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PROGRAMME IN SOUTH AFRICAN INSOLVENCY LAW AND PRACTICE

Practical Assignments 2023





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HOW TO USE THIS DOCUMENT

The purpose of this document is to provide candidates on the course with some practical assignments in relation to the drafting of liquidation and distribution accounts. The assignments start with a few basic aspects, with the assignments becoming more complex as the work progresses. These assignments culminate in the final assignment (assignment 10) which is indicative of the type of question candidates can expect to receive in the formal assessment (examination).

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ASSIGNMENT 1

Indicate which of the following assets will be treated as encumbered assets (that is, indicate which of the assets provide security to the creditor who holds such an asset) and which will be treated as free residue assets:

- (1) Insurance policy ceded to the XYZ Bank as security for an overdraft facility.
- (2) Furniture and effects of the insolvent.
- (3) Gold coin collection owned by the insolvent (placed in a safety deposit box at the XYZ Bank).
- (4) Residential erf subject to mortgage bond in favour of the XYZ Bank, plus occupational rent.
- (5) Unimproved residential erf in the town of Pofadder.
- (6) Gambling chips found in the suit pocket of the insolvent.
- (7) Motor vehicle bought in terms of an instalment sale transaction.
- (8) Landlord (creditor) holding the contents of leased premises in respect of arrear rent.
- (9) Motor vehicle being held by panel-beater (creditor) in respect of repairs made to the vehicle.
- (10) Movable property in possession of XYZ Bank, due to the bank having attached the property in order to perfect its security (clause contained in general notarial bond).
- (11) XYZ Bank has a general notarial bond over all the movable property of the insolvent.
- (12) Share certificate ceded to the XYZ Bank as security for a loan.

ASSIGNMENT 2

Calculate the Master's fees in each of the following cases where the gross value of the estate amounts to (assume that each estate has been sequestrated after 1 January 2018):

- (1) R3,000.00
- (2) R8,000.00
- (3) R49,999.99
- (4) R60,000.00
- (5) R77,914.00
- (6) R153,897.84
- (7) R259,526.45
- (8) R1,843,932.00
- (9) R3,816,405.98
- (10) R10,000,000.00

ASSIGNMENT 3

Calculate the trustee's remuneration on each of the following assets:

- (1) Proceeds of erf 417 Pretoria: R135,500.00; occupational rent on erf 417 Pretoria: R15,600.00
- (2) Proceeds of insurance policy: R7,328.91
- (3) Proceeds of office furniture and fittings: R123,854.88
- (4) Proceeds of mortgage bond in favour of the insolvent: R217,435.72
- (5) Proceeds of 6 Kruger Rands: R12,548.99
- (6) Cash found in the insolvent's savings account: R3,186.87
- (7) Proceeds of game farm sold as a going concern (consisting of immovable property, game and other movables such as vehicles, hunting rifles and other hunting equipment): R1,743,184.76
- (8) Proceeds of game farm sold as a going concern (contract of sale stipulates that the purchase price is made up of immovable property: R1,200,000.00; game: R200,000.00; other movables: R100,000.00): R1,500,000.00
- (9) Motor vehicle taken over by the creditor in full and final settlement of his claim: R53,000.00
- (10) Proceeds of movables sold by the creditor in terms of section 83 of the Insolvency Act: R63,857.41

ASSIGNMENT 4

The following assets were realised (sold) by the trustee in the insolvent estate of X (assume the estate was sequestrated after 1 January 2018):

- (1) Erf 417 Pretoria, sold by public auction for R128,000.00; occupational rent on erf 417 Pretoria: R12,800.00 (the property is subject to a mortgage bond in favour of the XYZ Bank)
- (2) Proceeds of movable assets: R8,500.00
- (3) Proceeds of Sanlam policy realised by the trustee: R3,219.55

The bond of security premium amounts to R775.00.

You are required to:

- (a) Calculate the trustee's remuneration on each of the above assets
- (b) Calculate the total amount of Master's fees payable in the estate
- (c) Draft a schedule in which you show the *pro rata* apportionment of the Master's fees and bond of security premium

ASSIGNMENT 5

The following assets were realised by the trustee in the insolvent estate of X:

- (1) Proceeds of motor vehicle, sold by public auction for R28,000.00 (the vehicle is subject to an instalment sale transaction in favour of the XYZ Bank)
- (2) Proceeds of furniture and effects: R3,500.00
- (3) Proceeds of office furniture and fittings: R133,219.55 (this property is subject to a landlord's legal hypothec for arrear rent in favour of Pretoria Property Administrators)
- (4) Proceeds of Honda motorbike sold by public auction: R9,750.00 (the motorbike is subject to a lien in favour of Eddie's Panelbeaters for repairs made to the motorbike)

The bond of security premium amounts to R695.00.

You are required to:

- (a) Calculate the trustee's remuneration on each of the above assets
- (b) Calculate the total amount of Master's fees payable in the estate
- (c) Draft a schedule in which you show the *pro rata* apportionment of the Master's fees and bond of security premium

ASSIGNMENT 6

The following information is available to the trustee in the insolvent estate of X (X's estate was sequestrated voluntarily on 27 October 2019):

1. Assets realised (sold):

- 1.1 Proceeds of erf 417 Pretoria, sold by public auction by Pieterse Auctioneers: R231,000.00
- 1.2 Occupational rent received by the trustee on erf 417 Pretoria: R25,000.00
- 1.3 Proceeds of Old Mutual policy realised by the trustee: R2,840.48

2. Expenses incurred:

- 2.1 Bond of security premium paid to Fedgen Insurers: R750.00
- 2.2 Auctioneers commission on proceeds of erf 417 Pretoria paid to Pieterse Auctioneers: R15,600.00
- 2.3 Knight Rider Security Services CC for security at erf 417 Pretoria: R5,000.00
- 2.4 Rates and taxes payable to Pretoria City Council on erf 417 Pretoria (the amount is for 3 months arrear taxes as well as the amount owing from date of sequestration to date of transfer of the property): R3,500.00

3. The following creditors have proved claims:

- 3.1 XYZ Bank, for overdraft facility: R5,325.75 (the overdraft is secured by the cession of the Old Mutual policy in favour of XYZ Bank. This claim attracts interest at the rate of 23% per annum)
- 3.2 Edgars Stores, for arrear amount owing on clothing account: R3,651.65
- 3.3 XYZ Bank, for amount owing on home loan: R287,491.55 (the home loan is secured by a first mortgage bond registered over erf 417 Pretoria in favour of the XYZ Bank. This claim attracts interest at the rate of 15,5% per annum)
- 3.4 SA Revenue Service for arrear income tax: R1,547.31
- 3.5 Western Province Cellars for balance owing on open account: R3,710.74

Please assume that all creditors were paid on 10 April 2020.

