affairs and financial position;
- provide an estimate of our costs to undertake the administration; and
- provide our consent to act.

We received no remuneration for this advice.

In our opinion, these meetings, telephone discussions and email correspondence does not affect our independence for the following reasons:

- We did not provide any advice to the directors, the Company or any other party prior to our appointment

We have provided no other information or advice to the Company or its directors and its advisors prior to our appointment beyond that outlined in this DIRRI.

ii. Relevant relationships (excluding professional services to the Insolvent)

Neither of us, nor our firm, have or have had within the preceding 24 months, any relationships 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.

For good order we note:

Mr Dean-Willcocks was in partnership with Mr Shepard from 2001 to 2008 and from 2011 to 2013.

Mr Elkerton was employed by the same firm as Mr Shepard from 1995 to 1997

Mr Gray was an employee of firms in which Mr Shepard was a partner from 2003 to 2008 and from 2011 to 2013.

Neither of us have had any business dealings with Mr Shepard for approximately five years and as such we believe that this relationship does not result in a conflict of interest or duty.

Mr Dean-Willcocks referred an individual he was advising to Mr Shepard in December 2016. Mr Shepard was subsequently appointed Trustee of the Bankrupt Estate. Mr Dean-Willcocks referred a company that he was advising to Mr Shepard, in his capacity as a Principal of Farnsworth Shepard, in November 2017. Mr Shepard was appointed Voluntary Administrator of the company and subsequently Deed Administrator. There was no financial inducement with respect to either party in respect to the referrals.

With the exception of the above Mr Dean-Willcocks has not had any business dealings with Mr Shepard for approximately 5 years and as such we believe that this relationship does not result in a conflict of interest or duty.

iii. Prior professional services to the Insolvent

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

iv. No other relevant relationships to disclose

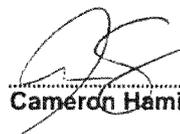
There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has security over the whole or 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 this 23rd day of May 2018


.....
Anthony Wayne Elkerton


.....
Cameron Hamish Gray

Note:

1. If circumstances change, or new information is identified, we are required under the Corporations Act 2001 and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.

2. Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.

ANNEXURE “2”

2 Assets and Liabilities

Date specified under the relevant section as the date of the report (see directions):

21/05/2018

2.1 Assets not specifically charged

	Valuation (net book amount) \$	Estimated Realisable Values \$
(a) interest in land as detailed in schedule A	0.00	0.00
(b) sundry debtors as detailed in schedule B	2,855,301.12	2,855,301.12
(c) cash on hand	0.00	0.00
(d) cash at bank	14,728.96	14,728.96
(e) stock as detailed in annexed inventory	0.00	0.00
(f) work in progress as detailed in annexed inventory	0.00	0.00
(g) plant and equipment as detailed in inventory	331,303.07	50,420.00
(h) other assets as detailed in schedule C	0.00	0.00
Sub total	3,201,333.15	2,920,450.08

ANNEXURE “3”

Creditor Information Sheet

Offences, Recoverable transactions and Insolvent Trading



Offences

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

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

Voidable Transactions

Preferences

A preference is a transaction such as a payment between the company and one or more of its creditors, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant time period is six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

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

Uncommercial Transaction

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

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

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation.

However, if a related entity is a party to the transaction, the time period is four years and if the intention of the transaction is to defeat creditors, the time period is ten years.

The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

Unfair Loan

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

Arrangements to avoid employee entitlements

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

Unreasonable payments to directors

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

Voidable charges

Certain charges are voidable by a liquidator:

- Circulating security interest created with six months of the liquidation unless it secures a subsequent advance;
- Unregistered charges; and
- Charges in favour of related parties who attempt to enforce the charge within 6 months of its creation.

Insolvent Trading

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

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

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

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

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

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

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

ANNEXURE “4”

BIG REVIEW TV LIMITED

A.C.N. 164 025 129

(ADMINISTRATORS APPOINTED) ("the Company")

PROPOSED RESOLUTION

"That the Company be required to execute within 15 business days a Deed of Company Arrangement ("**the Deed**") and any other necessary documentation and procure execution of any other necessary documentation from other parties, to the satisfaction of the Administrators, to give effect to the appointment of Mr Anthony Elkerton and Mr Cameron Gray as Deed Administrators including:-

1. Directors, Brandon Evertz and Sonia Thurston to covenant to use best endeavours to ensure the Deed obligations are satisfied including to collect accounts receivable to be paid to the Deed Fund.
2. All monies paid under the Deed to be held by the Deed Administrators on trust for the benefit of the Deed Administrators and participating creditors.
3. All creditors entitled to participate to accept their entitlements under the Deed in full settlement of all claims existing at the relevant date.
4. The control and stewardship of the Company will revert to the directors on execution of the Deed.
5. Deed Fund 1 will comprise of:
 - (i) the anticipated GST refunds for the quarters ended 30 September 2017, 31 December 2017 and 31 March 2018 ("**GST Refunds**"); and
 - (ii) accounts receivable at the date of execution of the DOCA.
6. Deed Fund 1 to be applied as follows:
 - (i) firstly, Voluntary Administrators' and Deed Administrators' disbursements estimated at \$30,000 (inc. GST) and trading deficiency estimated at \$275,000;
 - (ii) secondly, the remuneration of the Administrators, plus GST, in their capacity as voluntary administrators and deed administrators under the Deed calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 23 May 2018, plus GST, with the Deed Administrators being authorised to draw such remuneration, plus GST, from monies held by them to a limit of \$154,000.00 (inc. GST).
 - (iii) thirdly, payment of admitted employee creditors entitled to priority pursuant to Section 556 of the Corporations Act 2001 and subrogating employee creditors, if any, estimated at \$1,023,149;
 - (iv) fourthly, the fixed amount of \$100,000 representing approximately 3.4 cents in the dollar on admitted participating ordinary unsecured, partly-secured and contingent creditors' claims estimated at \$2,978,787 to be distributed pro-rata to participating ordinary unsecured and contingent creditors; and
 - (v) finally, any surplus to be paid to AS Capital Ventures Pty Ltd ("**ASCV**") on account of its residual claim against the Company.

It is envisaged continuing employees will be paid their annual leave entitlements in the ordinary course of business.

For the avoidance of doubt only employee entitlements that have crystallised and become due and payable before the effectuation of the Deed will be paid (either by the Company in the ordinary course of business or out of Deed Fund 1).

Should admitted participating ordinary unsecured creditors', partly-secured creditors' and contingent creditors' claims exceed \$2,978,787 the fixed amount of \$100,000 will not increase and distribution to this class of creditor will reduce accordingly. Conversely, should claims from this class of creditor decrease distribution will increase accordingly.

Ordinary unsecured creditors and contingent creditors to accept their entitlements out of the Deed Fund in full settlement of their claims.

7. The GST Refunds are to be paid from the Australian Taxation Office directly to Deed Fund 1.
8. Pre-appointment accounts receivables received by the Company must be paid to Deed Fund 1 weekly on a Friday until Deed Fund 1 is satisfied.
9. If these are insufficient recoveries from the GST Refunds and pre-appointment accounts receivable to satisfy the amounts detailed hereunder and any increase to the amount particularised at (i) to (v) in full within 18 months the Company will have 30 days to make a top-up contribution to satisfy the amounts in full.

