

INSOLVENT ESTATE ELZEA PROPERTY TRUST
MASTER'S REFERENCE NUMBER.: E30/2022

REPORT SUBMITTED AT THE STATUTORY SECOND MEETING OF CREDITORS IN TERMS OF SECTION 81 OF THE INSOLVENCY ACT 24 OF 1936, AS AMENDED TO BE HELD BEFORE THE PRESIDING OFFICER AT THE MAGISTRATE'S COURT, BELLVILLE ON 8 JUNE 2023 AT 11H00.

INTRODUCTION

Elzea Property Trust was provisionally sequestrated by First National Bank, a division of FirstRand Bank Limited in the High Court of South Africa, Eastern Cape Division, Grahamstown, under case number 2104/2022 on 2 August 2022. Jochen Eckhoff and Madelein Kuilder were appointed joint 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 first meeting of Creditors was held before the Presiding Officer at the Bellville Magistrate's Court on 10 February 2023 at 11h00, whereat one (1) claim was proven with Jochen Eckhoff along with Madelein Kuilder being appointed as the final trustees.

SECTION 81 (a): ASSETS AND LIABILITIES

As at the date of provisional sequestration, Elzea Property Trust had the following estimated assets and liabilities:

1. <u>ASSETS:</u>		
1.1. Immovable property	R 5,000,000.00	
• <u>TOTAL ASSETS:</u>	R 5,000,000.00	
2. <u>LIABILITIES</u>		
2.1. <u>SECURED CREDITORS</u>		
2.1.1. by First National Bank, a division of FirstRand Bank Limited (Covering Mortgage Bond)		R 6,437,620.41
2.1.2. Buffalo City Metropolitan Municipality (Municipal clearance figures)		R 1,511,706.34
2.2. <u>PREFERENT CREDITORS</u>		
2.2.1. South African Revenue Service (Unknown)		R 0.00
3. <u>CONCURRENT CREDITORS</u>		
3.1. Various		R 1,772,349.00
• <u>TOTAL LIABILITIES</u>		R 9,721,675.75
• <u>TOTAL SHORTFALL</u>	-R 1,437,620.41	

GENERAL NOTES:

- (i) The figures above does not include interest or costs as defined in Sections 89 and 97 of the Insolvency Act 24 of 1936.
- (ii) There is a danger of contribution.
- (iii) If any person has information which they believe can assist the trustees with the recovery of assets, then they must immediately send that information to our offices.

NOTES ON CREDITORS

- (i) The creditors listed hereinabove are based on the claims proven at the first meeting of creditors, the municipal figures obtained and paid to date as well as the financial information obtained from the trustees.

SECTION 81 (b): CAUSES OF INSOLVENCY

Due to the failure of various related group entities, the Elzea Property Trust, being the property-holding entity, was unable to fulfill its financial obligations towards the petitioning creditor.

SECTION 81 (c): BOOKS AND RECORDS

Elzea Property Trust traded as a property-holding entity and kept adequate books and records as required by Section 134 of the Insolvency Act 24 of 1936.

SECTION 81(d): CONTRAVENTIONS AND OFFENCES

The trustees are not aware of any contraventions or offences committed by the insolvent.

SECTION 81 (e): SUBSISTENCE ALLOWANCE

No allowance has been made to the insolvent in terms of Section 79 of the Insolvency Act, nor has it requested any such allowance.

SECTION 81(f): BUSINESS CARRIED ON BEHALF OF THE ESTATE

The trustees continued to collect rental income of R 25,923.30 per month from the sole tenant.

SECTION 81 (g): LEGAL PROCEEDINGS

The trustees are not aware of any legal proceedings pending against the insolvent.

SECTION 81(h): CONTRACT FOR THE ACQUISITION OF IMMOVABLE PROPERTY AND LEASES

No notice has been served on us in terms of Section 35 of the Insolvency Act, and the insolvent was not as far as we are aware, a party to any contract for the purchase of immovable property interrupted by insolvency.

SECTION 81(i): DIRECTIONS TO CREDITORS

Draft resolutions are submitted with this report, and creditors are requested to adopt these resolutions to enable the Trustees to finalise the sequestration process.

SIGNED AT CAPE TOWN ON 6 JUNE 2023


JOINT TRUSTEES

**INSOLVENT ESTATE ELZEA PROPERTY TRUST
MASTER'S REFERENCE NO.: E30/2022**

RESOLUTIONS SUBMITTED AT THE STATUTORY SECOND MEETING OF CREDITORS IN TERMS OF SECTION 81 OF THE INSOLVENCY ACT NO 24 OF 1936, AS AMENDED, TO BE HELD BEFORE THE PRESIDING OFFICER AT THE MAGISTRATE'S COURT, BELLVILLE ON 8 JUNE 2023 AT 11H00.