You are required to:

Draft the relevant encumbered asset account(s), reflecting the receipts and payments applicable in this case and how the balance, if any, of the proceeds will be distributed after payment of the section 89(1) expenses.

ASSIGNMENT 7

The following information is available to the trustee in the insolvent estate of X (X's estate was provisionally sequestrated on 6 October 2019, the order being made final on 4 November 2019):

1. Assets realised (sold):

- 1.1 Proceeds of erf 935 Silverton, sold by public auction by Sellme Auctioneers on 20 January 2020: R285,500.00
- 1.2 Occupational rent received by the trustee on erf 935 Silverton: R22,750.00
- 1.3 Proceeds of trading stock sold by public auction on 20 January 2020 by Sellme Auctioneers: R36,250.00
- 1.4 Proceeds of Mercedes Benz motor vehicle sold by public auction on 20 January 2020 by Sellme Auctioneers: R22,150.00

2. Expenses incurred:

- 2.1 Bond of security premium paid to Fedgen Insurers: R1,400.00
- 2.2 Auctioneers commission on proceeds of auction held on 20 January 2020, paid to Sellme Auctioneers: R28,450.00
- 2.3 Replacement of 4 tyres on Mercedes Benz motor vehicle in order to obtain a better price for the vehicle: R2,400.00
- 2.4 Rates and taxes payable to Pretoria City Council on erf 935 Silverton (the amount is for 4 months arrear taxes as well as the amount owing from date of sequestration to date of transfer of the property): R3,750.00

3. The following creditors proved claims:

- 3.1 ABC Bank, for overdraft facility: R36,281.99 (the overdraft is secured by a pledge of the trading stock, which stock was attached prior to sequestration by the bank in terms of a general notarial bond. This claim attracts interest at the rate of 22,5% per annum. This creditor relied upon its security)
- 3.2 Woolworths, for arrear amount owing on open account: R2,651.65
- 3.3 ABC Bank, for amount owing on home loan: R202,748.37 (the home loan is secured by a first mortgage bond registered over erf 935 Silverton in favour of the ABC Bank. This claim attracts interest at the rate of 14,75% per annum)

- 3.4 SA Revenue Service for arrear income tax: R3,754.13
- 3.5 XYZ Bank, for amount owing under a loan agreement: R97,921.70 (the amount is secured by a second covering bond registered over erf 935 Silverton, and attracts interest at the rate of 16,25% per annum. This creditor has relied on its security)
- 3.6 Overmars Garage, for amount owing due to repairs made to the Mercedes Benz motor vehicle: R11,562.00 (this claim is secured by a lien which the creditor exercised over the motor vehicle at date of sequestration. You may assume that the creditor has complied with the requirements of section 47 of the Insolvency Act. There was no agreement between the parties as to interest payable, should the amount not be paid timeously)

Please assume that all creditors were paid on 21 April 2020.

You are required to:

Draft the relevant encumbered asset account(s), reflecting the receipts and payments applicable in this case and how the balance, if any, of the proceeds will be distributed after payment of the section 89(1) expenses.

ASSIGNMENT 8

The following information is available to the trustee in the insolvent estate of X (X's estate was provisionally sequestrated on 4 January 2020, the order being made final on 25 January 2020):

1. Assets realised (sold):

- 1.1 Proceeds of furniture and effects, sold by public auction by Sellme Auctioneers on 20 March 2020: R8,500.00
- 1.2 Proceeds of BMW 318i motor vehicle sold by public auction on 20 March 2020 by Sellme Auctioneers: R40,250.00
- 1.3 Proceeds of Old Mutual insurance policy (proceeds collected from insurance company by trustee): R3,750.00

2. Expenses incurred:

- 2.1 Bond of security premium paid to Fedgen Insurers: R300.00
- 2.2 Auctioneers commission on proceeds of auction held on 20 March 2020, paid to Sellme Auctioneers: R4,800.00
- 2.3 Repairs made to brakes of the BMW motor vehicle: R350.00
- 2.4 Crooked Attorneys, for application re sequestration: R1,854.50
- 2.5 Advertisement costs paid: second meeting: R250.00; inspection of account: R250.00; confirmation of account: R75.00
- 2.6 Bank charges on estate banking account: R200.00

3. The following creditors proved claims:

- 3.1 ABC Bank, for overdraft facility: R6,214.99 (the overdraft is secured by a cession of the Old Mutual insurance policy. This claim attracts interest at the rate of 22,5% per annum)
- 3.2 Woolworths, for arrear amount owing on open account: R3,651.65
- 3.3 ABC Bank, for amount owing on instalment sale transaction over the BMW motor vehicle: R56,748.37 (this amount is secured by an instalment sale transaction over the BMW motor vehicle in favour of ABC Bank. This claim attracts interest at the rate of 18,75% per annum. This creditor has relied on its security)

3.4 SA Revenue Service for arrear income tax: R2,754.13

3.5 Western Province Cellars, for amount owing on open account: R2,120.00

Please assume that all creditors were paid on **10 May 2020**.