	\$
(i) Administrators' remuneration (fixed) (incl. GST)	110,000
(ii) Deed Administrators' remuneration (fixed) (incl GST)	44,000
(iii) Administrator's and Deed Administrators disbursements (estimate) (incl GST)	30,000
(iv) Administrators' trading deficiency (estimate) (incl GST)	275,000
(v) Priority employee claims (estimate)	1,023,149
(vi) Participating ordinary unsecured, partly-secured and contingent creditors (fixed amount) (based on claims admitted by the directors of \$2,978,787 @ approx. 3.4c in \$)	100,000
Estimated Deed Fund 1	<u><u>1,582,149</u></u>

10. The Deed Administrators to retain cash at bank at the date of execution of the Deed to be applied to Deed Fund 1.
11. The Company's holding company, Big Un Limited ("**BIG**") has in its annual financial statements disclosed the existence of a Directors and Officers Insurance policy which would extend to the directors and officers of subsidiaries ("**D&O Policy**").

Further, BIG adopted a change of accounting policy from 1 July 2018. The accounting treatment adopted to 30 June 2017 was as advised by the Company's former accountants and "signed off" by its former and current auditors. If it was not open to the Company to adopt this accounting treatment and as a result the Company incurred a loss a claim may exist against the professional indemnity policies of those parties ("**Third Party Policies**").

The Company may have actions against various parties which may result in recoveries from the D&O Policy and Third Party Policies ("**Litigation**"). Any recoveries from the Litigation will comprise Deed Fund 2.

12. The Litigation to remain in the control of the Deed Administrators for the benefit of creditors. For the avoidance of doubt, the Deed Administrators shall have complete discretion in relation to the commencement, prosecution and settlement of the Litigation.
13. ASCV and/or the Company shall be entitled to fund the Deed Administrators in the Litigation, and to be reimbursed for any such funding prior to any distribution to creditors. If ASCV and the Company decline to fund the action, the Deed Administrators have the right to seek litigation funding from external parties or other creditors.
14. In the event ASCV fund the Deed Administrators in the Litigation, the Deed Administrators to keep ASCV fully informed of the progress of the Litigation.
15. Any recoveries (less costs) made as a consequence of the Litigation will be paid to the Deed Administrators for the purpose of Deed Fund 2.

16. Should the Deed Administrators decide not to pursue the Litigation, the Company shall be entitled to do so. For the avoidance of doubt, any recoveries (less reasonable costs as determined by the Deed Administrators) effected by the Company from the Litigation is to be paid to Deed Fund 2.
17. Deed Fund 2 to be applied as follows:
 - (i) firstly, in payment of the Deed Administrator's legal costs and disbursements, including GST;
 - (ii) secondly, the remuneration of the Administrators in their capacity as Deed Administrators under the Deed calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 23 May 2018, plus GST, with the Deed Administrators being authorised to draw such remuneration, plus GST, from monies held by them, up to an amount as approved by creditors, any committee of inspection or the Court;
 - (iii) thirdly, to ASCV for the balance of its claim if not already satisfied in full from Deed Fund 1;
 - (iv) fourthly, to admitted participating ordinary unsecured, partly-secured and contingent creditors' claims to be distributed pro-rata to participating ordinary unsecured and contingent creditors for the balance of their claims not satisfied from Deed Fund 1; and
 - (v) finally, the balance, if any, to be paid to the Company.
18. Employee creditors and subrogating employee creditors to accept their entitlements out of Deed Fund 1 or as paid in the ordinary course of business in full settlement of their claims.
19. Ordinary unsecured creditors and contingent creditors to accept their entitlements out of Deed Fund 1 and Deed Fund 2, if any, in full settlement of their claims.
20. Notwithstanding any other provision of this Deed, ASCV shall retain its security interest over the Company and specifically, without limitation, over the available causes of action that are or may be the subject of the Litigation on the following terms:
 - (i) ASCV shall only enforce its security if the Deed is terminated prior to its effectuation or if the Company commits a further event of default after the execution of the Deed;
 - (ii) provided that the Company does not commit any event of default after the execution of the Deed, ASCV shall limit its recourse in respect of the balance of its debt to recoveries that may be obtained from Deed Fund 2; and
 - (iii) ASCV otherwise preserves its rights under its security over the Company.
21. The Deed Administrators to have full access to all company records on an ongoing basis until satisfaction of all company obligations under the Deed and the Company to provide quarterly financial accounts to the Deed Administrators within one month of quarter end.
22. Until the Company has satisfied the terms of the Deed it will pay no pre-appointment creditors without the prior written consent of the Deed Administrators other than:
 - (i) employee claims in the ordinary course of business;
 - (ii) landlord for arrears of rental; and
 - (iii) lease and finance company creditors in respect of arrears, if any.
23. The Company and the directors to covenant to comply ongoing with relevant Occupational Health and Safety requirements.
24. BIG to covenant that the D&O Policy and any other policy that covers claims against the Company or its officers will be preserved.
25. Additional to any continuing indemnity under the Corporations Act the Company to indemnify the Administrators in respect of:

- (i) any warranty claims arising out of works carried out during the period of the administration;
 - (ii) any claims in relation to PPS interests including retention of title on stock; and
 - (iii) any claims in relation to compliance with relevant Occupational Health and Safety regulations.
26. Payments by the Company or other parties to the Deed Administrators under the Deed are not refundable. The Company will secure an undertaking to this effect from any third party who makes payment of any monies due under the Deed or ancillary documentation.
27. Until the Deed Administrators have certified in writing that the Company has satisfied all obligations under the Deed, the Company will not dispose of any assets other than in the ordinary course of business without the written consent of the Deed Administrators.
28. Claims of the following parties deferred in full until effectuation of the Deed ("**Deferred Creditors**") - their claims estimated as follows:
- | | \$ |
|---|--------------|
| Big Un Limited | 9,835,481.65 |
| Transglobal Holdings Capital LLC (" Transglobal ") | 1,845,360.00 |
29. The claim of Transglobal will be extinguished upon effectuation of the DOCA.
30. Additional to any powers of the Deed Administrators at law, if the Company is unable to comply with any of the fundamental provisions of the Deed including payment of monies due pursuant to the Deed including monies particularised at paragraph 9, and/or the Deed Administrators form the view that the Company is unlikely to be able to comply with the terms of the Deed, then the Deed Administrators be entitled to convene a meeting of the Company's creditors at which creditors may resolve to:
- (i) vary the Deed of Company Arrangement; or
 - (ii) terminate the Deed of Company Arrangement; or
 - (iii) terminate the Deed of Company Arrangement and wind up the Company appointing the Deed Administrators as its liquidators; or
 - (iv) enforce the terms of the Deed; or
 - (v) approve any other proposal permitted under the Corporations Act.
31. The Deed obligations will be deemed to be satisfied when all Deed Contributions have been paid and Deed obligations of all parties complied with to the satisfaction of the Deed Administrators together with payment of all monies due including inter alia payments required to satisfy any increase in the Deed Fund as a result of increases in trading losses and/or participating employee claims and/or the Deed Administrators' fees and/or internal disbursements or otherwise. Once Deed obligations are satisfied and the Deed Administrators have distributed the Deed Fund, the Deed Administrators will effectuate the Deed.
32. The directors to covenant to provide to the Deed Administrators all assistance they may require with respect to the affairs of the Company and this Deed, including without limitation notifying them in writing of any event that is likely to have a possible affect on the Company's, ability to pay any monies to the Deed Administrators under the Deed and/or that is likely to have a possible effect on the Company's ability to continue to trade.
33. If the Company fails to execute a Deed to the satisfaction of the Administrators within 15 business days then the Company be wound up and Mr Anthony Elkerton and Mr Cameron Gray will be appointed its liquidators".