RESOLVED :

1. That all actions of whatsoever nature heretofore taken by the Provisional Trustee/Trustees/Trustee/Trustees and also as set out in the report to which these Resolutions are attached, be and are hereby confirmed ratified and approved.
2. That the Provisional Trustee/Trustees be and is hereby granted the authority and shall be vested with all the powers mentioned in the Insolvency Act no. 24 of 1936 of 1973, as amended.
3. That the Provisional Trustee/Trustees be and is hereby authorised to engage the services of Attorneys, Accountants and/or Counsel and/or Recording Agents, as he/they may deem necessary, for the purpose of :
 1. taking any legal opinion that may be considered necessary in the interest of the estate;
 2. instituting or defending on behalf of the Insolvent Estate any action or other legal proceeds of a civil nature, and subject to the provisions of any law relating to criminal procedure, any criminal proceedings;
 3. holding enquiries and examinations in terms of Section 69 or 152 of the Insolvency Act number 24 of 1936, as amended, and to appoint Attorneys and Counsel and also Accountants and any other advisers, to act on his behalf in regard to such enquiries, at the cost of the Insolvent Estate, to assist him/them in regard to such enquiries and, particularly, to hold an enquiry, as is envisaged in the report to creditors, to which these Resolutions are attached.
 4. to draw any contracts and sign any documents as may be necessary;
 5. for any purpose, in doing searches at the Deeds Offices, Registrar of Companies and any other registry, as he/they, in his/their sole and absolute discretion, may deem necessary, all costs so incurred to be costs in the Insolvent Estate.
 6. for any other purpose whatsoever, as he/they, in his/their sole discretion, may deem fit;
 7. that the Provisional Trustee/Trustees be duly authorised to agree any tariff and/or scale of rates to be used in determination of any Legal or other fees, and in his/their sole discretion, to agree the quantum of such fees, which legal fees shall be on an Attorney and own Client basis and which costs so incurred to be treated as administration costs of the estate.
4. That the Provisional Trustee/Trustees be and is/are hereby authorised and empowered to investigate any apparent voidable and/or undue preference and/or any disposition of property, and to take steps which he/they, in his/their absolute discretion, may deem necessary, including the institution of Legal Actions and the employment of attorneys and/or Counsel to have these set aside, and to proceed to the final end or determination of any such legal actions, or abandon the same at any time as he/they, in his/their sole discretion, may deem fit, all costs so incurred to be costs in the Insolvent Estate. The costs referred to herein being subject to the same conditions and/or the same scales as are set out in the final paragraph of Resolution 3 above.
5. That the Provisional Trustee/Trustees be and is/are hereby authorised to collect any outstanding debts due to the Insolvent Estate and for the purpose thereof, to sell or compound any of these debts for such sum, and on such terms and conditions, as he/they, in his/their sole discretion, may deem fit, or to abandon any claims which he/they in his/their sole discretion may deem to be irrecoverable, and to appoint Debt Collectors in his/their sole discretion to assist him/them in the recovery of outstanding debts, and to take all necessary steps on the terms and provisions as he/they in his/their sole discretion as Provisional Trustee/Trustees may deem fit, to ensure the maximum debt collections or to institute Legal Action and/or employ Attorneys and/or Counsel, in connection with the recovery of the debts, and to proceed to the final end of determination of any such Legal Action instituted, or to abandon the same at any time as he/they, in his/.their sole discretion, may deem fit, all costs so incurred to be costs in the Insolvent Estate. The costs referred to herein being subject to the same conditions and on the same scales as are set out in the final paragraph of Resolution 3 above.
6. That the Trustee/s be and is/are hereby authorised to engage the services of bookkeepers, accountants and auditors and any other advisers to investigate and write up the books of the Insolvent Estate as may be required, and if necessary, to produce an audited balance sheet as at the date of sequestration, either for the purpose of investigating the affairs of the insolvent estate, establishing the claims of creditors, or any other purpose as he/they in his/their sole discretion may deem fit, all costs incurred in relation thereto to be costs in the Sequestration. The Trustee/s, in his/their sole discretion, may agree the costs with the relevant Bookkeepers, Accountants or Auditors and other advisers on behalf of the Insolvent Estate. The Trustees are authorised and instructed to pay the reasonable charges of those who rendered services in relation to the preparation and proof of creditor claims against the estate.