You are required to:

1. Draft the relevant encumbered asset account(s) and the free residue account, reflecting the receipts and payments applicable in this case and how the balance, if any, of the proceeds will be distributed after payment of the expenses.
2. Draft the distribution account, reflecting all claims and all awards made to creditors

ASSIGNMENT 9

The following information is available to the trustee in the insolvent estate of X (X's estate was provisionally sequestrated on 4 January 2020, the order being made final on 25 January 2020):

1. Assets realised (sold):

- 1.1 Proceeds of furniture and effects, sold by public auction by Sellme Auctioneers on 20 March 2020: R8,500.00 (VAT inclusive)
- 1.2 Proceeds of BMW 318i motor vehicle sold by public auction on 20 March 2020 by Sellme Auctioneers: R40,250.00 (VAT inclusive)
- 1.3 Proceeds of Old Mutual insurance policy (proceeds collected from insurance company by trustee): R3,750.00 (no VAT payable)

2. Expenses incurred:

- 2.1 Bond of security premium paid to Fedgen Insurers: R300.00 (VAT inclusive)
- 2.2 Auctioneers commission on proceeds of auction held on 20 March 2020, paid to Sellme Auctioneers: R4,800.00 (VAT inclusive)
- 2.3 Repairs made to brakes of the BMW motor vehicle: R350.00 (VAT inclusive)
- 2.4 Crooked Attorneys, for application re sequestration: R1,854.50 (VAT inclusive)
- 2.5 Advertisement costs paid: second meeting: R250.00; inspection of account: R250.00; confirmation of account: R75.00 (all amounts VAT inclusive)
- 2.6 Bank charges on estate banking account: R200.00 (VAT inclusive)

3. The following creditors proved claims:

- 3.1 ABC Bank, for overdraft facility: **R6,214.99** (the overdraft is secured by a cession of the Old Mutual insurance policy. This claim attracts interest at the rate of 22,5% per annum)
- 3.2 Woolworths, for arrear amount owing on open account: **R3,651.65**
- 3.3 ABC Bank, for amount owing on instalment sale transaction over the BMW motor vehicle: **R56,748.37** (this amount is secured by an instalment sale transaction over the BMW motor vehicle in favour of ABC Bank. This claim attracts interest at the rate of 18,75% per annum. This creditor has relied on its security)

3.4 SA Revenue Service for arrear income tax: **R2,754.13**

3.5 Western Province Cellars, for amount owing on open account: **R2,120.00**

Please assume that all creditors were paid on **10 May 2020**.

You are required to:

1. Draft the relevant encumbered asset account(s) and the free residue account, reflecting the receipts and payments applicable in this case and how the balance, if any, of the proceeds will be distributed after payment of the expenses (you must take VAT into account when drafting your account)
2. Draft the distribution account, reflecting all claims and all awards made to creditors

ASSIGNMENT 10

In 2016 Marena Buitendag started her own business by incorporating the company **Happy Homes (Pty) Ltd**. Marena and her husband Gert were the only shareholders and directors of the company, with Marena holding 51% of the shares and her husband Gert holding the remaining 49%. The main business of Happy Homes was the publication of a magazine carrying advertisements relating to do-it-yourself and other home improvement products and services in the city of Bloemfontein. The company's income was generated by selling advertising space in their magazine, aptly called *Happy Homes*.

Initially the *Happy Homes* magazine was a great success, with businesses clamouring to place their advertisements in the magazine which was distributed throughout the Free State. However, in 2018 a competitor magazine, offering identical products but at a lower advertising fee, entered the Free State market. This magazine, called *Heavenly Homes*, soon put pressure on the income generated by the *Happy Homes* publication. Happy Homes (Pty) Ltd tried unsuccessfully to put a stop to the competition created by *Heavenly Homes*, even approaching the court in a number of court applications to try and prevent them from publishing the competitor magazine. The cost involved in the court applications soon had Happy Homes hovering on the brink of insolvency.

After having not been paid a salary for nearly three months, the sales representatives for *Happy Homes*, Charl van Deventer, brought an application for the winding-up of Happy Homes (Pty) Ltd on the ground of the company's inability to pay its debts. The application was lodged with the Registrar of the Free State Provincial Division of the High Court in Bloemfontein on 4 April 2020. On 8 April 2020 the High Court in Bloemfontein granted a final winding-up order, placing Happy Homes (Pty) Ltd in liquidation.

You are required to draft a **Liquidation and Distribution and / or Contribution Account** together with a **Bank Reconciliation Statement** in this estate, reflecting all the facts furnished hereunder. It is essential that you take note of the following important information when drafting this account:

- You need not prepare a liquidator's affidavit nor insert dates, addresses, voucher numbers and repetitive headings.
- All interest calculations in respect of a secured claim(s) must be shown and reflected in the relevant Encumbered Asset Account(s).
- In the event of you making assumptions, you are to clarify same by stating why you are of the opinion that insufficient facts have been given or, where in your opinion, the facts given are ambiguous.
- The expected date of confirmation of the account is **19 January 2021**. You are to assume that all final payments will be made on this date.

- The account may be drafted in any order that suits you.
- In the Distribution and / or Contribution Account you are to reflect at least the total claim and the secured, statutory preferent and concurrent portion of each claim separately. You need not provide for a shortfall (deficiency) column in respect of any of the claims and you need not add up unnecessary totals. The Distribution and / or Contribution Account must reflect awards to all classes of creditors, ie secured, preferent and, where applicable, concurrent creditors, as well as the amount upon which contribution is payable (if any) and the amount of contribution payable by each creditor, if applicable.
- **Happy Homes (Pty) Ltd** is registered as a vendor in terms of the Value-Added Tax Act. Your account must therefore make provision for Value-Added Tax (VAT). Provision must be made in the account for the allocation of VAT in which you show the estate's liability for VAT. You may include this calculation either in the body of the account or by way of a separate schedule.
- **The liquidator** is registered with the South African Revenue Service as a VAT vendor. His / her remuneration must be reflected in accordance with the *Spendiff* decision. These calculations may likewise be contained either in the body of the account or in a separate schedule.
- Where it is stated in the facts that an amount includes VAT, please accept that VAT is indeed included in such amount, even if you are of the opinion that, in practice, VAT would not have been included in such amount. Conversely, if it is stated that VAT is excluded you are to treat it as such, and accept that no VAT is payable even if you are of the opinion that, in practice, VAT would indeed be payable.
- Use only the amounts provided for in the given set of facts. It is unnecessary for you to make up your own amounts for the purposes of this question. You are, however, required to calculate and reflect the statutory fees due to the Master of the High Court and the liquidator's remuneration.
- Please note that some calculators may require that the amounts must be rounded off to the nearest cent. Minor errors made by students in this regard will not be penalised. Likewise, students will be given a leeway of two (2) days each way in regard to the number of days on which interest calculations are made. **[100]**

