



Fourth Report to Creditors

The Bankrupt Estate of Vlado Bosanac Bankrupt Estate Number WA 94 of 2022/2

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1. Introduction

Bankruptcy Trustee:

Ian Francis

Date of Appointment

15 February 2022

Likelihood of Dividend:

Yes

Contact for General Queries:

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I refer to my appointment as Trustee of the Bankrupt Estate pursuant to an Order of the Federal Circuit Court of Australia on 15 February 2022.

This report is issued for the purposes of section 75-175 of the IPR and should be read in conjunction with my previous reports and circulars to creditors dated:

- 22 April 2022;
- 1 August 2022;
- 19 September 2022;
- 7 October 2022;
- 18 October 2022; and
- 25 October 2022.

1.1 Purpose of this report

The Bankrupt Estate has been paid the sum of \$1 million in respect to assets of the Bankrupt Estate and settlement of certain claims held.

The purpose of this report is to provide creditors with:

- a further update on my administration of the Bankrupt Estate including details of the asset realisations achieved and my remuneration to date; and
- provide creditors with a Notice of Intention to Declare a Dividend.

1.2 Information included

- This report contains the information I am required by law to include, plus other information considered materially relevant to creditors.
- The Table of Contents lists the sections of this Report. Certain other information, including details about my claim for remuneration, is included in the Annexures.

2. Asset Realisations

2.1 Assets in the Bankrupt Estate

- On 9 December 2022, the Bankruptcy Trustee received an offer from Dr Katherine Iscoe for Mr Bosanac’s assets and release of certain claims held, comprising of:

Asset	Description
Watches	<ul style="list-style-type: none"> a Franck Muller, 18ct white gold Cortez wristwatch; a Richard Mille, 18 ct white gold wristwatch with a full diamond set case and a black leather band with a diamond set clasp; and a Richard Mille, 18 ct gold RM010 wristwatch with a half diamond set case and a black leather band with a gold clasp.
Shares	<ul style="list-style-type: none"> 6,000,000 CET shares 4 Ordinary shares held in Dominion (the entity that holds the 391,864 shares in AHI)
Claim against Paul Di Giuseppe in his own right and as trustee for the VB Trust (and any other trust)	<ul style="list-style-type: none"> 7,000,000 AHI shares of which 4,000,000 are held in escrow 10,000,000 AHI Performance Rights 2,172 Kavinci Motors shares 23,755 mCloud shares
Claim against Bernadette Bosanac in her own right and as trustee of any other trust	<ul style="list-style-type: none"> Release from any claims that the Bankruptcy Trustee has against Bernadette Bosanac in her own right and as trustee of any trust. Includes removal of the registered caveat on the Dalkeith Property

- In our report of 18 October 2022 we provided a detailed analysis of the value of assets held in the bankrupt estate, including claims against third parties.
- For the reasons provided in our report of 18 October 2022 and after taking detailed legal advice, the Bankruptcy Trustee accepted the above offer with settlement occurring on 19 December 2022. The funds have been received and are held in the Bankrupt Estate’s bank account.

3. Dividend to Creditors

3.1 Notice of Intention to Declare a Dividend

3.1.1 Unsecured Creditor Claims

- To date, I have received proof of debts totalling \$24,637,148, which are subject to adjudication.

Table 1: Unsecured Creditor Claims				
Name	Type of Unsecured Debt	Amount Owed per SOA \$	Amount Owed per POD \$	Proof of Debt Lodged (Y/N)
ATO	Income Tax, penalties, interest & costs	Not disclosed	23,635,866	Y
Nick Prosser	Loan to assist with legal fees	569,580	569,580	Y
Katherine Iscoe	Unpaid rent and loans	120,000	166,027	Y
John Zaccaria	Loan to assist with legal fees	100,000	90,000	Y
Cove Legal	Legal Fees	78,675	88,675	Y
Paul Crossin	Loan to assist with legal fees and personal expenses	62,000	62,000	Y
Jay Wong	Loan to assist with legal fees	25,000	25,000	Y
Steve Sell	Loan to assist with legal fees	10,000	-	N
Richard Simpson	Share sale reimbursement	26,000	N/A	N/A
Matthew Storey	Loan to assist with legal fees	50,000	-	N
Waterhouse Lawyers	Legal Fees	92,125	-	N
Total unsecured creditor claims		1,133,380	24,637,148	

Notes:

- As previously advised, the ATO is Mr Bosanac's largest creditor and represents approximately 96% of all claims. Details of the ATO's claims are set out in my Second Report.
- Any creditor which has not submitted a proof of debt to formalise their claim in the Bankruptcy will be required to do so by **7 March 2023**. To date, a formal adjudication of the proof of debts has not been undertaken and will be required prior to the payment of any dividend.

3.1.2 Dividend to Creditors

- Pursuant to IPR 42-135, a registered trustee must distribute estate funds in a timely manner having regard to:
 - the complexity of the administration and the claims of creditors;
 - the amount of funds available for distribution;
 - the need to retain funds in the Bankrupt Estate to meet existing or expected commitments.
- I am now in a position to pay a dividend to creditors of the Bankrupt Estate.
- Accordingly, please find attached:
 - Notice of Intention to Declare a Dividend (**Annexure A**); and
 - Form 8 Proof of Debt form (**Annexure B**).
- Based on proof of debts issued to date, I estimate that the dividend to creditors will be approximately 1.76 cents in the dollar, however this amount is subject to final adjudication of claims and may change if any further creditor's submit a claim in the Bankruptcy.
- The receipts and payments incurred for the period 15 February 2022 to 20 February 2023 are summarised in the table on the following page.

The adjacent notes should be read in conjunction with the table above.

3. Dividend to Creditors

3.2 Receipts and Payments for the period 15 February 2022 to 20 February 2023

Receipts	Notes	\$
Pre-appointment Cash at Bank (NAB)	1	26,035.89
Debtor Contributions (Mandatory)	2	68,824.98
Recovery from Bennett & Co	3	10,000.00
Motor Vehicle	4	11,850.00
Interest Income (Chargeable)		925.72
Sale of Assets and Settlement of Claims	5	1,000,000.00
Total Receipts		1,117,636.59
Payments		
Counsel's Fees	6	(2,200.00)
Legal Fees and Disbursements	6	(39,908.61)
Trustee's Fees and Disbursements	7	(338,657.17)
Trustee's Disbursements		(2,176.73)
Valuation Fees	8	(2,900.00)
Realisation Charge	9	(77,099.15)
Interest Charge		(306.76)
Total Payments		(463,248.42)
Surplus represented by Cash at Bank		654,388.17

Notes:

- As you are aware, following an agreement with Mrs Bosanac in respect to the division of funds held in the joint account, I requested Westpac to transfer credit funds of \$21,860.66 to the Bankrupt Estate. Westpac has also transferred the funds of \$5,035.89 that were held solely in the name of Mr Bosanac to the Bankrupt Estate.
- As you are aware, Mr Bosanac is employed as Head of Strategy and Growth at AHI. At the commencement of the bankruptcy, Mr Bosanac's income contribution liability for CAP1 was assessed at \$76,472.23. Mr Bosanac is up-to-date with income contribution payments. I am currently conducting an assessment of his actual CAP1 and estimated CAP2 liabilities.
- Refer to my third report to creditors dated 19 September 2022.
- Refer to my second report to creditors dated 1 August 2022.
- As detailed in **Section 2** of this report, the Bankruptcy Trustee accepted an offer from Katherine Iscoe in the amount of \$1 million.
- Given the complexity of the Bankrupt Estate, it has been necessary and proper to seek legal and counsel advice on various matters. I consider that the legal fees to date are appropriate having regard to the work performed. At this stage, all legal matters have been finalised and accordingly, it is unlikely that legal fees will continue to be incurred.
- The Bankruptcy Trustees' fees of \$338,657.17 (incl. GST) have been approved by creditors and have been fully paid.
- Costs incurred to value the Dalkeith Property and the watches.
- A realisation charge of 7% on gross realisations is payable to AFSA.

The adjacent notes should be read in conjunction with the table above.

