

PEZULA PRIVATE ESTATE (PTY) LTD (IN LIQUIDATION)
(REGISTRATION NUMBER: 2000/019673/07
("the company")

MASTER'S REFERENCE NUMBER: C95/2014

REPORT OF THE JOINT LIQUIDATORS, IN TERMS OF SECTION 402 OF THE COMPANIES ACT NO. 61 OF 1973, AS AMENDED, TO BE SUBMITTED AT A SECOND MEETING OF CREDITORS & CONTRIBUTORIES TO BE HELD AT THE MAGISTRATE, KNYSNA ON 13 FEBRUARY 2015 AT 09H00.

ORDER OF THE COURT AND MEETINGS

Nature of Liquidation	Application to the High Court of South Africa (Western Cape High Court, Cape Town) – case number: 13193/2013
Date of Provisional Order	17 February 2014
Date of Final Order	18 June 2014
Provisional Liquidators	J F Klopper, H Kaplan & B Petersen
Final Liquidators	J F Klopper, H Kaplan, B Petersen & S M Gore
Date of Final Certificate of Appointment	11 December 2014
Date of 1 st meeting of creditors	7 November 2014 – Six claims were admitted for proof.

GENERAL AND STATUTORY INFORMATION

Registrar of Companies

The company was duly registered with the Registrar of Companies on 15th August 2000 under the reference number 2000/019673/07.

Registered Address

The registered address of the company is reflected as Twelve Clyde Street, Knysna.

Directors

It appears from our investigations that the following persons served as the directors of the company as at the date of Liquidation:

- Gregory David James (Identity Number: 6409245044083)

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- Gerhardus Hendrik Odendaal (Identity Number: 7711195044081)
- Keith Blainey Steward (Identity Number: 3910240000000)

Business of the Company

Prior to its liquidation, the company was a property investment company.

STATEMENT OF AFFAIRS

We have not been provided with a Statement of Affairs as required in terms of Section 363 of the Companies Act No. 61 of 1973 as amended.

SECTION 402(a): FINANCIAL STATEMENT OF ASSETS AND LIABILITIES

The following represents the assets and liabilities of the company that we are aware of as at date of liquidation. The assets and liabilities listed are subject to verification and adjustment and may change depending on the claims submitted for proof.

ASSETS	AMOUNT {R}	AMOUNT{R}
Various vacant erven on the remainder of the farm Noetzie 394, Knysna - Approximately (Subject to Mortgage Bond in favour of Investec Bank Limited)		R19 000 000.00
TOTAL		R19 000 000.00
LIABILITIES		
<u>Secured Creditors:</u> Investec Bank	R13 492 787.55	
<u>Preferent Creditors:</u> Employees South African Revenue Services – unknown at this stage	R 34 587.24 Unknown	
<u>Concurrent Creditors:</u> Estimated at	R42 289 982.84	

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SHORTFALL		R36 817 357.63
TOTAL	R55 817 357.63	R55 817 357.63

COMMENT ON THE ASSETS

Pursuant to an application to the High Court of South Africa, we obtained an Order in terms of which our powers were extended to enable us, inter alia, to sell the company's assets by way of public auction or private treaty. Kindly be advised that an offer of R 25 million for the property failed.

COMMENTS ON THE LIABILITIES

The liability relating to monies owing to Investec Bank Limited is in respect of a loan secured by a Mortgage Bond registered over the immovable property.

The extent of monies owing to the South African Revenue Services is unknown at this stage as we have not as yet received details of their claim.

The concurrent liabilities relates to monies owing in respect of trade creditors, services rendered and a loan account.

SECTION 402(b) : CAUSES OF THE COMPANY'S FAILURE

According to our investigations, the main reasons for the liquidation would appear to be the following:

The company entered into a loan agreement with Investec Bank Limited ("Investec") on 28 September 2006. In terms of the first loan agreement Investec lent and advanced a capital amount of R 46 026 000.00 to the company, which amount the company was to repay in eleven instalments of R 484 190.47 each and a final instalment of R 45 484 190.47.

The company failed to make payment of the final instalment. Consequently Investec and the company entered into negotiations pursuant to which Investec agreed to a restructure of the loan agreement. The company once again defaulted on the loan agreement and the full outstanding balance had become due and payable.

Moreover, the breakdown in the business relationship between the controlling shareholders, Messrs Stewart and James had a material adverse effect on the business, operations, properties, assets and the financial condition of the company.

Subsequently Investec applied for the liquidation of the company.

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SECTION 402(c) : REPORT TO THE MASTER IN TERMS OF SECTION 400 (2) OF THE COMPANIES ACT

A report will be submitted to the Master at a later stage should it become necessary

SECTION 402(d) : PERSONAL LIABILITIES OF DIRECTORS OR OFFICERS

At this stage we are unable to comment as to whether any director of the company could be held personally liable for the debts of the company. Should information come to light at a later stage to the effect that the directors could be held personally liable for the debts of the company, a report will be submitted in this regard. Investigations into the conduct of the company's affairs will however continue.

SECTION 402(e) : LEGAL PROCEEDINGS

We have no knowledge of any legal proceedings pending or threatened by or against the company as at date of liquidation other than actions relating to the recovery of debt.

SECTION 402(f) : FURTHER ENQUIRY INTO THE AFFAIRS OF THE COMPANY

Based on the information available to us at this stage, it appears that an enquiry with regard to the formation and failure of the company in terms of the provisions of the Act will not be necessary. Investigations are on-going with regard to the failure of the company and the conduct of its business.

SECTION 402(g) : BOOKS AND RECORDS

We have not been provided with the books and records of the company and are therefore, at this stage, unable to state with any certainty whether the provisions of Section 284 of the Act have been complied with.

SECTION 402(h) : ESTIMATED DIVIDEND

The prospect of a preferent and/or concurrent dividend accruing is dependent upon the amount realised for the immovable property. At this stage there is still some uncertainty relating to dividend prospects.

SECTION 402(i) : MATTERS REQUIRING THE FURTHER DIRECTIONS OF CREDITORS

Such directions as we desire, and sanction of the action taken by the Provisional Liquidators and Liquidators to date, are contained in the attached draft Resolutions submitted for consideration and adoption. It should be borne in mind that we have already obtained certain powers pursuant to the Court application referred to above.

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Dated at Stellenbosch this 26th of January 2015.



J F Kloppe

Dated at Cape Town this _____ of January 2015.

B Petersen

Dated at Cape Town this 26th of January 2015.



S M Gore

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Dated at Stellenbosch this _____ of January 2015.

J F Klopper

Dated at Cape Town this 30th of January 2015.


B Petersen

Dated at Cape Town this _____ of January 2015.

S M Gore

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Dated at Johannesburg this 30th of January 2015.


H KAPLAN

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