1. ASSETS REALISED

1.1 The following assets were sold at a public auction held by Ferreira Auctioneers (Pty) Ltd on 12 June 2020:

1.1.1 Proceeds of Erf 1067 Bloemfontein, Free State (VAT inclusive).....	R1,980,000.00
1.1.2 Proceeds of 2018 Mercedes Benz Light Delivery Vehicle, registration HAPPY HOMES FS (VAT inclusive)	R165,834.55

1.1.3	Proceeds of computer and other office equipment (VAT inclusive).....	R17,002.65
1.2	The following book debts (advertising fees not yet paid by advertisers) owing to the company were also collected:	
1.2.1	Book debts collected by Brand and Maswati Attorneys upon instruction by the liquidator (no VAT is payable on this transaction)	R61,528.54
1.2.2	Book debts collected by the liquidator in the course of winding-up the company (no VAT is payable on this transaction).....	R23,713.77
1.3	Occupational interest payable on Erf 1067 Bloemfontein by the purchaser, EL Siyabonga (this amount is due to be paid to the liquidator) (VAT inclusive)	R168,000.00
2.	EXPENSES PRESENTED TO THE LIQUIDATOR FOR PAYMENT:	
2.1	Orange Insurance Brokers (Pty) Ltd , bond of security premium (R12,500.00) paid and provision for renewal (R12,500.00) (VAT inclusive)	R25,000.00
2.2	Taxed Bill of Costs of Africa Attorneys , the attorneys acting for the applicant creditor, Charl van Deventer (VAT inclusive).....	R5,323.40
2.3	Vusi's Auto , for service to Mercedes Benz Light Delivery Vehicle prior to it being sold by public auction (VAT inclusive)	R12,688.09
2.4	Brand and Maswati Attorneys , for collection costs on the collection of the book debts on behalf of the liquidator (VAT inclusive).....	R9,566.40
2.5	Ferreira Auctioneers (Pty) Ltd , for commission on the sale of the property sold by public auction referred to in 1.1 above (VAT inclusive)	R150,000.00
2.6	Provision for advertising as follows:	
2.6.1	Second (general) meeting (VAT inclusive).....	R250.00
2.6.2	Inspection and confirmation (VAT inclusive)	R250.00
2.6.3	Destruction of books and records (VAT inclusive).....	R250.00
2.7	Wealthy Bank Ltd , bank charges (including a provision of R500.00) payable on the estate banking account (VAT inclusive).....	R934.26
2.8	Petties, postage and stationery allowed by the Master (VAT inclusive).....	R1,025.00
2.9	Bloemfontein Municipal Council , arrear rates and taxes owing on Erf 1067 Bloemfontein, Free State, for approximately one year up to date of liquidation (there is no VAT payable on this transaction).....	R97,514.87

2.10 **Bloemfontein Municipal Council**, rates and taxes paid in order to obtain a rates clearance certificate on Erf 1067 Bloemfontein, Free State, from date of liquidation to date of transfer (there is no VAT payable on this transaction)..... **R36,086.34**

2.11 **Tempe Security Services CC**, for night watchmen and other security services provided in order to protect Erf 1067 Bloemfontein (VAT inclusive).....**R127,011.80**

3. CLAIMS PROVED AGAINST THE ESTATE:

3.1 **PULP Publishers (Pty) Ltd**, amounts owing for printing and packaging of Happy Homes magazines **R34,987.98**

3.2 **Charl van Deventer**, a sales representative and employee the company, for arrear salary, leave pay and severance pay owing **R25,300.00**

This amount is made up as follows:

Salary for January 2020	R6,000.00
Salary for February 2020	R6,000.00
Salary for March 2020	R6,000.00
Leave pay owing for 2019	R4,500.00
Severance pay for the period of employment	R2,800.00

3.3 **Sarie's Stationery Store CC**, for goods sold and delivered..... **R3,266.00**

3.4 **Bloem Bank Ltd**, for monies lent and advanced by way of overdraft, credit cards and personal loans**R108,675.88**

These monies are secured by a cession *in securitatem debiti* of the company's book debts. The liquidator has found the cession to be in order and has advised the bank that he / she recognises their security. Interest is payable on this transaction at a rate of 17% per annum and the creditor **did not** rely on its security.

3.5 **Unemployment Insurance Fund (UIF)**, for contributions deducted from the employee's salary but never paid over..... **R2,017.82**

3.6 **McCarthy Finance Corporation Ltd** for financing of the purchase of the 2018 Mercedes Benz Light Delivery Vehicle.....**R184,741.02**

This claim is secured by a an instalment sale transaction over the Mercedes Benz Light Delivery Vehicle that was sold to the company. The liquidator has recognised the creditor's claim as well as its security in terms of section 84 of the Insolvency Act. Interest is payable on this transaction at 14,75% per annum. This creditor **has not** relied on its security.

3.7 **South African Revenue Service (SARS)**, for amounts owing **R15,974.48**

This amount is made up as follows:

PAYE deductions that were deducted from the employee's salary but never paid over, with interest thereon..... R6,567.03
 VAT owing prior to liquidation R9,407.45

3.8 **Bloem Bank Ltd**, for monies lent and advanced for the purchase of Erf 1067 Bloemfontein, Free State..... **R1,239,410.78**

This claim is secured by a first mortgage bond registered over Erf 1067 Bloemfontein in favour of Bloem Bank Ltd. Interest is payable on this transaction at a rate of 11,5% per annum. This creditor **has not** relied on its security.

3.9 **Marena Buitendag**, for arrear salary owing to her in her capacity as director of Happy Homes (Pty) Ltd..... **R54,000.00**

This amount is made up as follows:

November 2019 R18,000.00
 December 2019..... R18,000.00
 January 2020 R18,000.00

3.10 **Gert Buitendag**, for arrear salary owing to him in his capacity as director of Happy Homes (Pty) Ltd..... **R24,000.00**

This amount is made up as follows:

November 2019 R8,000.00
 December 2019..... R8,000.00
 January 2020 R8,000.00

Please turn the page for the bank statements . . .