4. Trustee's Remuneration

4.1 Basis of Remuneration

- FTI Consulting charge professional fees based on time spent by the Trustee and his staff at rates reflecting his level of experience.
- I advise that creditors have previously approved my remuneration for the period 1 September 2022 to 6 October 2022 in the amount of \$35,000.00 (plus GST) which was an estimate only. I advise that we have exceeded this amount by \$14,647.50 (plus GST). **Annexure C** provides a detailed account of my remuneration. I will be seeking approval for same.
- In addition, my remuneration for the four-month period 7 October 2022 to 31 January 2023 is \$70,912.50 (plus GST and disbursements).
- I estimate that my remuneration for the period 1 February 2023 to 30 April 2023 will be in the capped amount of \$30,000.00 (plus GST).

4.2 Work Undertaken to Date

- Since my last report, I have undertaken numerous tasks which are set out in our Remuneration Approval Report. The major tasks include, but are not limited to:
 - liaising with Mr Bosanac and his solicitor in relation to ongoing bankruptcy;
 - finalising my investigations into potential voidable transactions;
 - realisation of assets and ensuring a fair market value was received for the respective assets and settlement of certain claims;
 - preparation of report to creditors, including analysis of a proposed dividend; and
 - liaising with and reporting to creditors in relation to their queries.
- Going forward, my remuneration will reduce on a proportionate basis.

4.3 Remuneration Proposal

- I attach a Remuneration Approval Report at **Annexure C** with a summary of my fees, and I am seeking approval for my remuneration. The resolutions being sought are:

Resolution 1: Remuneration from 1 September 2022 to 6 October 2022 (inclusive)

“That the remuneration of the Trustee of Bankruptcy Estate of Vlado Bosanac, his partners and staff, for the period 1 September 2022 to 6 October 2022, calculated at the rates detailed in the Schedule of FTI Consulting Standard Rates (Corporate Finance and Restructuring), effective 1 July 2021, is approved for payment in the incurred amount of \$14,647.50, exclusive of GST, to be drawn from available funds immediately as funds become available.”

Resolution 2: Remuneration from 7 October 2022 to 31 January 2023 (inclusive)

“That the remuneration of the Trustee of Bankruptcy Estate of Vlado Bosanac, his partners and staff, for the period 7 October 2022 to 31 January 2023, calculated at the rates detailed in the Schedule of FTI Consulting Standard Rates (Corporate Finance and Restructuring), effective 1 July 2021, is approved for payment in the incurred amount of \$70,912.50, exclusive of GST, to be drawn from available funds immediately as funds become available.”

Resolution 3: Remuneration from 1 February 2023 to 30 April 2023 (inclusive)

“That the future remuneration of the Trustee of Bankruptcy Estate of Vlado Bosanac, his partners and staff, for the period 1 February 2023 to 30 April 2023, calculated at the rates detailed in the Schedule of FTI Consulting Standard Rates (Corporate Finance and Restructuring), effective 1 July 2021, is approved for payment in the capped amount of \$30,000.00, exclusive of GST, to be drawn from available funds immediately as funds become available.”

- To participate in the proposal, please complete and return the following by no later than **5pm, Tuesday, 7 March 2023**:
 - the “proposal without a meeting” forms included at Annexure D; and
 - the “proof of debt” form included at Annexure B which provides information about what the Bankrupts owe you, along with supporting documents for your claim (only if you have not previously provided it).
- The documents can be scanned and emailed to George Gelevitis or returned via post to our firm’s address, attention George Gelevitis. If you choose to return these documents via post, please ensure that you allow enough time for us to receive them by the due date.

5. Next Steps

5.1 Going Forward

- The next steps and principal tasks to be undertaken in the Bankruptcy include:
 - assess Mr Bosanac's income contribution liability during the course of the bankruptcy and collection of same;
 - finalise the adjudication of creditor claims; and
 - pay a dividend to creditors as soon as permissible.

Creditors of the Bankrupt Estate will be kept regularly informed.

Should you have any further queries regarding the above, please contact George Gelevitis or Jacquie Sinclair of the office on (08) 9321 8533.

Dated this 21st day of February 2023



Ian Francis
Trustee



Annexures



Annexure A

Notice of Intention to Declare a Dividend

NOTICE OF INTENTION TO DECLARE A DIVIDEND

VLADO BOSANAC

ESTATE NUMBER WA 94 of 2022/2

The trustee of the Bankrupt Estate of Vlado Bosanac WA 94 of 2022/2 (the "Bankrupt") who became bankrupt on 15 February 2022 calls for proof of debts from all creditors that claim to have a provable debt.

Claims must be lodged using the approved proof of debt form, which is available from the AFSA website (www.afsa.gov.au) or my office. If you wish to be included in the forthcoming dividend, claims are required to be lodged before close of business on **Tuesday, 7 March 2023**.

The proof of debt and supporting evidence may be forwarded to my office at george.gelevitis@fticonsulting.com (preferred) or via post to FTI Consulting, Level 47, 152-158 St Georges Terrace, Perth WA 6000, attention to George Gelevitis. For further information please call George Gelevitis on (08) 9321 8533.

Dated this 21st day of February 2023



Ian Francis

Trustee



Annexure B Proof of Debt



PROOF OF DEBT

Bankruptcy Act 1966 Section 84(2), 85(2)

Privacy

The information you are required to provide on this form is collected under, and for the purposes of, the *Bankruptcy Act 1966* or related legislation. The Australian Financial Security Authority has a privacy policy at www.afsa.gov.au/privacy that provides information regarding the collection, storage, use and disclosure of personal information, including how you may: (i) access your personal information; (ii) seek to have that information corrected; and (iii) complain if you feel your privacy has been breached, along with information on how your complaint will be dealt with.

Completing a Proof of Debt (POD)

1. When to lodge a Proof of Debt

A trustee of a Personal Insolvency Agreement (PIA) or bankruptcy will request you to lodge a POD where there are funds in the estate to distribute. A dividend will only be paid to those creditors whose POD has been admitted by the trustee. Correct completion of PODs will prevent delays in distribution of funds to the creditors. Return the completed POD to the trustee within the prescribed time as a dividend may be paid without further notice to you.

Note: The trustee may require you to verify the matters contained in your POD by way of a Statutory Declaration.

If such a request is made and you fail to provide the Statutory Declaration, then the trustee may disregard your POD.

2. Which debts are provable?

Not all debts are provable, for example

- debts incurred after the date of bankruptcy
- interest that has accrued after the date of bankruptcy
- debts owed by the bankrupt/ debtor's company if they are not supported by a personal guarantee.

Please do not include these in your claim. Your claim may be rejected for these amounts and result in delaying the payment of the dividend.

Further information on provable debts is available by calling AFSA on 1300 364 785, visiting www.afsa.gov.au or the trustee.

3. Instructions on completion of the POD

It is your responsibility to prove to the trustee that you are owed the debt.

- Answer all questions on the form
- Calculate interest to the date of bankruptcy; or the date the PIA was executed by the Debtor (s) s 187(2)
- Total the amounts and check that your calculations are correct
- Sign and date the POD
- Attach documentary evidence of your claim. Evidence may include copies of:
 - invoices
 - statements
 - delivery dockets
 - relevant contracts
 - personal guarantees given by bankrupt/ debtors
 - loan contracts
 - judgments.

4. Separate, joint, and joint and several creditors

If two or more persons have become bankrupt or entered into a PIA together, creditors may have a claim against

- (a) only one of them
- (b) all of them jointly only, or
- (c) all of them jointly as well as in their individual capacities.

It is important that you indicate which situation applies to you (see Bankrupt/Debtor/s liability on page 2) so that the trustee is able to admit your claim in the correct estate. This information is generally available from your loan or credit contract document.

Information for specific creditors

5. Secured creditors

Secured creditors must complete Do you hold any Security on page 3. A secured creditor can prove for all or part of their secured debt. Where a secured creditor surrenders their security to the trustee, a claim may be made for the whole of the debt. Where a secured creditor sells their security, a claim may be made for the shortfall or conversely the surplus must be given to the trustee.

Where a claim is made for the shortfall from the sale of an asset, an accounting for the sale must be attached to the POD. Where the property has not been sold, but a shortfall is anticipated in an eventual sale, the secured creditor can claim for the estimated shortfall amount.

6. Judgment creditors

The trustee may look behind a judgment to obtain further evidence of a debt. If you have obtained a judgment please provide details on page 3. Costs awarded in a judgment obtained prior to bankruptcy may be included.

