



21 July 2021

**To the creditor as addressed**

Dear Sir/Madam

***Semantic Software Asia Pacific Limited  
(In Liquidation) (the Company)  
ACN 134 067 691***

**Initial Notice to Creditors**

Martin Ford and I were appointed Liquidators of the Company on 15 July 2021 by the Supreme Court of New South Wales.

According to the Company's records, you may be a creditor of the Company. We are writing to provide you with information about the liquidation and your rights as a creditor. The Company records made available to us also include significant shareholder claims recorded as contingent liabilities. We understand this liability relates to various share buy-back guarantees provided by the Company historically to shareholders. We intend to investigate these guarantees as part of our role as Liquidators however for present purposes our initial circular to creditors has also been sent to all shareholders of the Company.

Our Declaration of Independence, Relevant Relationships and Indemnities (**DIRRI**) is attached at **Appendix A**. The DIRRI assists you to understand any relevant relationships that we have, and any indemnities or upfront payments that have been provided to us. None of the relationships disclosed in this document affect our independence.

**Legal proceedings**

Prior to our appointment the Company was a defendant in legal proceedings commenced by the Australian Securities & Investments Commission (ASIC) in which ASIC sought and obtained various interim orders against the Company pending determination of its application to appoint Provisional Liquidators to the Company. On 28 June 2021, the Court made various interim asset preservation orders and injunctive restraints against the Company and other defendants. These orders were discharged and/or vacated on 15 July 2021 by consent with our appointment as Liquidators to the Company.

**What is a court liquidation?**

A court liquidation is where a court makes an order to place a company into liquidation. Typically, this means that the company is insolvent (i.e. it is unable to pay its debts as and when they fall due). The Liquidator's role is to

- protect, collect and realise the assets of the Company;
- investigation and report to creditors about the company's affairs;
- inquire into the failure of the company and possible offences that may have been committed; and

---

**PricewaterhouseCoopers, ABN 52 780 433 757**  
*One International Towers, 100 Barangaroo Avenue, BARANGAROO NSW 2000*  
*GPO Box 2650, SYDNEY NSW 2001*  
*T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)*

Liability limited by a scheme approved under Professional Standards Legislation.



- distribute funds from the realisation of assets after the costs of the liquidation to firstly priority creditors (including employees), unsecured creditors and then shareholders

Please note that the powers of the Directors and management of the Company ceased on our appointment and as liquidators we are now in control of the Company.

### **Your rights as a creditor**

Information regarding your rights as a creditor is provided in the Information Sheet included at **Appendix B**. This includes your right to:

- Make reasonable request for information
- Make reasonable request for a meeting
- Give directions to liquidator
- Appoint a reviewing liquidator
- Replace us as the liquidators.

Shareholders do not generally have the same rights as creditors in a liquidation however given the nature of guarantees that we understand were provided by the Company, shareholders may be able to claim as creditors in the liquidation. We intend to seek advice in respect to this matter and will update shareholders in due course.

### **Preliminary enquiries and steps undertaken**

We have assumed full control of the Company's affairs and the powers of the directors are suspended. On our appointment we ceased trading the business and all employees of the Company have been terminated. In addition, we have taken the following steps:

- Held initial meetings with Mr Mark Bradley (former director) and Duncan Mount (current director) to obtain information on the Company's affairs.
- Attended the trading premises in North Sydney to secure physical books and records and uplift/image the Company's various servers, laptops and other peripherals.
- Made requests to the directors to complete a Report On Company Activities and Property (**ROCAP**) and deliver the Company's books and records.
- Issued notices to various third parties to obtain books and records to assist our investigations.
- Instructed solicitors to assist us in identifying and securing the various intellectual property patents owned or controlled by the Company in Australia and overseas. The identification and preservation of these patents is a key area of focus of our initial enquires.
- Spoken with former employees of the Company in respect to potential R&D monies that may be due to the Company. We are also liaising with internal R&D tax experts within PwC.
- Met with ASIC to obtain information on the background to the legal proceedings commenced by ASIC against the Company.

