

INSOLVENT ESTATE ELZEA PROPERTY TRUST

MASTER'S REFERENCE NO.: E30/2022

PRELIMINARY REPORT

INTRODUCTION

The sequestration application against Elzea Property Trust ("Elzea Trust") was instituted by FirstRand Bank Limited in the High Court of South Africa Eastern Cape Division, Grahamstown under case number 2104/2022 on 6 July 2022. Elzea Trust was provisionally sequestrated on 2 August 2022. Jochen Eckhoff and Madelein Kuilder were appointed provisional trustees by the Master of the High Court, Grahamstown, on 26 August 2022.

The provisional order of sequestration was made final on 30 August 2022.

The Master of the High Court will convene a first meeting of creditors. The creditors will have an opportunity to prove their claims at the first or second meeting of creditors. The claim form and instructions on how to prove the claim is available on our website.

ESTIMATED ASSETS AND LIABILITIES OF THE INSOLVENT

1. <u>ASSETS:</u>		
1.1 Immovable property	R 7,400,000.00	
1.2 Debtors (under investigation)	R 0.00	
1.3 Claims in favour of the estate (under investigation)	R 0.00	
• <u>TOTAL ASSETS:</u>	R 7,400,000.00	
2. <u>LIABILITIES</u>		
2.1 <u>SECURED CREDITORS</u>		
2.1.1 FirstRand Bank Limited (Covering Mortgage Bond)		R 8,024,248.00
2.1.2 Buffalo City Metropolitan Municipality (Arrear rates and taxes)		R 898,663.50
2.2 <u>PREFERENT CREDITORS</u>		
2.3 South African Revenue Service (Unknown)		R 0.00
2.4 <u>CONCURRENT CREDITORS</u>		
Various		R 1,772.349.00
• <u>TOTAL LIABILITIES</u>		R 10,695,260.50
• <u>TOTAL SHORTFALL</u>	-R 3,295,260.50	

Notes:

The calculation above does not include interest on claims or costs as defined in Section 89 and 97 of the Insolvency Act 24 of 1936. Furthermore, the financial information was obtained from the insolvent's internal records and

must still be investigated and verified by the trustees.

The trustees will fully report to creditors at the second meeting of creditors in terms of section 81 of the Insolvency Act 24 of 1936.

At this early stage in the sequestration, it appears that a danger of contribution exists.

CAUSES OF INSOLVENCY

At this early stage of our investigation, it appears that due to the failure of various relating group entities the Elzea Trust, being the property-holding entity, was unable to fulfill its financial obligations towards FirstRand Bank Limited.

BOOKS AND RECORDS

It appears that the insolvent kept books and records.

PROGRESS

The provisional trustees will secure the assets of the insolvent estate until the final trustees are appointed at the first meeting of creditors. However, the property is located in a high-risk area with the largest section being vacant. Sections of the property has already been vandalized and stripped of fixtures and electrical components. Further deterioration of the property poses a severe risk to the provisional trustees and creditors.

Therefore, the provisional trustees believe that it would be to the benefit of the creditors to sell the immovable property in the estate before the first meeting of creditors and will apply to the Master of the High Court or the High Court for an extension of their powers to sell the immovable property accordingly.

If any creditor has any information which they believe can assist the provisional trustees with their duties to recover and secure the assets in the estate, they must send that information to our offices.

SIGNED ELECTRONICALLY ON 13 SEPTEMBER 2022.

A handwritten signature in black ink, appearing to be 'S. Schenck', written over a horizontal line.

JOINT PROVISIONAL TRUSTEES