7. Business/trade creditors

Disclose your ABN on page 3 if you are a business creditor. The trustee may be required to withhold tax on any dividend where the business creditor does not disclose its ABN. If the goods or services you supplied was for the bankrupt/debtor's business then you are also required to show the GST amount (if any) that is included in your debt on page 4.

8. Other

An executor of a deceased creditor's estate may prove in the bankruptcy in place of the deceased creditor.

Debtor Details

Bankrupt/Debtor name/s (if there is more than two)

Title	Given name/s	Surname
Mr	Vlado	Bosanac

Title	Given name/s	Surname

Trading name

Administration number

WA 94 of 2022/2

Date of administration (DD/MM/YYYY)

15/02/2022

Bankrupt/Debtor/s liability Separate Joint Joint & several

Trustee Details

Title	Given name/s	Surname
Mr	Ian Charles	Francis

Business address

Central Park, Level 47
152-158 St Georges Terrace
Perth

Postcode

6000

Contact number

08 9321 8533

Mobile number

Email address

ian.francis@fticonsulting.com

Second Trustee Details:

Title	Given name/s	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>
Business address		Postcode
<input type="text"/>		<input type="text"/>
Contact number	Mobile number	
<input type="text"/>	<input type="text"/>	
Email address		
<input type="text"/>		

Creditor Details

Creditor name		
<input type="text"/>		
Postal address		Postcode
<input type="text"/>		<input type="text"/>
Creditor reference	Creditor ABN	
<input type="text"/>	<input type="text"/>	
Contact information		
Title	Given name/s	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>
Contact number	Fax number	
<input type="text"/>	<input type="text"/>	
Email address		
<input type="text"/>		
Do you hold any security?	<input type="radio"/> No <input type="radio"/> Yes	Estimated value of security <input type="text"/>
Description of security property		
<input type="text"/>		
Have you obtained a judgment?	<input type="radio"/> No <input type="radio"/> Yes	Judgment amount & costs <input type="text"/>
Was this a default judgment?	<input type="radio"/> No <input type="radio"/> Yes	Judgment number & court <input type="text"/>

Details of Debt/s

Date debt/s incurred	Details of debt/description (see note 2)	GST (see note 7)	Amount (\$)
	Less: Payments received in reduction of debts		
	Less: Estimated value of security		
	Amount claimed		

Creditor Declaration

I declare that the bankrupt/debtor/s owe/s the amount claimed by the creditor named above.

Title	Given name/s	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

Signature	Date (DD/MM/YYYY)
<input type="text"/>	<input type="text"/>

Note: Lodging a false proof of debt is an offence which is punishable by imprisonment for 5 years: s263(1)(d).

Admin Use Only		Trustee Use Only		
Creditor ID		Amount admitted in estate <input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3	Preferential (\$)	
Liability ID		Amount rejected (\$)	Ordinary (\$)	
POD No.		Reason rejected	Deferred (\$)	
SoA Amt.			Total Admitted (\$)	
Reg'd. in estate				
Date of Reg'n.				

Signature of trustee	Date (DD/MM/YYYY)
<input type="text"/>	<input type="text"/>



Annexure C Remuneration Approval Report

21 February 2023



Remuneration Approval Report

The Bankrupt Estate of Vlado Bosanac
WA 94 of 2022/2

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Summary

This remuneration approval report provides you with the information that the Bankruptcy Act 1966 (Act) and the Code of Professional Practice published by the Australian Restructuring Insolvency and Turnaround Association (ARITA) requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Bankruptcy of Vlado Bosanac, Bankrupt Estate Number WA 94 of 2022/2 (“Mr Bosanac”).

I am asking creditors to approve the following remuneration:

Period	Remuneration (excl GST) \$
Remuneration for the period 1 September 2022 to 6 October 2022	14,647.50
Remuneration for the period 7 October 2022 to 31 January 2023	70,912.50
Future remuneration for the period 1 February 2023 to 30 April 2023	30,000.00
Total remuneration being sought	115,560.00

Creditors have previously approved my remuneration as follows:

Appointment type/Period	Remuneration (excl GST) \$
Remuneration for the period 15 February 2022 to 31 March 2022	78,719.14
Remuneration for the period 1 April 2022 to 26 June 2022	115,696.35
Remuneration for the period 27 June 2022 to 31 August 2022	68,454.66
Future remuneration for the period 1 September 2022 to 6 October 2022	35,000.00
Non-insolvency fees (valuation of AHI shares) for the period 29 August 2022 to 30 September 2022	10,000.00
Total remuneration previously approved	307,870.15

I previously estimated that the total cost of this Bankruptcy will be between \$150,000 to \$300,000 (plus GST). Creditors have to date approved Trustee’s fees of \$297,870.15 (plus GST, but non including non-insolvency fees of \$10,000). This is in line with my previous estimate provided in the Initial Remuneration Notice and Remuneration Report dated 19 April 2022.

However, as you are aware, additional work has been undertaken in relation to Mr Bosanac’s composition proposal, reporting to creditors and investigations into Mr Bosanac’s affairs.

As outlined in my previous report, if Mr Bosanac’s composition proposal was not approved by creditors, the bankruptcy will continue for the statutory period of 3 years. As set out above, I am seeking further fees of \$115,560.00 for the period 1 September 2022 to 30 April 2023. Following which I will seek approval for my fees in arrears. I estimate my remuneration (which includes the current amount of \$115,560 to be approved) to be approximately \$220,000 to \$275,000 (plus GST) to the end of the bankruptcy in February 2025.

This estimate includes remuneration to:

- finalise my investigations into Mr Bosanac's affairs;
- undertake a yearly assessment of Mr Bosanac's income contribution and collection of same;
- conduct an adjudication of creditor claims;
- pay a dividend to creditors;
- liaise with and report to creditors in relation to their queries; and
- undertake statutory and administrative tasks.

Declaration

I, Ian Francis, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Trustee of Mr Bosanac in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

Remuneration sought

The remuneration I am asking creditors to approve is summarised as follows:

For	Period	Amount \$ (excl GST)	Applicable rates	Timing of payment
Work already completed	1 September to 6 October 2022	14,647.50	As per the attached hourly rates	Immediately and when funds become available
Work already completed	7 October 2022 to 31 January 2023	70,912.50	As per the attached hourly rates	Immediately and when funds become available
Work to be undertaken	1 February 2023 to 30 April 2023	30,000.00	As per the attached hourly rates	When incurred and funds become available
Total		115,560.00		

Details of the work already done or to be done are **enclosed** at **Schedule A**.

Schedule B includes a breakdown of time spent by staff members on each major task for work I have already done.

Actual resolutions are included at **Schedule C** for your information. These resolutions also appear in the proposal form provided to you.

Disbursements

I am not required to seek creditor approval for costs paid to third parties or where I am recovering a cost incurred on behalf of the administration, but I must provide details to creditors. Details of these amounts are included in the attached Receipts and Payments.

I am required to obtain creditors' consent for the payment of a disbursement where I, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice accompanying this Remuneration Approval Report.

I am not currently seeking approval for disbursements.

Previous remuneration approvals

The following remuneration approvals have previously been provided by creditors:

Period	For	Approving body	Approved amount \$	Amount paid \$
15 February 2022 to 31 March 2022	Bankruptcy	Creditors	78,719.14	78,719.14
1 April 2022 to 26 June 2022	Bankruptcy	Creditors	115,696.35	115,696.35
27 June 2022 to 31 August 2022	Bankruptcy	Creditors	68,454.66	68,454.66
1 September 2022 to 6 October 2022	Bankruptcy	Creditors	35,000.00	35,000.00
29 August 2022 to 30 September 2022	Non-insolvency fees	Creditors	10,000.00	10,000.00
Total remuneration previously approved			307,870.15	307,870.15

I am now seeking approval of a further \$115,560.00 (plus GST) in remuneration which will bring total remuneration claimed in this Bankruptcy to date to \$423,430.15 (plus GST).

Likely impact on dividends

The Act sets the order for payment of claims against Mr Bosanac, and it provides for remuneration of the Trustee to be paid in priority to other claims. This ensures that when there are sufficient funds, the Trustee receives payment for the work done to recover assets, investigate Mr Bosanac's affairs, report to creditors and distribute any available funds.