7. That the Provisional Trustee/Trustees be and is/are hereby authorised to sequester the Estate of any person or liquidate any Company or Close Corporation in order to recover any monies due to the Insolvent Estate, where he/they considers it necessary and that the costs in relation thereto be costs in the Insolvent Estate. The costs referred to herein being subject to the same conditions and on the same scale as are set out in the final paragraph of Resolution 3 above.
8. That the Provisional Trustee/Trustees be and is/are hereby authorised to engage the services of a representative to trace assets, make an inventory and take possession thereof, all costs incurred in relation thereto, to be costs in the Insolvent Estate.
9. That the Provisional Trustee/Trustees be, and is/are hereby authorised, to sell or in any other way dispose of any immovable or movable assets of the Insolvent Estate, whether as going concerns, or otherwise, or whether separately or jointly, with any other person or corporate entity, and on such terms and conditions as the Trustee/Trustees, in his/their sole discretion, may decide on and particularly, in his sole discretion, should they decide to sell or otherwise dispose of any such asset, jointly with any other person or corporate entity, on the method and quantum, of division, of the total consideration, by public auction, tender or private treaty, and on such terms and conditions as he/they, the Trustee/Trustees, in his/their sole discretion may deem fit and any other costs thereof which he/they, in his/their sole discretion cannot pass over, to be costs of sequestration. That the Provisional Trustee/Trustees is furthermore authorised, in his/their sole discretion, to abandon any assets for which he/they can find no purchaser or which is not practical to sell, the costs of which are the costs of sequestration.
10. That the Provisional Trustee/Trustees, in the case of the sale of any immovable property by the estate, and where the Provisional Trustee/Trustees contracts that he as Seller shall be entitled to nominate the conveyancers to do the conveyancing of the property to the Purchaser, shall be entitled to instruct Attorneys, to effect such registration of transfer on condition that the Purchaser pays all costs of transfer and that the Seller estate has no liability for such costs of transfer or any part thereof.
11. That in the event of any asset which is the subject of a mortgage bond, pledge or any other form of security, not realising sufficient to pay the claim of the secured creditors, plus the pro rata share of the costs of administration in full, the Provisional Trustee/Trustees be and is/are hereby authorised, in his/their sole discretion to sell such asset to the creditor concerned, at an agreed valuation, subject to the payment by such creditor of a pro rata share of the costs of administration, in terms of Section 89 of the Insolvency Act, as amended.
12. That the said Provisional Trustee/Trustees be and is hereby authorised and empowered, in his/their sole discretion, to compromise or admit any claim against the Insolvent Estate, whether liquidated, or unliquidated, arising from any guarantee, damages claim or any other cause whatsoever, as a Liquidated claim in terms of Section 78(3) of the Insolvency Act, as amended, at such amount as may be agreed upon by both the creditor concerned and the Provisional Trustee/Trustees, and to accept payment of any claims due to the Insolvent Estate.
13. That the payment of reasonable expenses incurred by the Trustee / Joint Trustee in carrying out any statutory duty or in the performance of his / their duty as Trustee / Joint Trustee, be paid as administration costs additional to the Trustee / Joint Trustees' remuneration. Such expenses include the expenses incurred for countrywide deeds office searches, credit inform enquiries, ITC Enquiries, Deed Search Enquiries, obtaining copies of Title Deeds, Bond documents, Court Orders and any other documents required, postages, including courier costs, and petties and attendance at the Registrar of Deeds for the noting of Court Orders.
14. That costs incurred by the Provisional Trustee/s Trustees/s in maintaining, conserving and realising any assets of the estate, be and are hereby ratified and confirmed and that such costs be costs of administration and/or costs in terms of Section 89(1) of the Insolvency Act No. 24 of 1936, as amended, if applicable and payable by the estate or the creditors, as the case may be.
15. That the Trustee/s is/are hereby authorised to take all such other steps and to do such other acts as he/they in his/their sole discretion on behalf of the Estate may deem fit, and at the cost of the Estate.
16. That the Provisional Trustee/Trustees be authorised to sell to the Insolvent, a member of his/their family or anyone else, household furniture and firearms at valuation thereof, on such terms and conditions as the Provisional Trustee/Trustees may determine, or alternatively sell the assets by Public Auction or private treaty. That the Provisional Trustee/Trustees is/are authorised to return to the Insolvent such essential wherewithal or as much thereof as he/they, in his/their sole discretion, deems necessary to sustain living.
17. That the action of the Provisional Trustee/Trustees in maintaining, conserving and realising any assets of the Estate, be and is/are hereby confirmed and that such costs be costs of administration and/or costs in terms of Section 89 of the Insolvency Act, no. 24 of 1936, as amended, if applicable and payable by the Estate or the creditors, as the case may be.
18. That the Provisional Trustee/Trustees is/are authorised to release to the solvent spouse her assets in accordance with conditions of Section 21 of the Insolvency Act no. 24 of 1936, as amended.
19. That the Provisional Trustee/Trustees is/are authorised to sign all documents that may be necessary to enable the purchaser of immovable property to obtain ownership whether the property was sold in terms of Section 80(bis) read with Section 18(3) of the Insolvency Act No 24 of 1936, as amended or after the second meeting of creditors.
20. The Provisional Trustee/Trustees is/are hereby authorised, in his/their sole discretion to continue with or cancel any agreement the insolvent entered into before his sequestration the costs of which are costs of sequestration.
21. That all costs pertaining to travelling and meetings of creditors, including the costs of an agent to attend the meeting on behalf of the Provisional Trustee/s or Trustee/s, must be considered as costs of administration.
22. That the further administration of the affairs of the Insolvent be left entirely in the hands and at the discretion of the Provisional Trustee/Trustees.
23. The Report submitted by the Provisional Trustee/Trustees in terms of Section 81 of the Insolvency Act be and is/are hereby approved and adopted.

The Provisional Trustee/Trustees Resolutions for adoption by Creditors were presented and approved of.

ADOPTED ON BEHALF OF CREDITORS

PRESIDING OFFICER

DATE