A detailed update on our investigations into the Company's business, assets and affairs will be provided within our Statutory Report to Creditors. This report will be issued on or before **15 October 2021**.

### **Costs of the liquidation**

Included at **Appendix C** is our Initial Remuneration Notice. This document provides you with information about how we propose to be paid for undertaking the liquidation.



We may write and ask that you approve our remuneration for the work that we do in completing the liquidation. If we do, we will provide you with detailed information so that you can understand what tasks we have undertaken and the costs of those tasks.

### **What happens to your debt?**

All creditors of the Company are now creditors in the liquidation. Creditors have certain rights, although any debts will be dealt with in the liquidation.

If you have leased property to the Company, have a retention of title claim or hold a Personal Property Security in relation to the Company, please email [au\\_semantic@pwc.com](mailto:au_semantic@pwc.com) as a matter of urgency.

The formal proof of debt form is included at **Appendix D**. Please complete and send this form with your supporting documents to [au\\_semantic@pwc.com](mailto:au_semantic@pwc.com).

### **Shareholders and recent fundraising**

A transfer of shares in a company or alteration of status of shareholders during liquidation will not be effective unless the liquidator gives written consent or the Court permits. Please note that as Liquidator we have not provided any such consent at this time and such any dealings in this respect will not be effective.

We understand that subsequent to 28 June 2021 the Company (through its directors and/or management) may have sought to raise funding from shareholders by borrowing funds or the issuing of shares in the Company for the purposes of supporting the Company in the legal proceedings. In the event you as a shareholder(s) fall into this category we request that you forward details in respect to this to [au\\_semantic@pwc.com](mailto:au_semantic@pwc.com).

### **Other matters**

We are aware that former directors of the Company have issued letters/emails to shareholders of the Company in respect to providing funding for a 'new co' and their intention to take preparatory steps to submitting a restructuring plan to the liquidators and ASIC in the future. Please note that neither the liquidators nor PwC are involved in the formation of this new company, its fundraising activities or its restructuring plan.

**Any person or entity that intends to participate does so at their own risk and neither the liquidators nor PwC will be held liable for any loss or damage caused thereof. Shareholders are encouraged to seek their own independent legal advice.**

As the Company is now in liquidation assets of the Company are under our control and any dealings in the shares of the Company are not allowed without our consent. As noted, we have not provided any consent at the time of writing to deal in shares or otherwise.

### **Next steps**

We will proceed with the liquidation, including:

- Secure the Company's interest in assets including intellectual property patents
- Take steps to recover the cost orders and other receivables that may be due to the Company



- Conduct a review of the Company's tax position to assess the recoverability of any Research and Development grants
- Liaise with all parties involved in the creation and preservation of the Company's IP assets and commenced taking steps to realise the IP assets.
- Investigating the Company's affairs, including pursuing any transactions which may be considered void under Part 5.7B of the Corporations Act 2001 (**Act**)
- Reporting to the corporate regulator, ASIC
- Distributing any available funds to creditors and shareholders in accordance with their priorities under the Corporations Act.

If we receive a request for a meeting that complies with the guidelines set out in the creditor's rights information sheet, we will hold a meeting of creditors.

We will write to you within three months of our appointment advising whether a dividend is likely and update you on the progress of our investigations.


We may write to you again after that with further information on the progress of the liquidation.

#### **Where can you get more information?**

You can access additional information on the following websites:

- ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors)
- ASIC at <https://asic.gov.au/regulatory-resources/insolvency/insolvency-information-for-directors-employees-creditors-and-shareholders/>

Yours faithfully



Andrew Scott  
Liquidator

Date of appointment: 15 July 2021  
Contact name: Joanne Chu  
Email: au\_semantic@pwc.com

Encl.