Note: Contemporaneously with the execution of the DOCA, the Administrators will enter into an Intellectual Property (asset) Sale agreement (IP) with ASCV as Purchaser on terms acceptable to ASCV and the Administrators. The transaction will be by way of a Credit Bid and the purchase price payable under that IP Sale Agreement will be applied as a reduction to the debt owed to ASCV, firstly being applied to any unsecured debt and then the balance to be applied to the secured debt. ASCV will also contemporaneously and as a condition of the IP Sale Agreement enter into a licence agreement exclusively licensing the IP to Big Un Ltd and its subsidiaries to allow Big Un Ltd and its subsidiaries including the Company to trade in Australia.

ANNEXURE “5”

BIG REVIEW TV LTD
A.C.N. 164 025 129
(ADMINISTRATORS APPOINTED)

Schedule of Likely Recoveries on Liquidation/Under Proposed Deed of Company Arrangement ("Deed")

	ERV as per RATA	Realisations on Liquidation	Amount Satisfied out of Deed Fund 1	Amount Satisfied out of Deed Fund 2	Notes
Realisable Assets as per RATA					
Assets not subject to specific charge:					
Cash at Bank	14,729	-	-	-	1
Cash on Hand	-	-	-	-	
Sundry Debtors	2,855,301	664,394	2,000,000	-	2
DOCA Fund	-	-	-	Unknown	3
Total Realisable from Circulating Assets	2,870,030	664,394	2,000,000	Unknown	
Assets subject to specific charge:					
Plant & Equipment	50,420	Unknown			
Security Deposit	23,043,768	Unknown			
Video Content Library	Unknown	Unknown	30,000,000		4
Closed Customer Contracts	Unknown	Unknown			
Capitalised Development	Unknown	Unknown			
Deferred Tax Asset	Unknown	Unknown			
Less Amount Secured	(23,094,188)	Unknown	(30,000,000)		
Total Realisable from Non-Circulating Assets	-	Unknown	-	-	
Total Realisable	2,870,030	664,394	2,000,000	Unknown	
Less:					
Administrators' Remuneration - 21/05/2018 to 15/06/2018		98,754	98,754	-	*
Administrators' Remuneration - 16/06/2018 to completion of voluntary administration (estimate)		1,246	1,246	-	*
Administrators' Trading Deficiency		275,000	275,000	-	*
Administrators'/Liquidators' Disbursements (estimate)		30,000	27,273	Unknown	*
Liquidators'/Deed Administrators' Remuneration (estimate)		100,000	40,000	Unknown	*
Total	-	505,000	442,273	Unknown	
Amount Available for all Creditors	2,870,030	159,394	1,557,727	Unknown	
Less:					
Employee Entitlements					
Wages	886,300	357,953	357,953		
Superannuation	-	217,647	217,647		
Annual Leave	396,484	230,026	118,644		6
Payment in Lieu of Notice	-	495,922	220,860		6
Redundancy	-	405,635	108,045		6
Total Employee Claims	1,282,784	1,707,183	1,023,149	-	
Employee Claims Satisfied		9%	100%	N/A	
Amount Available for all Creditors	1,587,246	(1,547,789)	534,578	Unknown	
Balance owed to Secured Creditor	33,110,124	Unknown	434,578	Unknown	
Surplus/(Deficiency) for Unsecured Creditors	(31,522,878)	(1,547,789)	100,000	Unknown	
Unsecured Creditors as per RATA					
Partly Secured Creditors	14,133	14,133	-	-	7
Trade Creditors	1,052,387	1,052,387	1,052,387	1,052,387	
Sponsorship Creditors	3,771,760	3,771,760	1,926,400	1,926,400	8
Related Parties	9,835,482	9,835,482	-	-	8
Contingent Liabilities	494,545	494,545	-	-	
Participating Creditors	15,168,307	15,168,307	2,978,787	2,978,787	
Distribution to unsecured creditors (approx)		0%	3.4%	Unknown	

*Excluding GST

Notes:

- Cash at bank on appointment has been used in the Administrators' trading and forms part of the trading deficiency.
- For the purposes of this report, in the event of liquidation we have estimated recovery of GST refunds and no recoveries from trade debts and under the proposed Deed we have estimated recovery of the GST refunds and approximately 60% of trade debts.
- Recoveries, if any, from Deed Fund 2 are unable to be quantified at this stage.
- Refer to Sections 2.3 and 8 of the attached report to creditors for further information on the offer from AS Capital Ventures Pty Ltd to purchase all the assets and undertakings, excluding accounts receivable and GST refunds, of the Company.
- The difference in fees chargeable is an estimate of the additional fees to be incurred by a liquidator in respect of investigatory issues and recovery processes. Liquidator's fees are difficult to estimate but would not be less than \$100,000 plus GST.
- Under the proposed Deed annual leave, notice and redundancy of continuing employees would not crystallise.
- Under the proposed Deed the equipment lease entered into with Bank of Queensland would continue.
- Under the proposed Deed Transglobal Holdings Capital LLC and Big Un Limited have agreed to deferred their claims until effectuation of the Deed.

ANNEXURE “6”

Remuneration Approval Report

Big Review TV Ltd (Administrators Appointed) ACN 164 025 129 (the “Company”)

This remuneration approval report provides you with the information you need to be able to make an informed decision regarding the approval of our remuneration for undertaking the voluntary administration of the Company and, if appointed, as deed administrators.

This report has the following information included:

Part 1: Declaration	1
Part 2: Executive Summary	2
Part 3: Remuneration	3
3.1 Remuneration claim resolutions.....	3
3.2 Details of remuneration.....	3
3.3 Total remuneration reconciliation.....	7
3.4 Likely impact on dividends.....	7
Part 4: Disbursements	7
4.1 Future basis of internal disbursements.....	8
4.2 Externally provided professional services.....	8
Part 5: Report on Progress of the Administration	9
Part 6: Summary of Receipts and Payments	9
Part 7: Queries	9
Schedule 1 – Resolution 1 Table of major tasks for remuneration	10
Schedule 2 – Resolution 2 Table of major tasks for remuneration	13
Schedule 3 – Resolution 3 Table of major tasks for remuneration	15

What do you need to do next?

You should read this report and the other documentation that we have sent you and then attend the meeting of creditors in order to voice your opinion by casting your vote on the resolutions put to the meeting. The meeting will also give you an opportunity to ask any questions that you may have.

Alternatively, you are also able to appoint a representative to attend on your behalf by lodging a proxy form. Lodging a specific proxy form allows you to specify how your proxy must vote. Lodging a general proxy form allows your representative to choose how your vote is exercised.

Information about the meeting of creditors is provided in the attached report to creditors.

