

29 April 2022

CIRCULAR 17

BUSINESS RESCUE STATUS REPORT

THIS DOCUMENT IS A CIRCULAR TO THE AFFECTED PERSONS RELATING TO THE BUSINESS RESCUE PROCESS OF **UPAHLA CONSTRUCTION** WITH REGISTRATION NUMBER **2008 / 016488 / 07** IN TERMS OF SECTION 129 OF THE COMPANIES ACT, 71 OF 2008 AS AMENDED (THE ACT).

BUSINESS RESCUE STATUS REPORT FOR THE MONTH OF MARCH 2022 IN TERMS OF SECTION 132 OF THE COMPANIES ACT, 71 OF 2008

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1. INTRODUCTION

The appointed **business rescue practitioner** of the **business** hereby, as required by the **Companies Act**, provides the creditors, and affected persons with the monthly report on the business rescue proceedings of the business.

The practitioner will provide an update to the status reports on a monthly basis together with the prescribed form to all affected persons in the prescribed manner.

Please read and consider this status report together with all previous status reports and other circulars pertaining to the business prior to the monthly meeting where these reports will be discussed.

2. DEFINITIONS

“**Act**” means the Companies Act 71 of 2008 as amended;

“**Affected Persons**” means affected persons as defined in Section 128 (1) of the Act and in relation to the Company means a shareholder, a creditor and the employees of the Company;

“**Assets**” means all assets of the Business as reflected in the books of account of the Business as at the commencement date;

“**BRP**” means Mr Quinton Pattinson as a Senior Business Rescue Practitioner and Mr David Masterton as an Experienced Business Rescue Practitioner as defined in Regulation 126 to the Act;

“**Business Rescue**” means the proceedings in terms of Chapter 6 of the Act and as defined in Section 128 (1)(b);

“**Business Rescue Plan**” means a document which is a business rescue plan prepared in terms of Section 150 of the Act;

“**Claims**” means secured, preferent or concurrent claims as envisaged in the Insolvency Act, against the Business, the cause of action in respect of which arose, prior to or on the commencement date, of whatsoever nature and from whatsoever cause, including claims, arising from contract or delict, actual and contingent, prospective, conditional and unconditional, liquidated and unliquidated, assessed and unassessed and whether or not due for payment of performance, specific or otherwise, and including all claims arising out of any agreements entered into by the Business on or prior to the commencement date, all such claims to be determined, calculated and admitted as secured, preferent or concurrent in accordance with the same ranking, as envisaged in the Insolvency Act, that attached to them upon the issue of a winding up order in respect of the Business, whether or not such claims are proved;

“**BR 360**” means Business Rescue 360 Cape (Pty) Ltd which contracts Quinton Pattinson and David Masterton as the Business Rescue Practitioners to the Company;

“**Creditor/s**” means all legal entities, including natural persons, having secured, preferment and/or concurrent claims against the Business as at the commencement date as envisaged in the Insolvency Act;

“**Concurrent Creditors**” means creditors having concurrent claims as envisaged in the Insolvency Act;

“Corporation” means Upahla Construction (Pty) Ltd (in business rescue), a Corporation duly incorporated company in terms of the Laws of South Africa under registration number 2008/016488/07;

“Commencement Date” means **23 November 2021** being the date upon which the resolution to voluntarily begin with business rescue proceedings was filed with the Commission;

“Commission” means the Companies and Intellectual Property Commission of South Africa which is a division of the Department of Trade and Industry and is responsible for the register of companies in South Africa;

“Director” means

| | | |
|-------------------------|---------------------------|---------------------|
| Lucas Cornelius Schutte | (ID no – 750728 5025 083) | (Managing Director) |
| Wayne John James | (ID no – 700909 5178 087) | (Director) |
| Raymond Mlungwana | (ID no – 670529 5607 087) | (Director) |

“Disputed Claim” means a claim that was submitted, but not approved by the practitioner. These claims will be confirmed or amended prior to distribution.

“Insolvency Act” means the Insolvency Act 24 of 1936 as amended;

“Legal Moratorium” means the moratorium granted by section 133 of the Act in terms of which no legal **action** against the Business can be commenced;

“Proceedings” means business rescue proceedings as provided for in Chapter 6 of the Act;

“Secured Creditors” means creditors having secured claims as envisaged in the Insolvency Act;

“Substantial Implementation” means in terms of section 132(2)(c)(ii) of the Act, the notice that is to be filed by the BRP confirming that a Business Rescue Plan has been implemented;

3. SALIENT FACTS

| | | | |
|-----|-----------------|---|---|
| 2.1 | BRP’s | : | Mr Quinton (Pat) Pattinson as Senior Business Rescue Practitioner and Mr David Masterton as an Experienced Business Rescue Practitioner |
| 2.2 | The Business | : | Upahla Construction (Pty) Ltd |
| 2.3 | Registration No | : | 2008 / 016488 / 07 |
| 2.4 | Published to | : | https://pattinson.biz/document-library |
| 2.5 | Displayed at | : | The registered offices of the Business being 36 Benfleure Avenue Beverley Grove, Port Elizabeth |

| | | | |
|-----|----------------|---|--|
| 2.6 | Distributed to | : | The affected persons and the CIPC via Email. |
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4. OVERVIEW OF THE BUSINESS RESCUE PROCESS

| | | | |
|------|------------------|---|--|
| 3.1 | 23 November 2021 | : | Business Rescue Resolution passed |
| 3.2 | 23 November 2021 | : | Resolution adopted by CIPC |
| 3.3 | 24 November 2021 | : | Business Rescue Practitioners Appointed |
| 3.4 | 29 November 2021 | : | Business Rescue notice submitted to affected persons |
| 3.5 | 1 December 2021 | : | First meeting of Creditors and Staff |
| 3.6 | 1 December 2021 | : | Second meeting of Creditors |
| 3.7 | 1 February 2022 | : | Third Creditors Meeting |
| 3.8 | 28 February 2022 | : | Fourth Creditors Meeting |
| 3.9 | 1 March 2022 | : | Reminder for Proof of claims sent to creditors |
| 3.10 | 22 March 2022 | : | Fifth Creditors Meeting |
| 3.11 | 25 April 2022 | : | Sixth Creditors Meeting |

5. FINANCIAL SITUATION

| | | |
|------------------------|----------------------|--|
| Expenses | | |
| <i>BRP Fees</i> | <i>R85 000/Month</i> | <i>Retainer for Mr Pattinson</i> |
| <i>BRP Fees</i> | <i>R25 000/Month</i> | <i>Retainer for Mr Masterton</i> |
| <i>PI Insurance</i> | <i>R17 091</i> | <i>Paid for at the inception of the business rescue, once off cost incurred.</i> |
| <i>Admin Cost</i> | <i>R3 500/Month</i> | <i>PE-Paralegal for administrative work</i> |
| Van Zyl and Associates | To be Confirmed | For assistance with debt collection |

6. UPDATE

The practitioner confirms that confirmation of the company's creditors continues. There have been 7 additional claims at this point. These will all be scrutinised against the accounting records of the business.

Van Zyl and associates have been contracted to assist with debt collection on the business and will also assist with the mediation process as discussed in the 5th meeting of creditors.

The ongoing projects at Sterkspruit College and other Housing projects were discussed in the meeting at length.

Should you wish to check the full details of the meetings held, all minutes and outcomes of these meetings is on the website at <https://pattinson.biz/document-library>

7. CONTACT DETAILS

If there are any affected persons who require further information, please feel free to contact Quinton Pattinson via email at patp@businessrescue360.co.za.