#### **List of Appendices**

**Appendix A** - Declaration of independence, relevant relationships and indemnities

**Appendix B** - Information sheet – creditors rights in liquidation

**Appendix C** – Initial Remuneration Notice

**Appendix D** – Formal proof of debt form

---

# *Appendices*

Appendix A Declaration of independence relevant relationships and indemnities for Andrew Scott

Appendix B Information sheet – creditors rights in liquidation

Appendix C Initial Remuneration Notice

Appendix D Formal proof of debt

---

## ***Appendix A***

### ***Declaration of independence, relevant relationships and indemnities***

## **Declaration of Independence, Relevant Relationships and Indemnities**

### **Semantic Software Asia Pacific Limited (In Liquidation) (the Company) ACN 134 067 691**

A Practitioner appointed to an insolvent entity is required to make declarations as to:

- A. Their independence generally
- B. Relevant 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.

From 1 August 2018, PPB Advisory merged with PricewaterhouseCoopers (PwC). As a result, the majority of PPB Advisory's partners and staff joined PwC.

This declaration is made in respect of us, the partners and staff of PwC and all members of the PwC global network in Australia.

### ***A. Independence***

We, Andrew Scott (**AS**) and Martin Ford (**MF**) of PwC, One International Towers, Watermans Quay, Barangaroo NSW 2000, have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as the Liquidators of the Company in accordance with the law and applicable professional standards. The assessment included a review of PPB Advisory matters for the 24-month period prior to accepting the appointment as Liquidator.

This assessment identified no real or potential risks to our independence. We are not aware of any conflicts at the time of our appointment or any reasons that would prevent us from accepting this appointment.

In the event that any conflict arises, we will seek independent legal advice or court directions if appropriate.

In the event that this declaration needs to be updated we will issue written notice to all known creditors.

### ***B. Declaration of Relationships***

#### **i. Circumstances of appointment**

This appointment was referred to us directly by a Director of the Company. On 5 July 2021, Mr Duncan Mount submitted a general enquiry on the PwC website to request information in respect to potentially placing the Company into Voluntary Administration.

We, and members of our staff, had the following discussions with the Company prior to our appointment by Order of the Court:

<b>Date of phone call</b>	<b>Persons present</b>	<b>Nature</b>
<b>5 July 2021</b>	AS, MF and Mark Bradley ( <b>MB</b> ) former director	Background on legal proceedings and high-level overview of financial position of the Company and discussion around potential options for Administration

<b>6 July 2021</b>	AS, MB and Mr Duncan Mount <b>(DM)</b> director of the Company	Provided further financial information on the Company and discussed major balance sheet items, court orders and options for administration process
<b>8 July 2021</b>	AS, MB	Provided with update on status of legal proceedings
<b>13 July 2021</b>	AS, MB, DM, Jonathan O'Loughlin legal advisor of the Company <b>(JO)</b> and Michael Bradley (son of MB)	Provided with update on status of legal proceedings, further information on financial position of the Company, IP held by the Company, guarantees provided by Company historically to raise share capital, general information provided on administration and liquidation options. General discussion around effect of liquidation and role of Liquidator
<b>14 July 2021</b>	AS, Nick Charlwood of PwC <b>(NC)</b> MB, DM, Keith Graham (shareholder in the Company)	Provided with general information on how liquidation process works, discussion around the Company's intellectual property, duties of liquidator and how the assets that are realised are distributed in a liquidation
<b>15 July 2021</b>	AS, MB and JO	Provide further update on legal proceedings and intention to appoint PwC as Liquidator. PwC to provide consent to act, further general discussion on liquidation process of realisation / distribution of assets
<b>15 July 2021</b>	AS, MB	Call from MB advising Company and ASIC had agreed to consent orders and PwC appointed liquidators

In our opinion, the meeting and correspondence does not affect our independence, as the advice was given to the Company and not to the director personally. Further, the advice was restricted to the limitations imposed by Principle 2 of the Code of Professional Practice in relation to pre-appointment advice as follows:

- Obtaining sufficient information about the company to advise the company and its directors on the solvency of the company
- To clarify and explain for the company and its directors the various options available to the company and the nature and consequences of an insolvency appointment; and
- For providing a consent to act.