If you have any questions or need any assistance, please contact Mr Kevin Koo on 02 9234 0459 or via email on kevin@dwadvisory.com.au.

Part 1: Declaration

Mr Cameron Gray and I, Mr Anthony Elkerton of DW Advisory have undertaken a proper assessment of this remuneration claim for our appointment as joint and several administrators of the Company and as deed administrators, if 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.

Part 2: Executive Summary

The total remuneration for our appointment as voluntary administrators is estimated to be \$100,000.00 (excluding GST). This has increased compared to our previous estimate because of:

- The amount of creditor involvement in the administration.
- IT issues that arose during the administration
- Trading in the USA

Remuneration currently claimed is summarised below:

Period	Report Reference	Amount (ex GST)
Current remuneration claim:		
Voluntary Administration		
Resolution 1: 21 May 2018 to 15 June 2018	3.2, Sch 1	\$98,754.20
Resolution 2: 16 June 2018 to completion of voluntary administration*	3.2, Sch 2	\$1,245.80
Total – Voluntary Administration		\$100,000.00
DOCA		
Resolution 3: Execution to completion of DOCA*	3.2, Sch 3	\$40,000.00
Total – DOCA		\$40,000.00
TOTAL remuneration claimed		\$140,000.00
* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.		

Internal and external disbursements currently claimed are summarised below:

Period	Report Reference	Amount (ex GST)
Current internal disbursements claim:		
Voluntary Administration		
Resolution 1: 21 May 2018 to completion of the voluntary administration*	4.1	\$5,000.00
Resolution 2: Externally Provided Professional Services - Hymans Valuers & Auctioneers	4.2	\$4,354.19
Total – Voluntary Administration*		\$9,354.19
DOCA		
Resolution 3: Execution to completion of the DOCA*	4.1	\$5,000.00
Total – DOCA*		\$5,000.00
TOTAL internal and external disbursements claimed		\$14,354.19
* Approval for the future internal disbursements sought is based on an estimate of the internal disbursements necessary to the completion of the administration. Should additional disbursements be necessary beyond what is contemplated, further approval may be sought from creditors.		

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

Part 3: Remuneration

3.1 Remuneration claim resolutions

We will be seeking approval of the following resolutions to approve our remuneration. Details to support these resolutions are included in Section 3.2 and in the attached Schedules.

Voluntary Administration

Resolution 1 from 21 May 2018 to 15 June 2018

That the remuneration of the Administrators for the period from 21 May 2018 to 15 June 2018, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 23 May 2018 discounted by 20% is determined in the sum of \$98,754.20 plus GST of \$9,875.42 and the Administrators are authorised to draw such remuneration as required.

Resolution 2 from 16 June 2018 to completion of the voluntary administration

That the remuneration of the Administrators from 16 June 2018 to the completion of the voluntary administration is determined at a sum equal to the cost of time spent by the Administrators and their staff and contractors, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 23 May 2018 discounted by 20%, to a limit of \$1,245.80 plus GST of \$124.58 payable as and when incurred, without limiting the right to approach creditors or the Court to approve further remuneration.

Deed of Company Arrangement

Resolution 3 from execution to the completion of the DOCA

Should the company execute a deed of company arrangement, that the remuneration of the deed administrators from the execution of the deed of company arrangement to completion is determined at a sum equal to the cost of time spent by the deed administrators and their staff and contractors, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 23 May 2018 discounted by 20%, to a limit of \$40,000.00 plus GST of \$4,000.00, payable as and when incurred.

3.2 Details of remuneration

The basis of calculating the remuneration claims are summarised below and the details of the major tasks performed and to be performed and the costs associated with each of those major tasks are contained in Schedules 1 to 4.

A large proportion of work has been performed by the principals Anthony Elkerton and Cameron Gray. In the ordinary course some of this work may have been able to be performed by a Manager level employee. We have determined that is appropriate that 50% of the work performed by the Principals be charged at Manager level rates.

Resolution 1 from 21 May 2018 to 15 June 2018

The below table sets out time charged to each major task area by staff members working on the voluntary administration for the period 21 May 2018 to 15 June 2018 which is the basis of the Resolution 1 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule 1.

Employee	Position	\$/hour (ex GST)	Total Actual Hours	Total \$	Task Area											
					Assets		Creditors		Employees		Investigation		Trade On		Administration	
					hrs	\$	hrs	\$	hrs	\$	hrs	\$	hrs	\$	hrs	\$
Anthony Elkerton	Appointee (Principal) Manager 2	595 400	39.15 39.15	38,954.25	6.50	3,233.75	33.50	16,666.25	9.00	4,477.50	9.10	4,527.25	7.10	3,532.25	13.10	6,517.25
Cameron Gray	Appointee (Principal) Manager 2	595 400	51.30 51.30	51,043.50	30.40	15,124.00	13.70	6,815.75	8.90	4,427.75	2.60	1,293.50	37.10	18,457.25	9.90	4,925.25
Adam Dagher	Intermediate 2	200	16.40	3,280.00	1.10	220.00	2.10	420.00	-	-	0.20	40.00	-	-	13.00	2,600.00
Richard Dodaro	Intermediate 2	200	5.20	1,040.00	16.15	3,230.00	47.20	9,440.00	25.70	5,140.00	6.60	1,320.00	9.65	1,930.00	18.75	3,750.00
Kevin Koo	Intermediate 2	200	124.05	24,810.00	3.50	700.00	47.20	9,440.00	25.70	5,140.00	6.60	1,320.00	9.65	1,930.00	18.75	3,750.00
Mary Elson	Secretary	200	0.20	40.00											0.20	40.00
Coralie Heaney	Clerk	125	21.40	2,675.00											21.40	2,675.00
Sarah Read	Receptionist	125	12.80	1,600.00			6.50	812.50							6.30	787.50
Sub Total			360.95	123,442.75	54.15	21,807.75	106.50	34,854.50	43.60	14,045.25	19.10	7,300.75	53.85	23,919.50	83.75	21,515.00
Less 20% Discount				(24,688.55)												
Total				98,754.20												
GST				9,875.42												
TOTAL (including GST)				108,629.62												
Average Hourly Rate (GST Exclusive)					403		327		322		382		444		257	

Resolution 2 from 16 June 2018 to completion of the voluntary administration

The below table sets out estimated time to be charged to each major task area in the voluntary administration for the period 16 June 2018 to completion of the voluntary administration which is the basis of the Resolution 2 claim. More detailed descriptions of the tasks to be performed within each task area, matching the amounts below, are contained in Schedule 2.

	Total \$	Task Area			
		Assets \$	Creditors \$	Trade On \$	Administration \$
Sub total	25,000.00	6,250.00	12,500.00	3,750.00	2,500.00
Less 20% Discount	(5,000.00)				
Total	20,000.00				
GST	2,000.00				
Total (including GST)	22,000.00				

We estimate an amount of at least \$20,000.00 plus GST in time cost for the period from 16 June 2018 to the completion of the voluntary administration. Notwithstanding the above estimate, at the forthcoming meeting of creditors to be held on Tuesday, 26 June 2018, we will be seeking a resolution from creditors for the above period to a capped amount of \$1,245.80 plus GST only.