Based on:

- realisations to date and, if any, estimated future realisations
- estimated remuneration to complete the Bankruptcy

- the estimated total of creditor claims based on Mr Bosanac’s records and claims lodged

There will be a dividend to creditors of the Bankrupt Estate (refer attached report to creditors). Any creditor whose claim has not yet been admitted will be contacted and asked to submit a proof of debt.

Funding received for remuneration and disbursements

I have not been provided with any up-front payment or indemnities.

Summary of receipts and payments

A summary of the receipts and payments for the Bankruptcy for the period 15 February 2022 to 20 February 2023 can be found in the report to creditors attached to this remuneration report.

Queries

Further supporting documentation for my remuneration claim can be provided to creditors on request.

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

- ARITA at www.arita.com.au/creditors
- AFSA at www.afsa.gov.au (search for “remuneration information sheet”.)

If you have any queries in relation to the information in this report, please contact George Gelevitis of this office on (08) 9321 8533 or by email at george.gelevitis@fticonsulting.com.



Ian Francis

Trustee

Attachments:

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D – Explanation where remuneration previously approved

Schedule E – FTI Consulting schedule of rates effective 1 July 2021

Schedule A – Details of work

Work undertaken for the period 1 September 2022 to 6 October 2022:

Task area/General description	Work already done
Period	1 September 2022 to 6 October 2022
Amount (excl GST)	\$49,647.50 (including \$35,000.00 already approved by creditors and drawn) – seeking approval of \$14,647.50 101.50 hours
Assets	9.30 hours \$6,696.00
Other assets	<ul style="list-style-type: none"> ■ Seeking and reviewing the independent appraisal of the value of the AHI shares from Argonaut and FTI Consulting’s valuation team ■ Liaising with Automic regarding transfer of assets held by Dominion Investments and issued demand notices ■ Seeking information in relation to Bernadette Bosanac’s financial position and background
Creditors	73.30 hours \$35,451.50
Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> ■ Receiving and responding to creditor enquiries ■ Responding to creditor queries regarding the progress of the bankruptcy
Meeting of creditors	<ul style="list-style-type: none"> ■ Preparation of meeting notices, proxies and advertisements ■ Forward notice of meeting to all known creditors ■ Hold the meeting to consider the proposal pursuant to section 73 ■ Preparation of meeting file, including agenda, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting
Creditor reports	<ul style="list-style-type: none"> ■ Lodging report with AFSA ■ Prepare report to creditors, including Section 73 report to creditors, remuneration approval report and proposals
Dealing with proofs of debt	<ul style="list-style-type: none"> ■ Receipting and filing POD when not related to a dividend

Task area/General description	Work already done
	<ul style="list-style-type: none"> ■ Corresponding with creditors regarding POD when not related to a dividend
Investigations	<p>2.80 hours</p> <p>\$1,415.00</p>
Conducting investigation	<ul style="list-style-type: none"> ■ Requesting further details from Mr Bosanac ■ Updating the investigation file
Income assessments	<ul style="list-style-type: none"> ■ Realising monthly income contributions
Transactions	<ul style="list-style-type: none"> ■ Reviewing bank statements and identifying transactions requiring further investigations and send enquiries
Litigation / Recoveries	<ul style="list-style-type: none"> ■ Internal meetings to discuss strategy for recoveries ■ Seeking legal advice on various matters identified during the course of the investigation
Administration	<p>16.10 hours</p> <p>\$6,085.00</p>
Correspondence	<ul style="list-style-type: none"> ■ General correspondence with various parties ■ Attend to statutory requirements and lodge forms and notices relevant to the forthcoming meeting
Document maintenance/file review/checklist	<ul style="list-style-type: none"> ■ Filing of documents ■ Updating checklists
Funds handling	<ul style="list-style-type: none"> ■ Entering receipts and payments into accounting system ■ Monthly bank account reconciliations
Planning / Review	<ul style="list-style-type: none"> ■ Preparing work plan and action items ■ Discussions regarding status of administration

Work undertaken for the period 7 October 2022 to 31 January 2023:

Task area/General description	Work already done
Period	7 October 2022 to 31 January 2023
Amount (excl GST)	\$70,912.50 140.40 hours
Assets	36.30 hours \$22,971.00
Shares	<ul style="list-style-type: none"> ■ Requesting information from Mr Bosanac in relation to shares held in his name or associated entities ■ Liaise with Automic, share registry, regarding the AHI shareholding
Other assets	<ul style="list-style-type: none"> ■ Receive offer for Mr Bosanac’s shares and watches and settlement of claims, conducting negotiations and reviewing amended offers, seeking legal advice and then accepting same. ■ Attend to settlement and complete necessary transfer documents.
Creditors	62.00 hours \$28,020.00
Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> ■ Receiving and responding to creditor enquiries ■ Responding to creditor queries regarding the progress of the bankruptcy
Meeting of creditors	<ul style="list-style-type: none"> ■ Preparation of meeting notices, proxies and advertisements ■ Forward notice of reconvened meeting to all known creditors ■ Preparation of meeting file, including agenda, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting ■ Hold the adjourned meeting to consider the proposal pursuant to section 73
Creditor reports	<ul style="list-style-type: none"> ■ Prepare report to creditors, including remuneration approval report and remuneration proposal ■ Lodging report with AFSA

Task area/General description	Work already done
Dealing with proofs of debt	<ul style="list-style-type: none"> ■ Receipting and filing POD when not related to a dividend ■ Corresponding with creditors regarding POD when not related to a dividend including lodging a FOI request with the ATO
Investigations	<p>10.20 hours</p> <p>\$5,436.50</p>
Conducting investigation	<ul style="list-style-type: none"> ■ Requesting further details from Mr Bosanac ■ Liaising with third parties regarding identified transactions ■ Updating the investigation file
Income assessments	<ul style="list-style-type: none"> ■ Realising monthly income contributions ■ Issuing income questionnaire for completion by Mr Bosanac
Transactions	<ul style="list-style-type: none"> ■ Reviewing bank statements and identifying transactions requiring further investigations and send enquiries
Litigation / Recoveries	<ul style="list-style-type: none"> ■ Internal meetings to discuss strategy for recoveries ■ Seeking legal advice on various matters identified during the course of the investigation
Dividend	<p>3.40 hours</p> <p>\$2,448.00</p>
Processing proofs of debt (POD)	<ul style="list-style-type: none"> ■ Maintain POD register ■ Adjudicating PODs and preparing correspondence to claimant advising outcome of adjudication
Payment of dividend from the Bankrupt Estate	<ul style="list-style-type: none"> ■ Commencing dividend process and inviting proofs of debt to be submitted to the Trustee ■ Correspondence with creditors regarding dividend process
Administration	<p>28.50 hours</p> <p>\$12,037.00</p>
Correspondence	<ul style="list-style-type: none"> ■ General correspondence with various parties

Task area/General description	Work already done
Document maintenance/file review/checklist	<ul style="list-style-type: none"> ■ Filing of documents ■ Preparing file reviews ■ Updating checklists
Funds handling	<ul style="list-style-type: none"> ■ Entering receipts and payments into accounting system ■ Monthly bank account reconciliations
Planning / Review	<ul style="list-style-type: none"> ■ Preparing work plan and action items ■ Discussions regarding status of administration

Future work to be undertaken for the period 1 February 2023 to 30 April 2023:

Task area/General description	Future work
Period	1 February 2023 to 30 April 2023
Amount (excl GST)	\$30,000.00
Creditors	\$10,000.00
Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> ■ Responding to stakeholder queries
Creditor reports / Meetings	<ul style="list-style-type: none"> ■ Preparation and finalisation of reports to creditors ■ Circular to creditors requesting for formal proof of debts
Dividend	\$15,000.00
Processing proofs of debt (POD)	<ul style="list-style-type: none"> ■ Maintain POD register ■ Adjudicating PODs and preparing correspondence to claimant advising outcome of adjudication ■ Request further information from claimants regarding POD
Payment of dividend from the Bankrupt Estate	<ul style="list-style-type: none"> ■ Commencing dividend process and inviting proofs of debt to be submitted to the Trustee ■ Issue a notice of intention to declare a dividend ■ Correspondence with creditors regarding dividend process ■ Pay dividend to creditors who have submitted and admitted a valid proof of debt form ■ Preparation of correspondence to creditors enclosing payment of dividend
Administration	\$5,000.00
Funds handling	<ul style="list-style-type: none"> ■ Maintain monthly bank reconciliation to produce updated receipts and payments
Statutory requirements with AFSA	<ul style="list-style-type: none"> ■ Attend to statutory requirements and lodge relevant forms and relevant notices ■ Lodge final end of administration report