We received no remuneration for this advice.

In our opinion, these meetings do not affect our independence for the following reasons:

- the Courts and ARITA's Code of Professional Practice specifically recognise the need for Members to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment;
- the nature of the advice provided to the company is such that it would not be subject to review and challenge during the course of the voluntary administration; and
- the pre-appointment advice will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the liquidation of the company in an objective and impartial manner.

We have provided no other information or advice to the company, its directors or advisors prior to my appointment beyond that outlined in this DIRRI.



## ii. Relevant relationships (excluding professional services to the insolvent)

PwC undertakes assignments for a large number of corporate and government entities in Australia and may have acted for some creditors of the Company. We are not aware of any such relationship that would influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the administration of the Company in an objective and impartial manner.

The partners and staff of PPB Advisory who joined PwC from 1 August 2018 may have previously acted for some creditors of the Company. We are not aware of any such relationship that would influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the administration of the Company in an objective and impartial manner.

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

### Deputy Commissioner of Taxation (Unsecured Creditor)

Nature of relationship	Reasons for believing no conflict of interest or duty
Various Practitioners within PwC are members of panels for appointments as liquidators and bankruptcy trustees.	We believe that these relationships do not result in a conflict of interest or duty. Our previous relationships with the unsecured creditor has not been and is not in relation to the Company's affairs and/or the Company's Director or related parties of the Company.

### Australian Securities & Investment Commission (Plaintiff in proceedings commenced against Company)

Nature of relationship	Reasons for believing no conflict of interest or duty
Various Practitioners within PwC have at various times been on panels and/or have been asked to consent to appointments as liquidators at the request of ASIC	We believe that these relationships do not result in a conflict of interest or duty. Our previous relationships with ASIC has not been and is not in relation to the Company's affairs and/or the Company's Director or related parties of the Company.

## iii. Prior professional services to the insolvent

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

### iii. Other relevant relationships to disclose

#### Member of PwC Singapore office (PwC Member)

We understand a person from the PwC Singapore office may directly or indirectly own a parcel of shares (less than 1%) in the Company. We have been unable to verify this holding based on our review of the company records provided to date and have requested further details.

Nature of relationship	Reasons for believing no conflict of interest or duty
Shareholder / contingent creditor	<p>We believe that this relationships does not result in a conflict of interest or duty for the following reasons</p> <ul style="list-style-type: none"><li>• There is no prohibition under either the ARITA code or APS330 for accepting an appointment in these circumstances.</li><li>• The PwC Memher acquired these shares in their individual capacity and not as part of any engagement for services provided to the Company by PwC Australia or network firms.</li><li>• The small % of holding/claim in the Company is unlikely to have any material effect on our appointment and will not influence our ability to fully comply with our statutory and fidicuaiary obligations in an objective and impartial manner.</li></ul>

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 the 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. We have not received any upfront payments in respect of our remuneration or disbursements.

Dated this 21st Day of July 2021



Andrew Scott  
Liquidator



Martin Ford  
Liquidator

Note:

1. *If circumstances change, or new information is identified, I am required under the Corporations Act 2001 and the Australian Restructuring Insolvency & Turnaround Association (ARITA) Code of Professional Practice to update this Declaration and provide a copy to creditors with my next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.*
2. *Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.*

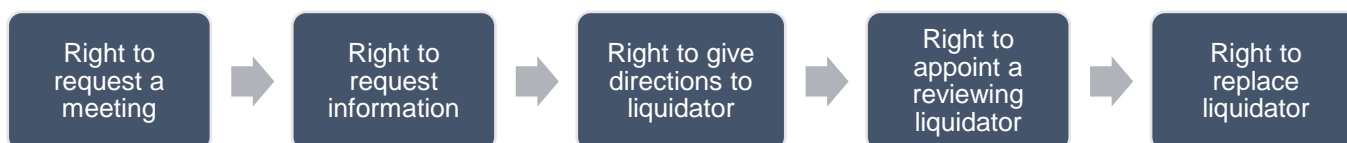
---

## ***Appendix B***

### ***Information sheet – creditors rights in liquidation***

# Creditor Rights in Liquidations

As a creditor, you have rights to request meetings and information or take certain actions:



## Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by  $\geq 5\%$  of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- $> 10\%$  but  $< 25\%$  of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- $\geq 25\%$  of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

## Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

Additionally, creditors have the right to request information at any time. A liquidator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the liquidation, and the provision of the information would not cause the liquidator to breach their duties.