4. BANK STATEMENTS

The bank statements (of the estate banking account) in the hands of the liquidator reflect the following receipts and payments (for the purposes of this question please assume that no interest was earned on credit balances):

ITEM NO	PAYMENTS	RECEIPTS
1.1 and 2.5		2,012,837.20
1.2.1 and 2.4		51,962.14
1.2.2		23,713.77
2.1	12,500.00	
2.2	5,323.40	
2.3	12,688.09	
2.7	434.26	
2.9	97,514.87	
2.10	36,086.34	
2.11	127,011.80	
Balance on date of drafting of the account		1,796,954.35

ANSWERS TO ASSIGNMENTS

The suggested answers to assignments 1 to 10 can be found in the pages that follow. Please e-mail the Course Leader if there is any aspect covered in this document that you do not understand.

ANSWERS TO ASSIGNMENT 1

- (1) Encumbered asset
- (2) Free residue
- (3) Free residue
- (4) Encumbered asset
- (5) Free residue
- (6) Free residue
- (7) Encumbered asset
- (8) Encumbered asset
- (9) Encumbered asset
- (10) Encumbered asset
- (11) Free residue
- (12) Encumbered asset

ANSWERS TO ASSIGNMENT 2

- (1) Nil
- (2) R250
- (3) R250
- (4) R1,000
- (5) R1,000
- (6) R1,000
- (7) R6,775
- (8) R93,950
- (9) R207,525
- (10) R275,000 (maximum)

ANSWERS TO ASSIGNMENT 3

- (1) 3% on R135,500 = **R4,065.00**; 10% on R15,600 = **R1,560.00**
- (2) 3% on R7,328.91 = **R219.87**
- (3) 10% on R123,854.88 = **R12,385.49**
- (4) 3% on R217,435.72 = **R6,523.07**
- (5) 10% on 12,548.99 = **R1,254.90**
- (6) 1% on 3,186.87 = **31.87**
- (7) 10% on R1,743,184.76 = **R174,318.48**
- (8) 3% on R1,200,000.00 = **R36,000.00**; 10% on R200,000.00 = **R20,000.00**; 10% on R100,000.00 = **R10,000.00**
- (9) 5% on R53,000.00 = **R2,650.00**
- (10) 10% on R63,857.41 = **R6,385.74**

ANSWERS TO ASSIGNMENT 4

- (a)
1. 3% on R128,000.00 = **R3,840.00**; 10% on R12,800.00 = **R1,280.00**
 2. 10% on R8,500.00 = **R850.00**
 3. 3% on R3,219.55 = **R96.58**
- (b)
- Total assets amount to R152,519.55
 R1,000 Master's Fees on first R150,000
 R275 for every completed R5,000 thereafter = RNil
 Total Master's Fees = **R1,000**

(c)

<u>ACCOUNT</u>	<u>GROSS PROCEEDS</u>	<u>MASTER'S FEE</u>	<u>BOND PREMIUM</u>
Encumbered asset 1	R140,800.00	923.16	715.44
Free residue	R11,719.55	76.84	59.56
TOTALS	R152,519.55	R1,000.00	R775.00

ANSWERS TO ASSIGNMENT 5

- (a)
1. 10% on R28,000.00 = **R2,800.00**
 2. 10% on R3,500.00 = **R350.00**
 3. 10% on R133,219.55 = **R13,321.95**
 4. 10% on R9,750.00 = **R975.00**

- (b) Total assets = R174,469.55
 R1,000 Master's Fee on first R150,000.00
 R275 for each completed R5,000 thereafter = 4 completed R5,000's
 R275 x 4 = R1,100 plus R1,000 on the first R150,000.00 = **R2,100.00**

(c)

<u>ACCOUNT</u>	<u>GROSS PROCEEDS</u>	<u>MASTER'S FEE</u>	<u>BOND PREMIUM</u>
Encumbered asset 1	R28,000.00	337.02	111.54
Encumbered asset 2	R133,219.55	1,603.50	530.68
Encumbered asset 3	R9,750.00	117.36	38.84
Free residue	R3,500.00	42.12	13.94
TOTALS	R174,469.55	R2,100.00	R695.00

ANSWERS TO ASSIGNMENT 6
SCHEDULE A
PRO RATA APPORTIONMENT OF MASTER'S FEES AND BOND PREMIUM

<u>ACCOUNT</u>	<u>GROSS PROCEEDS</u>	<u>MASTER'S FEE</u>	<u>BOND PREMIUM</u>
Encumbered asset 1	R256,000.00	R6,700.65	R741.76
Encumbered asset 2	R2,840.48	R74.35	R8.24
TOTALS	R258,840.48	R6,775.00	R750.00

Calculation of Master's Fees:

Total assets = R258,840.48

R1,000 Master's Fee on first R150,000.00

R275 for each completed R5,000 thereafter = 21 completed R5,000's

R275 x 21 = R5,775 plus R1,000 on the first R150,000.00 = **R6,775.00**

ENCUMBERED ASSET ACCOUNT NUMBER 1
**PROCEEDS OF ERF 417 PRETORIA, SUBJECT TO MORTGAGE BOND IN FAVOUR OF
CREDITOR NO 3**

<u>NARRATION</u>	<u>PAYMENTS</u>	<u>RECEIPTS</u>
<u>Receipts:</u>		
Proceeds of Erf 417 Pretoria, sold by public auction by Pieterse Auctioneers		231,000.00
Occupational rent received on Erf 417 Pretoria, paid to the trustee		25,000.00
<u>Payments:</u>		
Pro rata Master's fees as per Schedule A	6,700.65	
Pro rata bond of security premium as per Schedule A	741.76	
<i>Trustee's remuneration:</i>		
3% on R231,000.00	6,930.00	
10% on R25,000.00	2,500.00	
Pieterse Auctioneers, commission on sale of property	15,600.00	
Knight Rider Security Services	5,000.00	
Rates and Taxes paid on Erf 417 Pretoria	<u>3,500.00</u>	
Total Payments	40,972.41	
<u>Balance awarded as follows:</u>		
Creditor number 3, XYZ Bank, for 1 st mortgage bond registered over Erf 417, Pretoria:	215,027.59	
Capital: R287,491.55		
Plus interest from 28/10/19 to 10/4/20 @ 15,5% pa (166 days)	<u>R 20,210.81</u>	
	R307,702.36	
(Balance of claim is concurrent in terms of <i>Singer v The Master</i>)		
TOTALS	256,000.00	256,000.00