Resolution 3 from execution to the completion of the DOCA

The below table sets out estimated time to be charged to each major task area in the administration of the DOCA for the period from execution of the DOCA to its completion which is the basis of the Resolution 3 claim. More detailed descriptions of the tasks to be performed within each task area, matching the amounts below, are contained in Schedule 3.

	Total	Task Area					
		Assets	Creditors	Employees	Trade On	Dividend	Administration
Sub total	\$ 50,000.00	\$ 10,500.00	\$ 3,500.00	\$ 3,500.00	\$ 7,000.00	\$ 18,500.00	\$ 7,000.00
Less 20% Discount	(10,000.00)						
Total	40,000.00						
GST	4,000.00						
Total (including GST)	44,000.00						

3.3 Total remuneration reconciliation

At this point in time we estimate that the total remuneration for our appointment as:

- Voluntary Administrators will be \$100,000.00 exclusive of GST
- Deed Administrators will be to a limit of \$40,000.00 exclusive of GST.

Our remuneration claim as voluntary administrators differs to the estimate of costs provided in the Initial Remuneration Notice dated 23 May 2018, which estimated a cost of the voluntary administration of approximately \$80,000.00 (excluding GST), for the following reasons:

- Continued trading of the Company's business
- The amount of creditor involvement in the administration
- IT issues that arose during the administration
- Trading in the USA

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

3.4 Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the administrators/liquidators to be paid in priority to other claims. This ensures that when there are sufficient funds, the administrators/liquidators receive payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

Any dividend to creditors will also be impacted by the amount of assets that we are able to recover and the amount of creditor claims that are admitted to participate in any dividend, including any claims by priority creditors such as employees.

Based on:

- realisations to date;
- estimated future realisations;
- our estimated remuneration to complete the voluntary administration and the administration of the DOCA or liquidation; and
- the estimated total of creditor claims based on the Company's records and claims lodged now,

in the event the Company executes the DOCA as proposed, we anticipate a dividend of 100 cents in the dollar to employees in respect of their priority claims and a dividend of approximately 3.4 cents in the dollar to ordinary unsecured creditors.

The above estimates are subject to a range of variables, particularly the future realisations and creditor claims (refer to our further comments in respect to these estimates in the attached report to creditors).

Part 4: Disbursements

Disbursements are divided into three types:

- **Externally provided professional services** - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.

- **Externally provided non-professional costs** - these are recovered at cost. Examples of externally provided non-professional costs are travel, accommodation and search fees.
- **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. Details of the basis of recovery of each of these costs is discussed below.

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

We will be seeking creditor approval to pay our internal disbursements where there is an element of profit or advantage.

4.1 Future basis of internal disbursements

Future disbursements provided by our firm will be charged to the administration on the following basis:

Disbursements	Rate (Excl GST)
Advertising	At Cost
Courier	At Cost
Faxes	
Local	\$1.00 per page
National	\$1.50 per page
Photocopying & binding	\$0.60 per page
Postage	At Cost
Printing	
Internal	\$0.60 per page
External	At Cost
Searches	At Cost
Stationery	At Cost
Storage	At Cost
Telephone	Cost + 40%
Travel	
Taxis	At Cost
Motor vehicle mileage (if any)	ATO standard rate per km

Rates applicable for financial year ending 30 June 2018.

Internal disbursements where there is an element of profit or advantage must now have creditor approval pursuant to the Act.

At the upcoming meeting of creditors convened for Tuesday, 26 June 2018 we will be seeking creditor approval for payment of our internal disbursements at the above rates where there may be an element of profit or advantage as follows:

- As voluntary administrators for the period from 21 May 2018 to the completion of the voluntary administration to a capped amount of \$5,000.00 excluding GST.
- As deed administrators, if appointed, for the period from execution of the DOCA to its completion to a capped amount of \$5,000.00 excluding GST.

4.2 Externally provided professional services

Externally provided professional services where a profit may be derived either directly or indirectly by an entity related with an appointee from services provided must now have creditor approval pursuant to the Act.

For good order we note that the son of one of our partners, Mr Ronald Dean-Willcocks, is a senior valuer at Hymans Valuers and Auctioneers.

Disbursements relating to externally provided professional services for which we are seeking approval are as follows:

Disbursements Claimed	Nature	Basis	Total (Excl GST) (\$)
External Disbursements			
Hymans Valuers and Auctioneers	Valuation services	At cost	4,354.19
Total			4,354.19

Part 5: Report on Progress of the Administration

Please refer to the **attached** Administrators' Report for an update on the progress of the administration.

Part 6: Summary of Receipts and Payments

A summary of the receipts and payments for the period 21 May 2018 to 15 June 2018 is attached as Annexure "7" to the Administrators' Report dated 18 June 2018.

Part 7: Queries

If you have any queries in relation to the information in this report, please contact our staff:

Contact Name: Kevin Koo
Contact Number: 02 9234 0459
Email: kevin@dwadvisory.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").

Yours faithfully,


Anthony Elkerton
Joint Voluntary Administrator
Big Review TV Ltd (Administrators Appointed)

Schedule 1 – Resolution 1 Table of major tasks for remuneration

The below table provides a description of the work undertaken in the voluntary administration in each major task area for the period 21 May 2018 to 15 June 2018.

Task Area	General Description	Includes
Assets [\$21,807.75]	Cash at Bank	Issue letters to all major financial institutions to freeze all bank accounts in the name of the Company Liaise with financial controller in relation to cash at bank on appointment Correspondence with National Australia Bank in relation to the Company's pre-appointment bank accounts Tasks associated with realising cash at bank on appointment Preparation of schedule detailing all Company bank accounts and their balances
	Debtors	Liaise with financial controller in relation to pre-appointment debtors of the Company Preparation of schedule detailing trade debtor and amount owing to the Company Liaise with debtor
	Land and Building	Issue notices to company landlords advising of the administrators' intention to not exercise property rights. Prepare Forms 549B Liaise with landlords in respect of pre-appointment lease agreements.
	Plant and Equipment	Liaise with financial controller in relation to asset listing Liaise with our valuer Review Roads and Maritime Services search Review valuation and liaise with our valuer in relation to same
	Sale of Business/Assets	Attend to initial calls from interested parties Preparation of confidentiality deed Prepare initial email to interested parties Compile information requested by interested parties Liaise with staff in relation to information provided Liaise with interested parties in respect of further information requested Liaise with our solicitors regarding possible sale Consider offers received and communicate with offerors Liaise with our solicitors regarding sale agreement Liaise and meet with representatives for shareholder of related entity
	Other Assets	Reviewing company records to determine any other company assets Liaise with independent IT specialist in respect to security of company software and applications. Conduct trade mark search Conduct domain name search Conduct patent search
Creditors [\$34,854.50]	PPSR Registrations	Retrieve PPSR searches Prepare correspondence to holders of security interests Review and consider responses received
	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Creditor Reports	Prepare circular to creditors convening first meeting of creditors Prepare correspondence to statutory bodies and utilities advising of appointment