Task area/General description	Future work
Planning / Review	<ul style="list-style-type: none">■ Discussions regarding status of administrations■ Reviewing and updating task lists
Finalisation	<ul style="list-style-type: none">■ Report and pay realisations charge■ Reporting of receipts and payments to AFSA■ Notifying AFSA of finalisation

Schedule B – Time spent by staff on each major task (work already done)

1 September 2022 to 6 October 2022:

Employee	Position	\$/hour (excl GST)	Total actual hours	Total \$ (excl GST)	Task Area							
					Assets		Creditors		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Ian Francis	Senior Managing Director	\$ 720	16.00	\$ 11,520.00	9.30	\$ 6,696.00	3.00	\$ 2,160.00	0.00	\$ -	3.70	\$ 2,664.00
Jacqueline Sinclair	Senior Director	\$ 580	39.20	\$ 22,736.00	0.00	\$ -	36.90	\$ 21,402.00	1.70	\$ 986.00	0.60	\$ 348.00
Loice Taderera	Consultant II	\$ 390	21.30	\$ 8,307.00	0.00	\$ -	18.40	\$ 7,176.00	1.10	\$ 429.00	1.80	\$ 702.00
George Gelevitis	Associate II	\$ 335	15.80	\$ 5,293.00	0.00	\$ -	12.90	\$ 4,321.50	0.00	\$ -	2.90	\$ 971.50
All Treasury Staff	Treasury	\$ 290	0.50	\$ 145.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.50	\$ 145.00
Claire Rees	Administration II	\$ 220	0.60	\$ 132.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.60	\$ 132.00
Ashleigh Ubank	Administration II	\$ 220	0.10	\$ 22.00	0.00	\$ -	0.10	\$ 22.00	0.00	\$ -	0.00	\$ -
Chelsea Fisk	Administration I	\$ 210	0.50	\$ 105.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.50	\$ 105.00
Ashleigh Damore	Administration I	\$ 185	7.50	\$ 1,387.50	0.00	\$ -	2.00	\$ 370.00	0.00	\$ -	5.50	\$ 1,017.50
Total (ex GST)				\$ 49,647.50		\$ 6,696.00		\$ 35,451.50		\$ 1,415.00		\$ 6,085.00
Previously approved				(35,000.00)								
Approval being sought (ex GST)				\$ 14,647.50								
Total hours			101.50		9.30		73.30		2.80		16.10	
Avg hourly rate (ex GST)				\$ 489.14		\$ 720.00		\$ 483.65		\$ 505.36		\$ 377.95

7 October 2022 to 31 January 2023:

Employee	Position	\$/hour (excl GST)	Total actual hours	Total \$ (excl GST)	Task Area									
					Assets		Creditors		Investigation		Dividend		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Ian Francis	Senior Managing Director	\$ 720	34.10	\$ 24,552.00	23.20	\$ 16,704.00	1.50	\$ 1,080.00	2.00	\$ 1,440.00	3.40	\$2,448.00	4.00	\$ 2,880.00
Jacqueline Sinclair	Senior Director	\$ 580	47.10	\$ 27,318.00	7.60	\$ 4,408.00	27.10	\$ 15,718.00	5.10	\$ 2,958.00	0.00	\$ -	7.30	\$ 4,234.00
Loice Taderera	Consultant II	\$ 390	1.80	\$ 702.00	0.30	\$ 117.00	0.60	\$ 234.00	0.00	\$ -	0.00	\$ -	0.90	\$ 351.00
George Gelevitis	Associate II	\$ 335	48.70	\$ 16,314.50	5.20	\$ 1,742.00	32.80	\$ 10,988.00	3.10	\$ 1,038.50	0.00	\$ -	7.60	\$ 2,546.00
All Treasury Staff	Treasury	\$ 290	3.40	\$ 986.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.00	\$ -	3.40	\$ 986.00
Claire Rees	Administration II	\$ 220	1.70	\$ 374.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.00	\$ -	1.70	\$ 374.00
Ashleigh Damore	Administration I	\$ 185	3.60	\$ 666.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.00	\$ -	3.60	\$ 666.00
Total (ex GST)				\$ 70,912.50		\$ 22,971.00		\$ 28,020.00		\$ 5,436.50		\$2,448.00		\$ 12,037.00
GST				\$ 7,091.25										
Total (Incl GST)				\$ 78,003.75										
Total hours			140.40		36.30		62.00		10.20		3.40		28.50	
Avg hourly rate (ex GST)				\$ 505.07		\$ 632.81		\$ 451.94		\$ 532.99		\$ 720.00		\$ 422.35

Schedule C – Resolutions

Resolution 1 – 1 September 2022 to 6 October 2022 - retrospective

“That the remuneration of the Trustee of Bankruptcy Estate of Vlado Bosanac, his partners and staff, for the period 1 September 2022 to 6 October 2022, calculated at the rates detailed in the Schedule of FTI Consulting Standard Rates (Corporate Finance and Restructuring), effective 1 July 2021, is approved for payment in the incurred amount of \$14,647.50, exclusive of GST, to be drawn from available funds immediately as funds become available.”

Resolution 2 – 7 October 2022 to 31 January 2023 - retrospective

“That the remuneration of the Trustee of Bankruptcy Estate of Vlado Bosanac, his partners and staff, for the period 7 October 2022 to 31 January 2023, calculated at the rates detailed in the Schedule of FTI Consulting Standard Rates (Corporate Finance and Restructuring), effective 1 July 2021, is approved for payment in the incurred amount of \$70,912.50, exclusive of GST, to be drawn from available funds immediately as funds become available.”

Resolution 3 – 1 February 2023 to 30 April 2023 - prospective

“That the future remuneration of the Trustee of Bankruptcy Estate of Vlado Bosanac, his partners and staff, for the period 1 February 2023 to 30 April 2023, calculated at the rates detailed in the Schedule of FTI Consulting Standard Rates (Corporate Finance and Restructuring), effective 1 July 2021, is approved for payment in the capped amount of \$30,000.00, exclusive of GST, to be drawn from available funds immediately as funds become available.”

Schedule D – Explanation where remuneration previously approved

As detailed in the report to creditors dated 19 September 2022, we sought remuneration approval of \$35,000.00 for future remuneration from 1 September 2022 to 6 October 2022. Creditors approved same and, to date, we have drawn \$35,000.00 and applied it in the payment of our remuneration.

Our remuneration has exceeded this cap by \$14,647.50 to 6 October 2022 and we are seeking approval of a further capped amount:

- \$14,647.50 (plus GST) for the period 1 September 2022 to 6 October 2022;
- \$70,912.50 (plus GST) for the period 7 October 2022 to 31 January 2023; and
- \$30,000.00 (plus GST) for the period 1 February 2023 to 30 April 2023 (if approved by creditors). I have not previously sought approval for this amount.

Task	Fees already approved and drawn \$35,000	Approval sought for work already done \$14,647.50	Approval sought for work already done \$70,912.50	Approval sought for future work \$30,000	Total fees sought per task \$
Assets	\$ 5,000.00	\$ 1,696.00	\$ 22,971.00	\$ -	\$ 29,667.00
Creditors	\$ 25,000.00	\$ 10,451.50	\$ 28,020.00	\$ 10,000.00	\$ 73,471.50
Investigation	\$ -	\$ 1,415.00	\$ 5,436.50	\$ -	\$ 6,851.50
Dividend	\$ -	\$ -	\$ 2,448.00	\$ 15,000.00	\$ 17,448.00
Administration	\$ 5,000.00	\$ 1,085.00	\$ 12,037.00	\$ 5,000.00	\$ 23,122.00
Total (ex GST)	\$ 35,000.00	\$ 14,647.50	\$ 70,912.50	\$ 30,000.00	\$ 150,560.00
Total Remuneration previously approved					\$ 35,000.00
Difference (see below table for further breakdown)					\$ 115,560.00

Payment reconciliation	
Total remuneration claimed	\$ 150,560.00
Amount paid to date	\$ 35,000.00
Amount Outstanding	\$ 115,560.00

In the below table we compare, on a task basis, the difference between our previous remuneration report and this report, together with explanations for the difference.