ENCUMBERED ASSET ACCOUNT NUMBER 2

PROCEEDS OF OLD MUTUAL POLICY CEDED TO CREDITOR NO 1

NARRATION	PAYMENTS	RECEIPTS
<p><u>Receipts:</u> Proceeds of Old Mutual policy X312678, realised by the trustee</p>		2,840.48
<p><u>Payments:</u> Pro rata Master's fees as per Schedule A Pro rata bond of security premium as per Schedule A <i>Trustee's remuneration:</i> 3% on R2,840.48</p>	74.35 8.24 <hr/> 85.21	
Total Payments	167.80	
<p><u>Balance awarded as follows:</u> Creditor number 1, XYZ Bank, for policy ceded in order to secure overdraft: Capital: R5,325.75 Plus interest from 28/10/19 to 10/4/20 @ 23% pa (166 days) <u>R 555.56</u> R5,881.31</p> <p>(Balance of claim is concurrent in terms of <i>Singer v The Master</i>)</p>	2,672.68	
TOTALS	2,840.48	2,840.48

ANSWERS TO ASSIGNMENT 7
SCHEDULE A
PRO RATA APPORTIONMENT OF MASTER'S FEES AND BOND PREMIUM

<u>ACCOUNT</u>	<u>GROSS PROCEEDS</u>	<u>MASTER'S FEE</u>	<u>BOND PREMIUM</u>
Encumbered asset 1	R308,250.00	10,782.23	1,177.00
Encumbered asset 2	R36,250.00	1,267.98	138.41
Encumbered asset 3	R22,150.00	774.79	84.59
TOTALS	R366,650.00	R12,825.00	R1,400.00

Calculation of Master's Fees:

Total assets = R366,650.00

R1,000 Master's Fee on first R150,000.00

R275 for each completed R5,000 thereafter = 43 completed R5,000's

R275 x 43 = R11,825 plus R1,000 on the first R150,000.00 = **R12,825.00**

SCHEDULE B
PRO RATA APPORTIONMENT OF AUCTIONEER'S COMMISSION

<u>ACCOUNT</u>	<u>GROSS PROCEEDS (AUCTION)</u>	<u>AUCTIONEER'S COMMISSION</u>
Encumbered asset account 1	285,500.00	23,618.71
Encumbered asset account 2	36,250.00	2,998.87
Encumbered asset account 3	22,150.00	1,832.42
TOTALS	343,900.00	28,450.00

ENCUMBERED ASSET ACCOUNT NUMBER 1

PROCEEDS OF ERF 935 SILVERTON, SUBJECT TO A 1ST MORTGAGE BOND IN FAVOUR OF CREDITOR NO 3 AND A 2ND MORTGAGE BOND IN FAVOUR OF CREDITOR NO 5

<u>NARRATION</u>	<u>PAYMENTS</u>	<u>RECEIPTS</u>
Receipts:		
Proceeds of Erf 935 Silverton, sold by public auction by Sellme Auctioneers		285,500.00
Occupational rent received on Erf 935 Silverton, paid to the trustee		22,750.00
Payments:		
Pro rata Master's fees as per Schedule A	10,782.23	
Pro rata bond of security premium as per Schedule A	1,177.00	
<i>Trustee's remuneration:</i>		
3% on R285,500.00	8,565.00	
10% on R22,750.00	2,275.00	
Sellme Auctioneers, pro rata commission on sale of property as per Schedule B	23,618.71	
Tshwane Municipality, for rates and taxes paid on Erf 935 Silverton	<u>3,750.00</u>	
Total Payments	50,167.94	
Balance awarded as follows:		
Creditor number 3, ABC Bank, for 1 st mortgage bond registered over Erf 935, Silverton:	218,926.69	
Capital: R202,748.37		
Plus interest from 7/10/19 to 21/4/20 @ 14,75% pa (198 days) <u>R 16,178.32</u>		
	R218,926.69	
Creditor number 5, XYZ Bank, for 2 nd mortgage bond registered over Erf 935, Silverton:	39,155.37	
Capital: R97,921.70		
(Interest calculation is unnecessary as creditor has relied on its security and the balance is insufficient)		
TOTALS	308,250.00	308,250.00

ENCUMBERED ASSET ACCOUNT NUMBER 2

PROCEEDS OF TRADING STOCK SUBJECT TO A PLEDGE IN FAVOUR OF CREDITOR NO 1

<u>NARRATION</u>	<u>PAYMENTS</u>	<u>RECEIPTS</u>
Receipts: Proceeds of trading stock sold by public auction by Sellme Auctioneers		36,250.00
Payments: Pro rata Master's fees as per Schedule A	1,267.98	
Pro rata bond of security premium as per Schedule A	134.81	
Sellme Auctioneers: pro rata commission on sale of movables as per Schedule B	2,998.87	
<i>Trustee's remuneration:</i>		
10% on R36,250.00	<u>3,625.50</u>	
Total Payments	8,027.16	
Balance awarded as follows: Creditor number 1, ABC Bank, for pledge over movables:	28,222.84	
Capital: R36,281.99		
(Calculation of interest is unnecessary as the creditor relied on its security and the balance available is insufficient to cover the capital claim)		
TOTALS	36,250.00	36,250.00

ENCUMBERED ASSET ACCOUNT NUMBER 3
**PROCEEDS OF MERCEDES BENZ MOTOR VEHICLE SUBJECT TO A LIEN IN FAVOUR OF
CREDITOR NO 6**