A liquidator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the liquidator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

## Requests must be reasonable.

### They are not reasonable if:

Both meetings and information:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) there is not sufficient available property to comply with the request
- (c) the request is vexatious

Meeting requests only:

- (d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

- (e) the information requested would be privileged from production in legal proceedings
- (f) disclosure would found an action for breach of confidence
- (g) the information has already been provided
- (h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

## Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons.

An individual creditor cannot provide a direction to a liquidator.

## Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

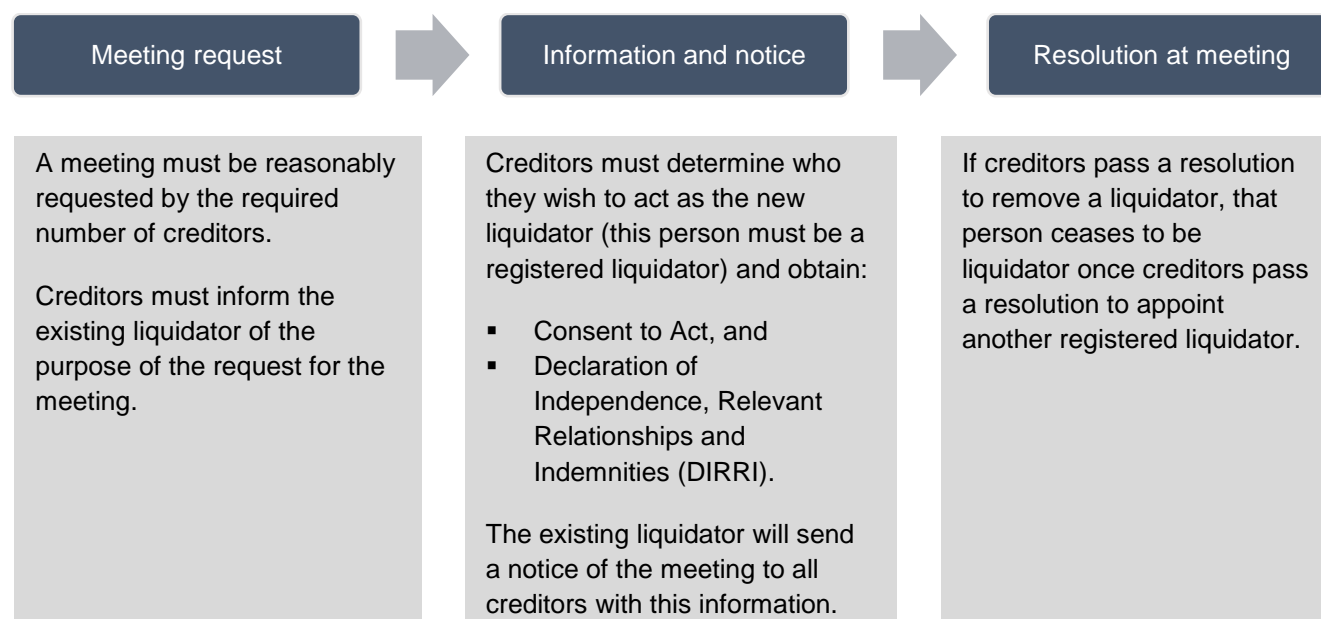
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

## Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator.