Task	Fees already approved and drawn \$35,000	Total per task (from previous table) \$150,560	Difference	Reasons for difference
Assets	5,000.00	29,667.00	24,667.00	<ul style="list-style-type: none"> Additional work in relation to the valuation of AHI shares.
Creditors	25,000.00	73,471.50	48,471.50	<ul style="list-style-type: none"> Writing to creditors following proof of debt lodgements and the meeting of creditors. Adjourned meeting of creditors. Additional work required regarding further reporting to creditors.
Investigation	-	6,851.50	6,851.50	<ul style="list-style-type: none"> Review of file and corresponding with Automic in relation to AHI shares and holding statements.
Dividend	-	17,448.00	17,448.00	<ul style="list-style-type: none"> Future work includes the expectation that a dividend will be paid from the Bankrupt Estate.
Administration	5,000.00	23,122.00	18,122.00	<ul style="list-style-type: none"> Additional statutory lodgement. Internal file notes regarding additional work performed. Correspondence with the Australian Taxation Office relating to petitioning creditor costs and requirement to lodge FOI request.
Total (ex GST)	35,000.00	150,560.00	115,560.00	

We have provided an explanation of tasks remaining to be completed, including our estimated costs to complete those tasks, to support our current remuneration approval request, in this report and in Schedule A.

Schedule E – FTI Consulting schedule of rates effective 1 July 2021

Typical classification	Standard Rates \$/hour	General guide to classifications
Senior Managing Director/Appointee	720	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	660	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	580	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	530	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	480	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	435	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	390	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	360	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	335	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Treasury	290	Typically, qualified accountant and/or bookkeeper working in a treasury function. Undertakes treasury activities and is skilled in all aspects of bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable.
Junior Associate	220	Undergraduate in the latter stage of their university degree.
Administration 2	220	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.

Typical classification	Standard Rates \$/hour	General guide to classifications
Administration 1	185	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	180	Undergraduate in the early stage of their university degree.

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.



Australian Government

Australian Financial Security Authority



ARITA

AUSTRALIAN RESTRUCTURING
INSOLVENCY & TURNAROUND
ASSOCIATION

CREDITOR INFORMATION SHEET: REMUNERATION

December 2020

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INFORMATION**
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What is this information sheet about?

This information sheet provides general information to help you understand the process of approving a trustee's remuneration and your rights in this process. It covers the approval of a trustee's remuneration in a bankruptcy or personal insolvency agreement (which, for the purposes of this information sheet, may be referred to as an 'administration' or 'estate'). At the end of this sheet, as annexure A, there is a timeline detailing the order and ways you can become involved in setting a trustee's remuneration.

If you are a creditor in a bankruptcy or personal insolvency agreement, you may be asked to approve the trustee's remuneration. Creditors have the power to determine a trustee's remuneration, including specifying the amount of remuneration, and the method for working out the amount.

Creditors have a direct interest in the amount of a trustee's remuneration and costs, as these will generally be paid from the estate before any payments are made to creditors.

Trustee remuneration and some internal disbursements (i.e. other costs) must be approved in accordance with the Bankruptcy Act 1966 (the Act) before they can be paid.

What is a trustee?

If a person becomes bankrupt or enters a personal insolvency agreement, an independent registered trustee may be appointed to oversee the estate.

The duties of a trustee are specified in legislation and trustees must adhere to certain standards while administering the estate. All trustees are required by law to undertake certain tasks, some of which may not benefit creditors directly (for example, investigating whether any offences have been committed).

What are a trustee's remuneration and costs?

Trustees are entitled to be paid for the necessary work they properly perform in the administration, including to be:

- paid reasonable remuneration for the work they perform, once this remuneration has been approved
- paid for internal disbursements they incur performing their role such as photocopying, and telephone charges (these costs need approval where a related entity to the trustee may obtain a profit or advantage)
- reimbursed for out-of-pocket costs incurred in performing their role including legal costs and valuation expenses (these costs do not need approval).

If there is not enough money received in the administration to pay the trustee's remuneration and costs, and there is no third party payment arrangement for their payment, the trustee remains unpaid.

How is remuneration calculated?

A trustee may propose calculating their remuneration using one of the following methods:

- an hourly rate, on the basis of time spent working on the administration
- a quoted fixed amount, based on an estimate of the costs or
- a set percentage of asset realisations, i.e. money recovered (this percentage is set under the Act and the Insolvency Practice Rules (Bankruptcy) 2016).

Charging on the basis of time spent is by far the most common method used. Trustees have a set of hourly rates that they will seek to charge to cover staff costs at various levels, and overheads.

Ultimately, creditors, acting collectively and in accordance with the requisite meeting procedures, have the power to determine a trustee's remuneration. Please refer to annexure A to learn about the process for doing this.

What role do creditors play?

Creditors play an important role in the remuneration system. Creditors have the power to approve a trustee's remuneration; that is, give the trustee permission to be paid. This can take place in one of two ways:

- At a meeting of creditors: the meeting of creditors provides an opportunity for creditors to ask questions about the trustee's remuneration and to approve remuneration by a vote.
- Alternatively, the trustee may seek approval of remuneration via a proposal without a meeting. This is essentially a postal vote, and is the most common way remuneration is approved. For further information, please refer to the ARITA fact sheet: **proposals without a meeting**.

Whichever method is used:

- the trustee must provide the same report to creditors about their remuneration, and
- the proposed resolution must be passed by a majority of the participating creditors in both value and number of debts.

Creditors may be asked to approve remuneration for work already performed and/or a fee estimate for work not yet carried out. If the work is yet to be carried out, the trustee must set a maximum limit (cap) on the future remuneration approval. If the remuneration for the work exceeds this, the trustee will have to ask the creditors to approve further remuneration, after accounting for the amount already incurred. This only applies if the remuneration method is an hourly rate.

What information will creditors receive?

There are different types of remuneration reports that you may receive from the trustee during the course of an administration. For information about these reports, please refer to **Inspector-General Practice Direction 18**.

The table details the reports and when you might receive them.

Document	Information it contains	When you will receive it
Initial remuneration notice (IRN)	Details the trustee's chosen remuneration calculation method and provides an estimate of the amount.	Within 20 business days after the trustee receives the debtor's statement of affairs (SOA). If the SOA is not received within 60 days, the IRN must be sent within 7 days of the end of the 60-day period.
Remuneration approval report (RAR)	The amount of remuneration that the trustee is seeking to have approved. A summary description of the major tasks performed, or likely to be performed in the administration. Sets out the right to request a remuneration claim notice. The request must be made within 20 business days of receiving the RAR.	It is sent at the same time as the notice to creditors of the meeting at which approval of remuneration will be sought; or the notice to creditors of the proposal without a meeting by which approval of remuneration will be sought.
Remuneration claim notice (RCN)	Details the work performed and the total amount of remuneration claimed. Includes a statement about a creditor's rights to have the remuneration reviewed.	It is sent before finalising the administration to those who elect to receive an RCN.

How do creditors decide if remuneration is reasonable?

If you are asked to approve a trustee's remuneration, your task is to decide if the amount is reasonable given the work carried out in the administration and the results of that work.

You may find the following information from the trustee useful in deciding if the remuneration is reasonable:

- the method used to calculate it
- the major tasks that have been performed, or are likely to be performed
- the remuneration/estimated remuneration (if applicable) for each of the major tasks
- the size and complexity (or otherwise) of the estate
- the amount of remuneration (if any) previously approved
- if the remuneration is calculated, in whole or in part, on a time basis
- the period over which the work was, or is likely to be, performed
- if it is for work that has already been carried out, the time spent by staff on each of the major tasks
- if it is for work that is yet to be carried out, whether the remuneration is capped.

What if creditors think the remuneration is unreasonable?

If you think the remuneration being claimed is unreasonable, you should raise your concerns with the trustee first. It is your decision whether to vote for or against a resolution to approve remuneration. You may also choose not to vote on the resolution (abstain).