<u>NARRATION</u>	<u>PAYMENTS</u>	<u>RECEIPTS</u>
Receipts:		
Proceeds of Mercedes Benz motor vehicle sold by public auction by Sellme Auctioneers		22,150.00
Payments:		
Pro rata Master's fees as per Schedule A	774.79	
Pro rata bond of security premium as per Schedule A	84.59	
Sellme Auctioneers: pro rata commission on sale of movables as per Schedule B	1,832.42	
Supa Tyres, for replacement of tyres on Mercedes	2,400.00	
<i>Trustee's remuneration:</i>		
10% on R36,250.00	<u>2,215.00</u>	
Total Payments	7,306.80	
Balance awarded as follows:		
Creditor number 6, Overmars Garage, for lien over Mercedes Benz:	12,062.39	
Capital: R11,562.00		
Plus interest from 7/10/19 to 21/4/20 @ 8% pa (198 days)	<u>R 500.39</u>	
	R12,062.39	
Balance carried over to Free Residue account	2,780.81	
TOTALS	22,150.00	22,150.00

ANSWERS TO ASSIGNMENT 8
SCHEDULE A
PRO RATA APPORTIONMENT OF MASTER'S FEES AND BOND PREMIUM

<u>ACCOUNT</u>	<u>GROSS PROCEEDS</u>	<u>MASTER'S FEE</u>	<u>BOND PREMIUM</u>
Encumbered asset 1	R40,250.00	766.67	230.00
Encumbered asset 2	R3,750.00	71.43	21.42
Free Residue account	R8,500.00	161.90	48.58
TOTALS	R52,500.00	R1,000.00	R300.00

Calculation of Master's Fees:

Total assets = R52,500

R1,000 Master's Fee on first R150,000.00

SCHEDULE B
PRO RATA APPORTIONMENT OF AUCTIONEER'S COMMISSION

<u>ACCOUNT</u>	<u>GROSS PROCEEDS (AUCTION)</u>	<u>AUCTIONEER'S COMMISSION</u>
Encumbered asset account 1	40,250.00	3,963.07
Free Residue account	8,500.00	836.93
TOTALS	48,750.00	4,800.00

ENCUMBERED ASSET ACCOUNT NUMBER 1
**PROCEEDS OF BMW MOTOR VEHICLE, SUBJECT TO INSTALMENT SALE TRANSACTION
IFO CREDITOR NO 3**

<u>NARRATION</u>	<u>PAYMENTS</u>	<u>RECEIPTS</u>
<u>Receipts:</u>		
Proceeds of BMW 318i motor vehicle, sold by public auction by Sellme Auctioneers		40,250.00
<u>Payments:</u>		
Pro rata Master's fees as per Schedule A	766.67	
Pro rata bond of security premium as per Schedule A	230.00	
<i>Trustee's remuneration:</i>		
10% on R40,250.00	4,025.00	
Sellme Auctioneers, pro rata commission on sale of vehicle as per Schedule B	3,963.07	
RE Pair for repairs to BMW motor vehicle	350.00	
Total Payments	9,334,74	
<u>Balance awarded as follows:</u>		
Creditor number 3, ABC Bank, for instalment sale transaction over BMW:	30,915.26	
Capital: R56,748.37 (Interest calculation is unnecessary as creditor has relied on its security and the balance is insufficient to pay capital claim)		
TOTALS	40,250.00	40,250.00

ENCUMBERED ASSET ACCOUNT NUMBER 2

PROCEEDS OF OLD MUTUAL POLICY IFO CREDITOR NUMBER 1

<u>NARRATION</u>	<u>PAYMENTS</u>	<u>RECEIPTS</u>
Receipts:		
Proceeds of Old Mutual policy 1234 realised by the trustee		3,750.00
Payments:		
Pro rata Master's fees as per Schedule A	71.43	
Pro rata bond of security premium as per Schedule A	21.42	
<i>Trustee's remuneration:</i>		
3% on R3,750.00	<u>112.50</u>	
Total Payments	205.35	
Balance awarded as follows:		
Creditor number 1, ABC Bank, for cession of policy:	3,544.65	
Capital: R6,214.99		
Plus interest from 5/01/20 to 10/5/20 @ 22,5% pa (127 days) <u>R 485.23</u>		
R6,700.22		
(Balance of claim is concurrent ito <i>Singer v The Master</i>)		
TOTALS	3,750.00	3,750.00

FREE RESIDUE ACCOUNT

<u>NARRATION</u>	<u>PAYMENTS</u>	<u>RECEIPTS</u>
<u>Receipts:</u>		
Proceeds of furniture and effects sold by public auction by Sellme Auctioneers		8,500.00
<u>Payments:</u>		
Pro rata Master's fees as per Schedule A	161.90	
Pro rata bond of security premium as per Schedule A	48.58	
Sellme Auctioneers: pro rata commission on sale of movables as per Schedule B	836.93	
<i>Advertisement costs:</i>		
Second meeting	250.00	
Inspection	250.00	
Confirmation	75.00	
ABSA Bank: bank charges	200.00	
Crooked Attorneys: re application for sequestration	1,854.50	
<i>Trustee's remuneration:</i>		
10% on R8,500.00	850.00	
Total Payments	4,526.91	
<u>Balance awarded as follows:</u>		
Preferent creditors:	2,754.13	
Creditor number 4, SARS (s 101)		
Concurrent creditors @ xxxxx cents in the Rand	1,218.96	
TOTALS	8,500.00	8,500.00

ANSWER TO ASSIGNMENT 9
SCHEDULE A
PRO RATA APPORTIONMENT OF MASTER'S FEES AND BOND PREMIUM

ACCOUNT	GROSS PROCEEDS	MASTER'S FEE	BOND PREMIUM
Encumbered asset 1	R40,250.00	766.67	230.00
Encumbered asset 2	R3,750.00	71.43	21.42
Free Residue account	R8,500.00	161.90	48.58
TOTALS	R52,500.00	R1,000.00	R300.00

Calculation of Master's Fees:

Total assets = R52,500

R1,000 Master's Fee on first R150,000.00

SCHEDULE B
PRO RATA APPORTIONMENT OF AUCTIONEER'S COMMISSION

ACCOUNT	GROSS PROCEEDS (AUCTION)	AUCTIONEER'S COMMISSION
Encumbered asset account 1	40,250.00	3,963.07
Free Residue account	8,500.00	836.93
TOTALS	48,750.00	4,800.00

ENCUMBERED ASSET ACCOUNT NUMBER 1
**PROCEEDS OF BMW MOTOR VEHICLE, SUBJECT TO INSTALMENT SALE TRANSACTION
IFO CREDITOR NO 3**