Task Area	General Description	Includes
		Prepare Declaration of Independence Relevant Relationships and Indemnities Part prepare report to creditors pursuant to Insolvency Practice Rule ("IPR") 75-225 including our investigation Prepare DOCA proposal Liaise with directors and secured creditor in relation to DOCA proposal Internal discussions in relation to DOCA proposal Prepare statement of opinion and notice of second meeting
	Meeting of Creditors	Prepare meeting notices and proxy forms and notice to be published on Australian Securities & Investments Commission ("ASIC") Insolvency Notices Forward notice of meeting to all known creditors Prepare meeting file, including attendance register, list of creditors, circular to creditors, draft Report as to Affairs and draft minutes of meeting Review and consider claims of creditors voting at the meeting Attend s436E meeting of creditors Finalise and lodge minutes of meeting with ASIC
	Dealing with Proofs of Debt	Review and filing of any proofs of debt received
Employees [\$14,045.25]	Employee Enquiries/Correspondence	Receive and follow up employee enquiries via telephone Review and prepare correspondence to employees regarding their employee entitlements Giving notice of termination to employees Prepare employee separation certificates
	Calculation of Employee Entitlements	Review employee files and company's books and records Reconciling superannuation accounts Reviewing awards/contracts of employment Liaising and meeting with our solicitors in relation to obtaining advice on correct calculation of employee entitlements Review and consider advice received from our solicitors Calculating employee entitlements following advice from our solicitors Liaising with payroll officer
Investigation [\$7,300.75]	Books and Records	Issue demands to the Company's external accounts and lawyers for records of the Company Liaise with the Company's external accountant
	Conducting Investigation	Review company books and records Review Questionnaires for Directors and Officers Review company history and background and prepare summary of same Conduct and summarise statutory searches Review management accounts and prepare summary of same Analysis of management accounts Review transactions with related parties during the last four years Consider possible offences and voidable transactions Consider date of insolvency and possibility of insolvent trading Review specific transactions and liaise with the director and financial controller regarding certain transactions
Trade On [\$23,919.50]	Trade On Management	Liaising with the directors and staff Liaising with landlords Liaising with customers as necessary Maintaining commitment schedule Reviewing and paying weekly payroll Preparing and authorising receipt vouchers Preparing and authorising payment vouchers

Task Area	General Description	Includes
	Processing Receipts and Payments	Entering receipt and payments into accounting system
	Budgeting & Financial Reporting	Reviewing company management accounts Liaising and meetings with the director and management to discuss trading position. Ongoing assessment of staffing requirements
Administration [\$21,515.00]	Correspondence	Prepare correspondence to the directors Prepare miscellaneous correspondence
	Document Maintenance	Filing of documents Prepare new client advice form Consider timetable of events
	Insurance	Notification of appointment Consider ongoing insurance requirements Correspondence with insurance broker regarding initial and ongoing insurance requirements
	Bank Account Administration	Prepare correspondence regarding opening of bank accounts Bank account reconciliations Prepare cash receipt and cheque requisition vouchers Cashbook maintenance
	ASIC Form 524 and Other Forms	Prepare and lodge ASIC forms including Form 505, Form 531 and Form 5011
	ATO & Other Statutory Reporting	Notification of appointment
	Planning / Review	Discussions regarding status of administration including in relation to trade on, asset recoveries and asset sale
	Books and Records	Prepare demands for books and records Request assistance from ASIC in respect to directors' failure to provide RATA Collect books and records from company offices
Total \$123,442.75 plus GST		
Less 20%: \$98,754.20 plus GST		

Schedule 2 – Resolution 2 Table of major tasks for remuneration

The below table provides a description of the work to be undertaken in the voluntary administration in each major task area for the period 16 June 2018 to the completion of the voluntary administration.

Task Area	General Description	Includes
Assets [\$6,250.00]	Debtors	Tasks associated with recovering pre-appointment debtor including liaising with debtor
	Sale of Assets	Continue with sale of assets including: <ul style="list-style-type: none"> – Liaise with purchaser and their solicitor – Liaise with representatives for shareholder of related entity – Finalise terms of sale agreement with purchaser
Creditors [\$12,500.00]	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Review correspondence received from creditors
	Creditor Reports	Finalise report to creditors pursuant to IPR 75-225 and accompanying documents including: <ul style="list-style-type: none"> – DOCA proposal – Administrators’ Opinion – Schedule of likely recoveries – Remuneration Approval Report
	Meeting of Creditors	Prepare second meeting notices and proxy form Prepare notice of meeting on ASIC Insolvency Notices Forward notice of meeting to all known creditors Prepare meeting file, including attendance register, list of creditors, circular to creditors, Report as to Affairs and draft minutes of meeting Review and consider claims of creditors voting at the second meeting Attend 439A meeting of creditors Finalise and lodge minutes of meeting with ASIC
Trade On [\$3,750.00]	Trade On Management	Liaise with suppliers Liaise with the directors Maintain commitment schedule Prepare and authorise receipt vouchers Prepare and authorise payment vouchers Finalise supplier accounts Tasks associated with cancelling utilities and closing supplier accounts
	Processing Receipts and Payments	Entering receipt and payments into accounting system
	Budgeting & Financial Reporting	Ongoing assessment of staffing requirements
Administration [\$2,500.00]	Correspondence	Prepare miscellaneous correspondence
	Document maintenance/file review/checklist	Filing of documents
	Bank Account Administration	Bank account reconciliations Prepare of cash receipt vouchers and payment vouchers Cashbook maintenance
	Planning / review	Discussions regarding status of administration including in relation to DOCA

Task Area	General Description	Includes
	ASIC Reporting	Preparation and lodgement of report pursuant to section 438D of the Act with ASIC
Total \$25,000.00 plus GST		
Less 20%: \$20,000.00 plus GST		

We estimate an amount of at least \$25,000.00 plus GST in time cost for the period from 16 June 2018 to the completion of the voluntary administration. Notwithstanding the above estimate, at the forthcoming meeting of creditors to be held on Tuesday, 26 June 2018, we will be seeking a resolution from creditors for the above period to a capped amount of \$1,245.80 plus GST only.

Schedule 3 – Resolution 3 Table of major tasks for remuneration

The below table provides a description of the work to be undertaken in the administration of the DOCA in each major task area for the period from execution of the DOCA to its completion.

Task Area	General Description	Includes
Assets [\$10,500.00]	Sale of Assets	Continue with sale of assets including: <ul style="list-style-type: none"> - Finalise sale agreement - Liaise with purchaser and their solicitor - Attend to settlement - Attend to transfer of assets
Creditors [\$3,500.00]	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Review correspondence received from creditors
	DOCA	Liaise with our solicitors in relation to DOCA Finalise DOCA Attend to signing of DOCA with directors
	Dealing with Proofs of Debt	Review and filing of any proofs of debts received
	Meeting of Creditors	Prepare and lodge minutes of meetings with ASIC
Employees [\$3,500.00]	Employees Enquiry	Receive and follow up employee enquiries via telephone Review and prepare correspondence to employees regarding their employee entitlements
	Calculation of Employee Entitlements	Finalise calculation of employee entitlement prior to distribution
Trade On [\$7,000.00]	Trade on Management	Liaise with suppliers Prepare correspondence to suppliers Liaise with the directors Prepare and authorise payment vouchers Prepare and authorise receipt vouchers Maintain and finalise commitment schedule Finalise supplier accounts Liaise with superannuation funds regarding contributions Liaise with OSR regarding payroll tax issues Issue PAYG payment summaries to employees
	Processing Receipts and Payments	Enter receipts and payments into accounting system
Dividend [\$18,500.00]	Processing Proofs of Debt (“POD”)	Prepare correspondence to potential creditors inviting lodgement of POD and advertising of same Receipt of PODs Maintain POD register Adjudication of PODs received Request further information from claimants regarding POD Prepare correspondence to claimant advising outcome of adjudication