You also have the power to put a different resolution to a meeting of creditors. For example, you could put forward a resolution to change the method used to calculate remuneration, the amount of remuneration, or the time(s) when the trustee may withdraw funds. Any amending resolution must occur before the vote to approve the remuneration. If the amended proposal is passed, the resolution is binding on the trustee. However, an amendment may result in the trustee seeking to be removed as trustee by a resolution of creditors, or the trustee resigning from the appointment with the Court's approval. If the trustee ceases to be trustee without another trustee having consented, the estate will be administered by the Official Trustee.

If the trustee is seeking approval of remuneration without a meeting, and more than 25% of the creditors (in value) who respond object to the proposal being resolved without a meeting, the proposal will not pass. In these circumstances, if the trustee wants the proposal passed, a meeting will need to be convened. Any creditor entitled to participate in the meeting has the right to put a resolution to the meeting before the vote is taken.

What if remuneration is not approved by creditors?

If a trustee does not receive creditor approval, the trustee can apply to the Inspector-General in Bankruptcy ("Inspector-General") to determine their remuneration. The Inspector-General will generally approve the trustee's application unless the trustee has not followed the procedure in the Act and Rules including estimating remuneration, adequately describing the work performed or to be performed and notifying creditors. However, as outlined above, if creditors determine a different amount of remuneration to the one proposed by the trustee, the trustee cannot apply to the Inspector-General to have this changed.

When there are limited funds available in the estate, or the trustee's remuneration is below a statutory threshold, a trustee is entitled to draw a one-off amount up to that threshold (plus GST) without creditor approval.

Information about thresholds can be found on the Indexed amounts page on the [AFSA website](#).

Do creditors have review rights?

A creditor may apply to the Inspector-General for a review of remuneration and certain disbursements claimed by a trustee. The remuneration review process is explained in [Inspector-General Practice Statement 16](#).

A creditor has 20 business days after receiving an RCN from the trustee (if you elected to receive one), or otherwise within 20 business days after the end of the administration, to give written notice to AFSA that you require a claim for remuneration to be reviewed. There is a form for this purpose on the [AFSA website](#). AFSA has a discretion to accept out of time applications.

Reimbursement of out-of-pocket costs

A trustee should be very careful incurring costs that must be paid from the estate; as careful as if they were incurring the expenses on their own behalf.

Where these out-of-pocket costs are internal disbursements paid to the trustee's firm (for example, photocopying and phone calls), the trustee will request creditor approval of these amounts. The trustee may also ask for approval of internal disbursements in advance. If they do, creditors will set the rates for those disbursements and a cap on the maximum amount that can be drawn.

Enquiries and complaints about remuneration

You should first raise any enquiries or complaints with the trustee or their firm. If this does not resolve your concerns, including any concerns about their conduct, you can lodge a complaint with AFSA at [afsa.gov.au](https://www.afsa.gov.au) or with ARITA at [arita.com.au](https://www.arita.com.au). ARITA is only able to deal with complaints about their members.

More information

The ARITA Code of Professional Practice is applicable to all its members and is available at [arita.com.au](https://www.arita.com.au). ARITA also provides general information to assist creditors at [arita.com.au/creditors](https://www.arita.com.au/creditors).

The AFSA website has information on trustees' obligations in relation to remuneration, including **Inspector- General Practice Statements** 15 and 16 and **Inspector-General Practice Directions** 6 and 18. This information is relevant to all AFSA stakeholders or anyone affected by personal insolvency.

References

Information in this document reflects collectively the requirements of the Bankruptcy Act 1966 (including the Insolvency Practice Schedule (Bankruptcy), Insolvency Practice Rules (Bankruptcy) 2016, Bankruptcy Regulations 1996, Inspector-General Practice Statements, Inspector-General Practice Directions and the ARITA Code of Professional Practice.

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 relevant to your circumstances.

1. Person becomes bankrupt

You will receive an IRN - usually one month from bankruptcy. This will include:

- the calculation method
- Estimate of Amount

Read this document carefully - it can be the best time to influence the trustee's remuneration.

If you have concerns, firstly raise them with the trustee.

2. If you are dissatisfied with the IRN

Options include:

- Propose and pass a resolution fixing the trustee's remuneration at a meeting of creditors **OR**
- Arrange for a different trustee to be appointed to the estate

3. Pass a resolution

To do this, you firstly must request the trustee to convene a meeting of creditors. To convene a meeting your debt must be

- greater than 25% of all debts, **OR**
- between 10% and 25% and agree to cover the cost of the meeting (this can be your debt, or the total of a group of creditors making the request)

4. If a meeting is held:

You may propose a resolution fixing the trustee's remuneration with respect to:

- the calculation method, and
- the amount of remuneration

The proposed resolution must be passed by a majority of the participating creditors. If passed, the trustee is bound by this resolution and cannot seek IG approval.*

5. Change trustee

Obtain the consent of the alternative trustee.

The same meeting rules apply to changing trustee as they do to passing a remuneration resolution.

Fix the trustee's remuneration as described above.

If passed, the trustee is bound by the resolution and cannot seek IG approval.

6. If you do none of the above, the trustee will remain trustee

The trustee will send an RAR. Review the report carefully and decide how you will vote.

If you want to continue to participate, contact the trustee to find out if the resolution passed.

If the resolution did not pass, it's an opportunity to return to step two above. It is also an opportunity for the trustee to apply to the IG for approval.

7. Final comments

If the trustee applies to the IG for approval, the IG will usually give it.

Importantly, the trustee **cannot** apply to the IG if creditors **have approved** the remuneration.

Once approved, the remuneration can be drawn subject to available funds and chargeable hours.

Creditors may request an IG review.

*Note: this course of action may result in the trustee causing themselves to be removed as trustee of the estate. If no other trustee is appointed, the Official Trustee will become the trustee.



Annexure D

Notice of Proposals to Creditors



NOTICE OF PROPOSAL TO CREDITORS

Bankruptcy Act 1966: Section 75-40 of the Insolvency Practice Schedule (Bankruptcy); Sections 75-130 and 75-137 of the Insolvency Practice Rules (Bankruptcy) 2016.

Information for creditors

Trustees may seek creditor approval of certain proposals, without convening a meeting of creditors. This notice sets out a proposal for your consideration and indicates the date by which you must respond in order for your views to be taken into account. If the requisite majority of creditors responding to the notice approve the proposal, and not more than 25 per cent in value of creditors responding to the notice object to the proposal being resolved without a meeting of creditors, the proposal is taken to have been passed as a resolution or special resolution (depending on the nature of the proposal) at a meeting of creditors.

Details of regulated debtor(s)

Administration number		Date of administration (DD/MM/YYYY)
WA 94 of 2022/2		15/02/2022
Title	Given name/s	Surname
Mr	Vlado	Bosanac
Title	Given name/s	Surname

Creditor details

Name of creditor	ABN if applicable
Address	
Are you or your related entities related to the debtor?	No <input type="radio"/> Yes <input type="radio"/>
If yes, provide details of the relationship below:	

Details of any security held:

Do you hold security over any of the debtor's property?	No <input type="radio"/> Yes <input type="radio"/>
If yes, estimated value of security	\$ <input type="text"/>
Description of secured property & estimated value of property \$	

Claim details

Amount claimed

Provide brief particulars of transactions/circumstances giving rise to your claim	Amount \$
Total amount claimed after deducting value of security (if any)	

Assignment of debt

If the debt has been assigned to you (e.g. you purchased the debt), you need to disclose the amount you paid for this assigned debt. The amount you paid for the assigned debt determines the value of your vote. If you do not disclose the amount you paid for the assignment, you are not entitled to vote. Should a dividend be paid the full value of the debt will be used to calculate the dividend. To participate in a dividend a proof of debt form must be lodged with the trustee.

Details of assignment of debt

Was this debt assigned to you? No Yes

If yes, what consideration did you pay for the assignment? \$

Proposed resolution

That the remuneration of the Trustee of Bankruptcy Estate of Vlado Bosanac, his partners and staff, for the period 1 September 2022 to 6 October 2022, calculated at the rates detailed in the Schedule of FTI Consulting Standard Rates (Corporate Finance and Restructuring), effective 1 July 2021, is approved for payment in the incurred amount of \$14,647.50, exclusive of GST, to be drawn from available funds immediately as funds become available.