For this to happen, there are certain requirements that must be complied with:



**For more information, go to [www.arita.com.au/creditors](http://www.arita.com.au/creditors)**

---

# ***Appendix C***

## ***Initial Remuneration Notice***

## **Initial Remuneration Notice**

**Semantic Software Asia Pacific Limited  
(In Liquidation) (the Company)  
ACN 134 067 691**

The purpose of the Initial Remuneration Notice is to provide you with the information about how we propose our remuneration for undertaking the liquidation will be set.

### **A. Remuneration Method**

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner. They are:

#### **1. Time based / hourly rates**

This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work, multiplied by the number of hours spent by each person on each of the tasks performed.

#### **2. Fixed Fee**

The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.

#### **3. Percentage**

The total fee charged is based on a percentage of a variable, such as the gross proceeds of assets realisations.

#### **4. Contingency**

The practitioner's fee is structured to be contingent on a particular outcome being achieved.

### **B. Method chosen**

Given the nature of this administration we propose that our remuneration as Liquidators be calculated on **Time based / Hourly Rates**. This is because:

- It ensures that creditors are only charged for work that is performed
- As Liquidators we are required to perform a number of tasks which do not necessarily relate to realisations of assets for example responding to creditor enquires, reporting to ASIC, distributing funds in accordance with the Corporation Act, 2001 (the Act)
- Generally, it is difficult to estimate with accuracy the total amount of fees necessary to complete all tasks required in the administration
- Our firm has a time recording system that can produce a detailed analysis of time spent on each type by each individual staff member utilised in the liquidation

### **C. Explanation of Hourly Rates**

The hourly rates charged by PricewaterhouseCoopers for remuneration are set out in the below table together with a general guide showing the qualifications and experience of staff engaged in the liquidation and the role they take in the liquidation. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage. Time is charged in 6 minute increments.

Remuneration is approved by a resolution of the creditors, a creditor's committee or a court.

**PwC hourly rates as at 1 October 2018 and guide to level of insolvency classification \***

<b>Title</b>	<b>Description</b>	<b>Hourly rate (ex GST) \$</b>
Partner/Appointee	A registered liquidator or bankruptcy trustee who is a leading practitioner with extensive experience in all forms of insolvency administrations. A senior member of management with ultimate responsibility for the conduct of the administration	720.00
Managing Director/Appointee	Generally, a registered liquidator or bankruptcy trustee with extensive experience in all forms of insolvency administrations. A senior member of the management and where a co-appointee, has responsibility for the conduct of the administration.	690.00
Director	Highly experienced in insolvency matters at a senior level, including managing complex administrations and supervising teams. Capable of deputising for the Appointees where required, and may be qualified to accept appointments in his/her own right. Alternatively, may have specialist business or industry skills, and management experience at a senior level, or a combination of skills.	625.00
Senior Manager	Experienced in insolvency matters with strong technical knowledge and commercial skills. Capable of supervising teams, having primary responsibility for small to medium matters, or complex aspects of larger matters. Answerable to the Appointees and/or senior team members. Alternatively, may have specialist business or industry skills, and management experience at a senior level, or a combination of skills.	560.00
Manager	Experienced in insolvency matters with well-developed technical and commercial skills. Capable of supervising smaller teams and can take day-to-day responsibility of smaller to medium matters, or aspects of more complex matters. Alternatively, may have management, business, or industry skills, or a combination of skills. Generally reports to senior team members, or directly to the Appointees on a smaller matters.	510.00
Senior Consultant	Generally a qualified accountant with postgraduate qualifications in insolvency subjects. Assist with the planning and control of various aspects of the administration. Has day-to-day responsibility for overseeing fieldwork and can supervise staff. Has experience in larger and more complex administrations.	425.00
Consultant	Generally a qualified accountant. Assist with the planning and control of various aspects of the administration, including fieldwork under the supervision of more senior staff.	350.00
Offshore Professional	Generally a qualified accountant. Assists with planning and control of various aspects of the administrations, but is primarily responsible for completing office work under the supervision of more senior staff.	250.00
Specialist	Has specialist skills and experience in bookkeeping and other administrative tasks connected to statutory and other reporting obligations of the administration.	180.00
Administration Support	Has appropriate skills to provide administrative support to the team including high-speed and accurate document preparation and data entry, records control and management, and general data analytics.	180.00

\* The above rates are reviewed from time to time. The description of each grade is a general guide only. From time to time there may be persons employed who, because of their skills and experience, are employed in positions where they may not necessarily meet all of the above qualifications.