Task Area	General Description	Includes
	Dividend Procedures	Prepare correspondence to creditors advising of intention to declare dividend Advertisement of intention to declare dividend Prepare dividend calculation Prepare correspondence to creditors announcing declaration of dividend Advertise announcement of dividend Prepare distribution Prepare dividend file Prepare payment vouchers to pay dividend Prepare correspondence to creditors enclosing payment of dividend
Administration [\$7,000.00]	Correspondence	Prepare correspondence to the directors Prepare miscellaneous correspondence
	Document Maintenance/File Review/Checklist	Quarterly administration reviews Filing of documents Updating checklists
	Bank Account Administration	Prepare correspondence regarding closing of bank accounts Bank account reconciliations Prepare cash receipt and cheque requisition vouchers Cashbook maintenance
	ASIC Form 524 and Other Forms	Prepare and lodge ASIC forms including Forms 505, 509D, 5011, etc Correspondence with ASIC regarding statutory forms
	ATO & Other Statutory Reporting	Notification of appointment as deed administrators Preparing BAS' Notification of any GST adjustments
	Finalisation	Cancelling ABN and GST registration Completing checklists Finalising WIP
	Planning / Review	Discussions regarding status of administration
	Books and Records / Storage	Sending job files to storage
Total \$50,000.00 plus GST		
Less 20%: Total \$40,000.00 plus GST		

ANNEXURE “7”

BIG REVIEW TV LTD
A.C.N. 164 025 129
(ADMINISTRATORS APPOINTED)

Summary of Receipts and Payments for the Period
21 May 2018 to 15 June 2018

AUD	(\$)
RECEIPTS	
Accounts Receivable	81,103.92
Administration Funding	100,000.00
Cash at Bank on Appointment	5,904.77
Interest Income	0.42
Sales	7,298.42
Transfer Between Accounts	19,559.99
	<hr/>
TOTAL RECEIPTS	213,867.52
PAYMENTS	
Advertising	(1,945.00)
Bank Charges	(16,930.72)
Consultant Fees	(51,581.73)
Legal Fees	(1,563.10)
Merchant Fees	(627.44)
PAYG Control (Trading): PAYG Withheld	13,250.00
Rent & Rates	(2,464.04)
Wages & Salaries	(103,197.63)
	<hr/>
TOTAL PAYMENTS	(165,059.66)
CASH AT BANK AS AT 15 JUNE 2018	<hr/> 48,807.86 <hr/>
USD	
(\$)	
RECEIPTS	
Accounts Receivable	10,454.09
Cash at Bank on Appointment	4,262.50
Reversals	9,287.76
Sales	450.00
	<hr/>
TOTAL RECEIPTS	24,454.35
PAYMENTS	
Credit Card Charge Back	(1,000.00)
Reversals	(9,287.76)
Transfer Between Accounts	(13,461.59)
	<hr/>
TOTAL PAYMENTS	(23,749.35)
CASH AT BANK AS AT 15 JUNE 2018	<hr/> 705.00 <hr/>

CAD	(\$)
RECEIPTS	
Cash at Bank on Appointment	606.42
Reversals	<u>249.00</u>
TOTAL RECEIPTS	855.42
PAYMENTS	
Transfer Between Accounts	(606.42)
Reversals	<u>(249.00)</u>
TOTAL PAYMENTS	(855.42)
CASH AT BANK AS AT 15 JUNE 2018	<u><u>-</u></u>

GBP	(\$)
RECEIPTS	
Cash at Bank on Appointment	<u>1,071.11</u>
TOTAL RECEIPTS	1,071.11
PAYMENTS	
Transfer Between Accounts	<u>(1,071.11)</u>
TOTAL PAYMENTS	(1,071.11)
CASH AT BANK AS AT 15 JUNE 2018	<u><u>-</u></u>

NZD	(\$)
RECEIPTS	
Cash at Bank on Appointment	<u>5.28</u>
TOTAL RECEIPTS	5.28
PAYMENTS	
Transfer Between Accounts	<u>(5.28)</u>
TOTAL PAYMENTS	(5.28)
CASH AT BANK AS AT 15 JUNE 2018	<u><u>-</u></u>

ANNEXURE “8”

NOTICE OF MEETING OF CREDITORS OF COMPANY

Big Review TV Ltd (Administrators Appointed) ACN 164 025 129 (the "Company")

On 21 May 2018 the company under section 436A appointed Mr Anthony Elkerton and Mr Cameron Hamish Gray of DW Advisory, Level 2, 32 Martin Place, Sydney NSW 2000 as the joint and several voluntary administrators of the Company.

Notice is given that a meeting of the creditors of the Company will be held as follows:

Date: 26 June 2018
Time: 10:00am
Address: McGrath Executive Suites, Level 5, 115 Pitt Street, Sydney NSW 2000

Agenda

The purpose of the meeting is to:

- Consider the voluntary administrators' report and statement and any other matters raised relating to the Company's future and then to resolve either that:
 - a) the Company execute a deed of company arrangement; or
 - b) the administration should end; or
 - c) the Company be wound up; or
 - d) the meeting be adjourned.
- Consider and if thought fit determine the Administrators' remuneration internal and external disbursements.
- If the Company executes a deed of company arrangement:
 - a) to determine the remuneration and internal disbursements of the Deed Administrators; and
 - b) to consider the appointment of a Committee of Inspection.
- If the Company is wound up:
 - a) to consider the appointment of a Committee of Inspection; and
 - b) to consider authorising the Liquidators to dispose of the books and records of the Company after finalisation, subject to obtaining ASIC approval.
- To discuss any other relevant business which may arise.

Attending and voting at the meeting

Creditors are invited to attend the meeting, however they are not entitled to participate and vote at a meeting unless:

- **Proof of debt:** They have lodged with the voluntary administrators particulars of the debt or claim and the claim has been admitted, wholly or in part, by voluntary administrators. If a proof of debt has already been lodged, they do not need to do so again. Refer to Note 1 for further guidance on entitlement to vote.
- **Proxies or attendance:** They are either present in person or by electronic facilities (if being made available) or validly represented by proxy, attorney or an authorised person under s250D of the Corporations Act 2001 ("**the Act**"). If a corporate creditor or represented, a proxy form, power of attorney or evidence of appointment of a company representative pursuant to Section 250D of the Act must be validly completed and provided to the voluntary administrators at or before the meeting.

A proxy is only valid for a particular meeting and will need to be resubmitted even if previously provided.

To enable sufficient time to review, proofs of debt and proxies (or document authorising the representation) should be submitted to Kevin Koo on kevin@dwadvisory.com.au or DW Advisory, GPO Box 7021, Sydney NSW 2001 by no later than 5.00pm on 25 June 2018. If you choose to return these documents, please allow sufficient time for the documents to be received prior to the due date.

Electronic facilities

Telephone conference facilities are available.