Statement of reasons for the proposal and the likely impact it will have on creditors if it is passed

Please refer to the remuneration report.

Voting on proposal

In accordance with paragraph 75-40(2)(d) of the Schedule, creditors are given the option of approving, not approving or objecting to the proposed resolution being resolved without a meeting of creditors.

Please select the appropriate response:

- Yes I approve the proposed resolution
- No I do not approve the proposed resolution
- Object I object to the proposal being resolved without a meeting of creditors

Please return this document no later than for your vote to be taken into account.

Note: this date must be at least 15 business days after the day the notice is given.

Signature

Name of creditor/ authorised officer of creditor

Signature

Date (DD/MM/YYYY)

Please return a signed and dated copy of this document to:

Name and contact details



NOTICE OF PROPOSAL TO CREDITORS

Bankruptcy Act 1966: Section 75-40 of the Insolvency Practice Schedule (Bankruptcy); Sections 75-130 and 75-137 of the Insolvency Practice Rules (Bankruptcy) 2016.

Information for creditors

Trustees may seek creditor approval of certain proposals, without convening a meeting of creditors. This notice sets out a proposal for your consideration and indicates the date by which you must respond in order for your views to be taken into account. If the requisite majority of creditors responding to the notice approve the proposal, and not more than 25 per cent in value of creditors responding to the notice object to the proposal being resolved without a meeting of creditors, the proposal is taken to have been passed as a resolution or special resolution (depending on the nature of the proposal) at a meeting of creditors.

Details of regulated debtor(s)

Administration number		Date of administration (DD/MM/YYYY)
WA 94 of 2022/2		15/02/2022
Title	Given name/s	Surname
Mr	Vlado	Bosanac
Title	Given name/s	Surname

Creditor details

Name of creditor	ABN if applicable
Address	

Are you or your related entities related to the debtor? No Yes

If yes, provide details of the relationship below:

Details of any security held:

Do you hold security over any of the debtor's property? No Yes

If yes, estimated value of security \$

Description of secured property & estimated value of property \$

Claim details

Amount claimed

Provide brief particulars of transactions/circumstances giving rise to your claim	Amount \$
Total amount claimed after deducting value of security (if any)	

Assignment of debt

If the debt has been assigned to you (e.g. you purchased the debt), you need to disclose the amount you paid for this assigned debt. The amount you paid for the assigned debt determines the value of your vote. If you do not disclose the amount you paid for the assignment, you are not entitled to vote. Should a dividend be paid the full value of the debt will be used to calculate the dividend. To participate in a dividend a proof of debt form must be lodged with the trustee.

Details of assignment of debt

Was this debt assigned to you? No Yes

If yes, what consideration did you pay for the assignment? \$

Proposed resolution

That the remuneration of the Trustee of Bankruptcy Estate of Vlado Bosanac, his partners and staff, for the period 7 October 2022 to 31 January 2023, calculated at the rates detailed in the Schedule of FTI Consulting Standard Rates (Corporate Finance and Restructuring), effective 1 July 2021, is approved for payment in the incurred amount of \$70,912.50, exclusive of GST, to be drawn from available funds immediately as funds become available.

Statement of reasons for the proposal and the likely impact it will have on creditors if it is passed

Please refer to the remuneration report.

Voting on proposal

In accordance with paragraph 75-40(2)(d) of the Schedule, creditors are given the option of approving, not approving or objecting to the proposed resolution being resolved without a meeting of creditors.

Please select the appropriate response:

- Yes I approve the proposed resolution
- No I do not approve the proposed resolution
- Object I object to the proposal being resolved without a meeting of creditors

Please return this document no later than for your vote to be taken into account.

Note: this date must be at least 15 business days after the day the notice is given.

Signature

Name of creditor/ authorised officer of creditor

Signature

Date (DD/MM/YYYY)

Please return a signed and dated copy of this document to:

Name and contact details



NOTICE OF PROPOSAL TO CREDITORS

Bankruptcy Act 1966: Section 75-40 of the Insolvency Practice Schedule (Bankruptcy); Sections 75-130 and 75-137 of the Insolvency Practice Rules (Bankruptcy) 2016.

Information for creditors

Trustees may seek creditor approval of certain proposals, without convening a meeting of creditors. This notice sets out a proposal for your consideration and indicates the date by which you must respond in order for your views to be taken into account. If the requisite majority of creditors responding to the notice approve the proposal, and not more than 25 per cent in value of creditors responding to the notice object to the proposal being resolved without a meeting of creditors, the proposal is taken to have been passed as a resolution or special resolution (depending on the nature of the proposal) at a meeting of creditors.

Details of regulated debtor(s)

Administration number		Date of administration (DD/MM/YYYY)
WA 94 of 2022/2		15/02/2022
Title	Given name/s	Surname
Mr	Vlado	Bosanac
Title	Given name/s	Surname

Creditor details

Name of creditor	ABN if applicable
Address	
Are you or your related entities related to the debtor? No <input type="radio"/> Yes <input type="radio"/>	
If yes, provide details of the relationship below:	

Details of any security held:

Do you hold security over any of the debtor's property?	No <input type="radio"/> Yes <input type="radio"/>
If yes, estimated value of security	\$ <input type="text"/>
Description of secured property & estimated value of property \$	

Claim details

Amount claimed

Provide brief particulars of transactions/circumstances giving rise to your claim	Amount \$
Total amount claimed after deducting value of security (if any)	

Assignment of debt

If the debt has been assigned to you (e.g. you purchased the debt), you need to disclose the amount you paid for this assigned debt. The amount you paid for the assigned debt determines the value of your vote. If you do not disclose the amount you paid for the assignment, you are not entitled to vote. Should a dividend be paid the full value of the debt will be used to calculate the dividend. To participate in a dividend a proof of debt form must be lodged with the trustee.

Details of assignment of debt

Was this debt assigned to you? No Yes

If yes, what consideration did you pay for the assignment? \$

Proposed resolution

That the future remuneration of the Trustee of Bankruptcy Estate of Vlado Bosanac, his partners and staff, for the period 1 February 2023 to 30 April 2023, calculated at the rates detailed in the Schedule of FTI Consulting Standard Rates (Corporate Finance and Restructuring), effective 1 July 2021, is approved for payment in the capped amount of \$30,000.00, exclusive of GST, to be drawn from available funds immediately as funds become available.

Statement of reasons for the proposal and the likely impact it will have on creditors if it is passed

Please refer to the remuneration report.

Voting on proposal

In accordance with paragraph 75-40(2)(d) of the Schedule, creditors are given the option of approving, not approving or objecting to the proposed resolution being resolved without a meeting of creditors.

Please select the appropriate response:

- Yes I approve the proposed resolution
- No I do not approve the proposed resolution
- Object I object to the proposal being resolved without a meeting of creditors

Please return this document no later than for your vote to be taken into account.

Note: this date must be at least 15 business days after the day the notice is given.

Signature

Name of creditor/ authorised officer of creditor

Signature

Date (DD/MM/YYYY)

Please return a signed and dated copy of this document to:

Name and contact details



Annexure E Glossary

Glossary

Term	Definition
Act	Bankruptcy Act 1966
AFSA	Australian Financial Security Authority
AHI	Advanced Health Intelligence Limited formerly traded as MyFiziq and Advanced Human Imaging Ltd
ATO	Australian Taxation Office
AUD	Australian Dollar
CET	Clean Earth Technologies Pte Ltd, a related entity
Court	The Federal and Family Circuit Court
Dalkeith Property	82 Philip Road, Dalkeith WA 6009
Dominion Investments	Dominion Investments (WA) Pty Ltd, a related entity
Family Court	Family Court of Western Australia
FY	Financial Year
High Court	High Court of Australia
IPR	Insolvency Practice Rules
IPS	Insolvency Practice Schedule
ITR	Income Tax Return
Kavinci Motors	Kavinci Motors Pty Ltd
k	Thousand
m	Million
Mr Bosanac	Vlado Bosanac (Bankrupt)
PR	Performance Rights
the Bankrupt	Vlado Bosanac
Trustee	Ian Charles Francis