

11 November 2022

## CIRCULAR 03

THIS DOCUMENT IS A CIRCULAR TO THE AFFECTED PERSONS RELATING TO THE BUSINESS RESCUE PROCESS OF **NCEDISA ASSIGNMENTS (PTY) LTD** IN TERMS OF THE COMPANIES ACT, 71 OF 2008 AS AMENDED (THE ACT).

### **OUTCOME OF THE 1<sup>ST</sup> MEETING OF CREDITORS**

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The business rescue practitioner wishes to advise all the affected parties the outcome of the 1<sup>st</sup> meeting of creditors of Ncedisa Assignments (Pty) Ltd held on 7<sup>th</sup> of November 2022.

Mr Pattinson gave a brief introduction of the Business Rescue team and welcomed all of the affected persons to the meeting.

### **CONDITIONS FOR BUSINESS RESCUE**

The practitioner explained the process of filing for business rescue and why a business would consider business rescue and the conditions of filing for business rescue.

#### **1. The first question - Is the Company Financially distressed?**

**YES**

1.1. Based on information at hand, yes, the business cannot pay its debts as and when they become due and payable, therefore it is clear that the business is in financial distress in terms of Section 128(1)(f) of the Companies Act and has filed for Business Rescue in terms of Section 129 of the Companies Act.

#### **2. Second Question - Does a reasonable prospect of a rescue exist? YES**

2.1. Based on the information provided to the practitioner to date, the total debt of the business is about R 2.3m

2.2. The practitioner believes that there is a reasonable prospect of success because of funds that are due to become available shortly (details of which to be communicated shortly) which will certainly ensure the success of the business rescue process.

## Information Provided

<b>Liabilities</b>	: R 2 338 751,80 (including Bank and other accounts not in arrears)
<b>Turnover</b>	: R 37 370 510,00

## About the Business

	2022	2021	2020
2020 - Turnover	R 37 747 624	R 24 316 008	R 12 911 296
2020 - Cost of Sales	R 32 134 610	R 17 601 871	R 8 550 778
2020 - Expenses	R 10 452 477	R 6 524 316	R 1 971 801
2020 - Profit / loss before Tax	- R 5 011 213	R 447 907	R 2 445 135

Year end February

### REASONS FOR THE FINANCIAL DISTRESS:

1. There was an unforeseen and dramatic increase in operating expenses of the business
2. National downturn in Citrus Farming which could not be predicted by anyone.
  - 2.1. This resulted in a loss of clients and reduced margins

## Important Dates

Board Resolution Submitted	: 20 October 2022, (133 Protection date)
Practitioner Appointed	: 27 October 2022
1 <sup>st</sup> Meeting of Creditors	: 7 November 2022

### FORMING A COMMITTEE

1. The Business Rescue Practitioner advised the attendees that they can form a committee of creditors in terms of section 147 of the Act.
  - 1.1. The attendees voted against this proposal.
    - 1.1.1. The business rescue practitioner will thus interact with all the creditors of the business directly.

## **REQUEST FOR AN EXTENSION**

1. The plan is currently due to be published on the 1<sup>st</sup> of December 2022, but the practitioner has asked for an extension until the following Monday, the 5<sup>th</sup> of December 2022.
  - 1.1. The reason for the publication date is because of the various steps that need to be considered and completed before a plan can be published.
  - 1.2. As mentioned, this entity forms part of a group of 3 entities (the other two whom are also in business rescue) and the outcome of the votes on their respective business rescue plans will largely determine how this plan will be implemented.
2. Hence the ask for a brief extension on the publication date.
3. The attendees to the meeting discussed the matter and voted in favour of this proposal

## **PROOF OF CLAIMS**

1. The practitioner confirmed that Jaco Durandt has sent out the proof of claim forms and these proof of claim forms must be completed and returned to Jaco Durandt on the prescribed document.

## **QUESTIONS AND COMMENTS:**

1. There was a question regarding if there are any employees.
  - a. Due to the nature of the business, in the seasonal farming of citrus, the business does not employ any full-time staff. Workers are on fixed term contracts for jobs.
2. Outstanding returns are due to SARS.
  - a. The practitioner confirmed that these will be submitted before the publication of the plan.
3. Proof of insurance for vehicles financed in this entity.
  - a. Mr. Durandt will forward same to Lushantha from Wesbank as soon as he receives same from the insurer.

Kind Regards

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