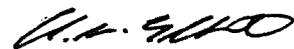
- a) The telephone conference number is **1800 064 278** for within Australia, **0800 731 9097** within the UK and **1888 857 9107** within the US (please note you will need to key the participant password **20310942** when prompted).
- b) A creditor who wishes to participate in the meeting by telephone must give the administrators, not later than the second-last working day before the day on which the meeting is to be held, a written statement setting out:
 - i) the name of the creditor;
 - ii) an address to which notices to the creditor may be sent;
 - iii) a telephone number at which the creditor may be contacted; and
 - iv) any facsimile transmission number to which notices to the creditor may be sent.
- c) A creditor, or the proxy or attorney of a creditor, who participates in the meeting by telephone must pay any costs incurred by the creditor, proxy or attorney in participating and is not entitled to be reimbursed for those costs from the assets of the company.

Any creditor wishing to participate in the meeting by telephone must advise our office of the details requested above by no later than 5.00pm on Friday, 22 June 2018.

Should creditors have any queries please contact Kevin Koo of this office by email kevin@dwadvisory.com.au or telephone (02) 9234 0459.

Dated this 18th day of June 2018

Yours faithfully



Anthony Elkerton
Joint Administrator
Big Review TV Ltd (Administrators Appointed)

Appointment Date: 21 May 2018
Contact Name: Kevin Koo
Contact Number: 02 9234 0459
Email: kevin@dwadvisory.com.au

Note 1: Entitlement to vote and completing proofs

IPR (Corp) 75 85 Entitlement to vote at meetings of creditors

- (1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- (3) A person is not entitled to vote as a creditor at a meeting of creditors unless:
 - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
 - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - (i) those particulars; or
 - (ii) if required—a formal proof of the debt or claim.

- (4) A creditor must not vote in respect of:
- (a) an unliquidated debt; or
 - (b) a contingent debt; or
 - (c) an unliquidated or a contingent claim; or
 - (d) a debt the value of which is not established; unless a just estimate of its value has been made.
- (5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
- (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
 - (b) estimate its value;
 - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
- (6) A person is covered by this subsection if:
- (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
 - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
 - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

APPOINTMENT OF PROXY

Big Review TV Ltd (Administrators Appointed)
ACN 164 025 129 (the "Company")

I/We

of

a creditor of the abovenamed company hereby appoint

or, in his or her absence

as my/our *general/*special proxy to vote at the meeting of creditors to be held on Tuesday, 26 June 2018 at 10.00am or at any adjournment of that meeting.

*(i) This proxy is to be used as a **general proxy** to vote on all matters arising at the meeting (including the appointment of the proxy holder as a member of any Committee of Inspection).

OR

*(ii) This proxy is to be used as a **special proxy** to vote on the following resolutions as specified.

1(a) $\frac{\textit{for}^*}{\textit{against}^*}$ That the Company execute a deed of company arrangement;

OR

1(b) $\frac{\textit{for}^*}{\textit{against}^*}$ That the administration end;

OR

1(c) $\frac{\textit{for}^*}{\textit{against}^*}$ That the Company be wound up;

OR

1(d) $\frac{\textit{for}^*}{\textit{against}^*}$ That the meeting be adjourned.

2 $\frac{\textit{for}^*}{\textit{against}^*}$ That the remuneration of the Administrators for the period from 21 May 2018 to 15 June 2018, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 23 May 2018 discounted by 20% is determined in the sum of \$98,754.20 plus GST of \$9,875.42 and the Administrators are authorised to draw such remuneration as required.

***IMPORTANT: CROSS OUT WHICHEVER IS INAPPLICABLE**

- 3 $\frac{\textit{for}^*}{\textit{against}^*}$ That the remuneration of the Administrators from 16 June 2018 to the completion of the voluntary administration is determined at a sum equal to the cost of time spent by the Administrators and their staff and contractors, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 23 May 2018 discounted by 20%, to a limit of \$1,245.80 plus GST of \$124.58 payable as and when incurred, without limiting the right to approach creditors or the Court to approve further remuneration.
- 4 $\frac{\textit{for}^*}{\textit{against}^*}$ That the internal disbursements claimed by our firm where there may be an element of profit or advantage for the period 21 May 2018 to completion of the voluntary administration, calculated at the rates detailed in the Initial Remuneration Notice dated 23 May 2018, are approved up to a capped amount of \$5,000.00 plus GST of \$500.00, and that the Administrators can draw the disbursements from available funds as incurred or as funds become available.
- 5 $\frac{\textit{for}^*}{\textit{against}^*}$ That the payment of the externally provided professional services claimed by our firm in respect of Hymans Valuers and Auctioneers relating to an invoice for valuation services is approved for payment in the amount of \$4,354.19 plus GST of \$435.42 to be drawn from available funds immediately.
- 6 $\frac{\textit{for}^*}{\textit{against}^*}$ Should the company execute a deed of company arrangement, that the remuneration of the deed administrators from the execution of the deed of company arrangement to completion is determined at a sum equal to the cost of time spent by the deed administrators and their staff and contractors, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 23 May 2018 discounted by 20%, to a limit of \$40,000.00 plus GST of \$4,000.00, payable as and when incurred.
- 7 $\frac{\textit{for}^*}{\textit{against}^*}$ Should the company execute a deed of company arrangement, that the internal disbursements claimed by our firm where there may be an element of profit or advantage for the period from the execution of the deed of company arrangement to completion, calculated at the rates detailed in the Initial Remuneration Notice dated 23 May 2018, are approved up to a capped amount of \$5,000.00 plus GST of \$500.00 and that the Administrators can draw the disbursements from available funds as incurred or as funds become available.
- 8 $\frac{\textit{for}^*}{\textit{against}^*}$ To appoint a Committee of Inspection.
- 8(a) *To nominate the proxy holder as a member of the Committee of Inspection.
- 8(b) *To nominate the following persons as members of the Committee of Inspection.
.....
.....
- 9 $\frac{\textit{for}^*}{\textit{against}^*}$ Should a liquidator be appointed, to authorise the liquidator to destroy the books of the company within five years after deregistration, subject to the consent of the Australian Securities and Investments Commission.

***IMPORTANT: CROSS OUT WHICHEVER IS INAPPLICABLE**

DATED this day of 2018

.....
(name of creditor)

.....
(signature)

.....
(capacity of person signing)

.....
(contact number)

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
(Name) (Address)

.....
.....

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
.....
.....

FORM 535

subregulation 5.6.49(2)
Corporations Act 2001

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint & Several Administrators of **Big Review TV Ltd (Administrators Appointed) A.C.N. 164 025 129** ("the Company"). This is to state that the company was on 21 May 2018, and still is, justly and truly indebted to:

.....
.....

full name, ABN and address of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor) for dollars and cents

Particulars of the debt are:

Date	Consideration <i>(state how the debt arose)</i>	Amount \$	Remarks <i>(include details of voucher substantiating payment)</i>
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1. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following:

.....
.....

(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).

Date	Drawer	Acceptor	Amount \$	Due Date
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2. Signed by (select option):

- I am the creditor personally.
- I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.
- I am the creditor's agent authorised in writing to make this statement in writing. I know the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Signature: Dated:.....

Name: Occupation:.....

Address:.....

RECEIVE REPORTS BY EMAIL	Yes	No
Do you wish to receive all future reports and correspondence from our office via email?	<input type="checkbox"/>	<input type="checkbox"/>
Email:.....		