

01 August 2023

CIRCULAR 09

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

OUTCOME OF THE 4TH MEETING OF CREDITORS

The business rescue practitioners wish to advise all the affected parties the outcome of the 4th meeting of creditors of African Capital Property Portfolio (Pty) Ltd (Herein after referred to as "The Business") - held on 24th of July 2023.

Mr Masterton gave a brief introduction of the Business Rescue team and welcomed all of the affected persons to the meeting and briefly outlined the agenda of the meeting.

UPDATE ON THE BUSINESS RESCUE PROCESS TO DATE AND PLAN GOING FORWARD:

1. Regarding the property:

1.1. The building needs maintenance if it would want to potentially promote for new tenants to move in, including but not limited to:

1.1.1. Lifts not stable and not being used, there is a sign that notifies people to not use the lift as it is not in action. – **Insufficient funds for the quarterly maintenance.**

1.1.2. The building has a generator that required servicing as well. (The current tenants had agreed to pay for this maintenance in advance and the amount paid, is being deducted from their monthly rental over three months – we are currently in month two).

1.1.3. The business has insufficient funds for lift maintenance.

What comes next?

2. Deposit Litigation – the feedback was received on the 21st of July 2023.

2.1. This has been forwarded to the director of the business for review and commentary.

2.1.1. To date we have received no feedback from the Director.

3. SARS and Annual financial statements of the business.

3.1. The last set of signed financial statements is for the 2019 financial year and therefore the business needed to get the 2020, 2021, 2022 and 2023 financial information up to date and to make these submissions to SARS so that the practitioners are able to get a correct and formal claim from SARS.

3.2. The practitioners are waiting for all the relevant information in order to obtain legal advice as to whether a business rescue plan can be published without the annual financial statements and relevant submissions to SARS.

3.3. Quotes were received to get these financials up to date but the business currently has no funds to make these payments. Therefore, the business needed to secure some form of PCF in order to fund the completion of these statements.

3.4. This PCF was not received and therefore the plan will need to be drafted using the management accounts.

4. SARS further information, a potential issue was raised regarding the VAT of the business, and we are in the process of completing a voluntary disclosure program (VDP).

CASH FLOW – INCOME AND EXPENSES (JUNE 2023):

- Please note that these are very high-level overviews and not detailed.
- Also note that the practitioners have to date not taken any fees in terms of the Business Rescue.
- No bond payment has been made towards the bank and some other expenses have also not been paid due to the lack of available funds.

AFRICAP in Business Rescue		
Income	:	R 198 046
Expenses		
Municipal	:	R 116 275
Building	:	R 55 418
Administration	:	R 23 669
Net Income	:	R 2 684

IMPORTANT DATES:

Board Resolution Submitted	:	31 March 2023, (133 Protection date)
Practitioners Appointed	:	12 April 2023
1 st Meeting of Creditors	:	21 April 2023
2 nd Meeting of Creditors	:	19 May 2023
3 rd Meeting of Creditors	:	23 June 2023
4 th Meeting of Creditors	:	24 July 2023

EXTENSION:

1. Based on the discussions had in this meeting, it is proposed that:
 - 1.1. Another meeting similar to this one is held on the 21st of August 2023 so that the practitioners can provide further feedback to the creditors. It is recorded as same, and a meeting invite for that meeting of the 21st of August 2023 will be sent out should it become necessary.
 - 1.2. It is the intention of the practitioners to publish the proposed business rescue plan before the 21st of August 2023, but should there be any delays in the process for whatsoever reason, we will then have a follow up meeting on the 21st of August 2023.
 - 1.3. A separate meeting will be called to address some specific issues regarding the rescue process, a circular will follow shortly.

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. Same is also available – along with all other documentation relating to the business rescue – on the website of the practitioner at <https://pattinson.biz/> under the “Business Rescue” tab at the top right of the page.

CLAIMS HAVE BEEN RECEIVED FROM THE FOLLOWING CREDITORS:

Should your name not be on the list below, this means that a claim has not been received by the practitioners and you should please submit one soonest, on the prescribed form as mentioned above.

CCI SA (Durban)
D360 Johannesburg
KNS Electrical & Data Solutions
Standard Bank Commercial Property Finance
Z Sisulu Trust

QUESTIONS AND COMMENTS:

1. A question was asked regarding the property sale and how it would take place and when.
 - a. The practitioner confirmed that the sale of the property will take place by means of an auction and that the proposed date for the auction will be contained in the proposed business rescue plan.

Kind Regards

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