The hourly rates set out in this schedule are exclusive of GST and do not include disbursements.

Future remuneration is approved subject to a maximum or cap. Sometimes the actual cost of the administration will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. we will not pay any amount exceeding the maximum without this approval.

Where funds are available, we will usually pay approved remuneration at intervals not less than one month. Where funds are not available, remuneration will not be paid.



## D. Estimate of Total Remuneration

Having considered the nature of the administration, likely tasks to be completed and complexity, we estimate our remuneration to be within a range of \$150,000.00 to \$300,000.00 (exclusive of GST) for the period up to completion. We are unable to determine with certainty at this early stage of the liquidation the total costs to complete the liquidation. The following variables may have a significant effect on our estimate:

- Length of time taken to obtain assessment of cost orders made in favor of the Company and enforcement of assessed costs
- Complexities that could arise in attempting to recover outstanding research and development grants owing to the company. We understand there are large number of outstanding returns.
- Complexities in dealing with securing and preserving the company's interest in intellectual property, the length of the sale process, the number of parties/offers we negotiate with, complexities with agreeing the terms of a sale etc
- Complexities in dealing with creditor claims, in particular those creditors who may also be shareholders by reason of guarantees provided by the company previously
- Complexity of investigations we are required to undertake

## E. 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 professional service disbursements are travel, accommodation, search fees, lodgment fees, storage, outsourced printing and photocopying services.
- **Internal disbursements** such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

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

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

Details of the basis of recovering disbursements in this administration are provided below. Full details of any actual costs incurred will be provided with future reporting.

### Basis of disbursement claim

Disbursements	Rate (Excl GST)
Externally provided professional services	At cost
Externally provided non-professional services	At cost
Internal disbursements	
Staff vehicle use	72 cents per kilometre

Dated this 21st day of July 2021



Andrew Scott  
Liquidator

---

# ***Appendix D***

## ***Formal proof of debt***

**FORM 535**

**FORMAL PROOF OF DEBT OR CLAIM**

To the Joint and Several Liquidators of Semantic Software Asia Pacific Limited (In Liquidation) ACN 134 067 691 (the Company)

1. This is to state that the company was, on 15 July 2021 and still is, justly and truly indebted to:

.....('Creditor')  
(name of creditor)

.....  
of (full address)

for \$.....(amount inclusive of GST)

Particulars of the debt are:

<b>Date</b> <i>(when the debt arose)</i>	<b>Consideration</b> <i>(how debt arose and attach supporting documentation)</i>	<b>Assigned debt</b> <i>(was this debt assigned to you?)</i>	<b>Amount \$</b> <i>(if an assigned debt, the consideration paid)</i>

I have attached the following documents to substantiate my claim (*tick as many as appropriate*):

- Invoices                       Judgement from Court     Letters of demand         Orders from Company  
 Monthly statements         Statutory demand         Credit application         Guarantee from Company  
 Assignment of debt         Other – please specify.....

2. To my knowledge or belief the Creditor has not, nor has any person by the Creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:

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

<b>Date</b>	<b>Drawer</b>	<b>Acceptor</b>	<b>Amount A\$</b>	<b>Due Date</b>

3. Select one of the following options:

- I am **not** a related creditor of the Company  
 I am a related creditor of the Company (eg director, relative of director, related company)

4. Signatory (*select one of the following options*)

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

Signature: ..... Address: .....

Name: ..... Phone number: .....

**FUTURE COMMUNICATION BY EMAIL**

Do you elect to receive electronic notification of future notices and documents from this office by email in accordance to Section 600G of the Corporations Act 2001?

- Yes, send all future notices to this email address: .....  
 No