<u>NARRATION</u>	<u>VAT</u>	<u>PAYMENTS</u>	<u>RECEIPTS</u>
<u>Receipts:</u>			
Proceeds of BMW 318i motor vehicle, sold by public auction by Sellme Auctioneers	5,250.00		40,250.00
<u>Payments:</u>			
Pro rata Master's fees as per Schedule A	(0.00)	766.67	
Pro rata bond of security premium as per Schedule A	(30.00)	230.00	
<i>Trustee's remuneration:</i>			
See Schedule C	(591.83)	4,537.39	
Sellme Auctioneers, pro rata commission on sale of vehicle as per Schedule B	(516.92)	3,963.07	
RE Pair for repairs to BMW motor vehicle	(42.98)	350.00	
VAT payable to SARS		<u>4,068.27</u>	
Total Payments		13,915.40	
<u>Balance awarded as follows:</u>			
Creditor number 3, ABC Bank, for instalment sale transaction over BMW:		26,334.60	
Capital: R56,748.37 (Interest calculation is unnecessary as creditor has relied on its security and the balance is insufficient to pay capital claim)			
TOTALS		40,250.00	40,250.00

ENCUMBERED ASSET ACCOUNT NUMBER 2
PROCEEDS OF OLD MUTUAL POLICY IFO CREDITOR NUMBER 1

<u>NARRATION</u>	<u>VAT</u>	<u>PAYMENTS</u>	<u>RECEIPTS</u>
<u>Receipts:</u>			
Proceeds of Old Mutual policy 1234 realised by the trustee	0.00		3,750.00
VAT refund by SARS			19.67
<u>Payments:</u>			
Pro rata Master's fees as per Schedule A	(0.00)	71.43	
Pro rata bond of security premium as per Schedule A	(2.79)	21.42	
<i>Trustee's remuneration:</i>			
3% on R3,750.00 (plus 15% VAT)	(16.88)	<u>129.38</u>	
Total Payments		222.23	
<u>Balance awarded as follows:</u>			
Creditor number 1, ABC Bank, for cession of policy:		3,547.44	
Capital: R6,214.99			
Plus interest 5/01/20 to 10/5/20			
@ 22,5% pa (127 days) R 485.23			
R6,700.22			
(Balance of claim is concurrent ito <i>Singer v The Master</i>)			
TOTALS		3,769.67	3,769.67

FREE RESIDUE ACCOUNT

<u>NARRATION</u>	<u>VAT</u>	<u>PAYMENTS</u>	<u>RECEIPTS</u>
<u>Receipts:</u>			
Proceeds of furniture and effects sold by public auction by Sellme Auctioneers	1,108.70		8,500.00
<u>Payments:</u>			
Pro rata Master's fees as per Schedule A	(0.00)	161.90	
Pro rata bond of security premium as per Schedule A	(6.34)	48.58	
Sellme Auctioneers: pro rata commission on sale of movables as per Schedule B	(109.16)	836.93	
<i>Advertisement costs:</i>	(32.61)	250.00	
Second meeting	(32.61)	250.00	
Inspection	(9.78)	75.00	
Confirmation	(26.09)	200.00	
ABSA Bank: bank charges			
Crooked Attorneys: re application for sequestration	(241.89)	1,854.50	
<i>Trustee's remuneration:</i>			
See Schedule C	(15.01)	958.38	
VAT payable to SARS		<u>525.21</u>	
Total Payments		5,160.50	
<u>Balance awarded as follows:</u>			
Preferent creditors:			
Creditor number 4, SARS (s 101)		2,754.13	
Concurrent creditors @ xxx cents in the Rand		585.37	
TOTALS		8,500.00	8,500.00

SCHEDULE D
VAT SCHEDULE

<u>ACCOUNT</u>	<u>OUTPUT VAT</u>	<u>INPUT VAT</u>	<u>PAYABLE / (REFUNDABLE)</u>
Encumbered asset 1	5,250.00	1,181.73	4,068.27
Encumbered asset 2	0.00	19.67	(19.67)
Free residue	1,108.70	583.49	525.21
TOTALS	6,358.70	1,784.89	4,573.81

SCHEDULE C

TRUSTEE'S REMUNERATION CALCULATED IN TERMS OF THE SPENDIFF DECISION

Encumbered asset account number 1

Fee @ 10% on R40,250.00	R4,025.00
Less R5,296.05 x 10% x 15%	<u>R 79.44</u>
	R3,945.56
Plus VAT @ 15%	<u>R 591.83</u>
	R 4,537.39

Free Residue Account

Fee @ 10% on R8,500.00	R 850.00
Less R1,108.70 x 10% x 15%	<u>R 16.63</u>
	R 833.37
Plus VAT @15%	<u>R 125.01</u>
	R 958.38

ANSWER TO ASSIGNMENT 10
HAPPY HOMES (PTY) LTD (IN LIQUIDATION)
BANK RECONCILIATION STATEMENT

<u>NARRATION</u>	<u>PAYMENTS</u>	<u>RECEIPTS</u>
Balance as per bank statement as at date of drafting of account		(½) 1,796,954.35
<u>PLUS:</u>		
Outstanding deposit (occupational rent)		(½) 168,000.00
<u>PAYMENTS STILL TO BE MADE:</u>		
Bond premium	12,500.00)
Master's fees	125,575.00)
Liquidator's remuneration	116,316.61)
Advertising costs	750.00)(½)
Bank charges (provision)	500.00)
Postage and petties	1,025.00)
SARS, for VAT per this account	245,508.50)
<u>AWARDS TO CREDITORS STILL TO BE MADE</u>		
Encumbered asset account 1 (Cr 8)	1,298,693.66)
Encumbered asset account 2 (Cr 6)	96,799.48)
Encumbered asset account 3 (Cr 4)	63,202.04)(½)
)
<u>Free Residue:</u>)
Cr 2 (preferent)	4,084.06)
TOTALS	1,964,954.35	1,964,954.35

(Total 2)

ENCUMBERED ASSET ACCOUNT NUMBER 1
PROCEEDS OF ERF 1067, BLOEMFONTEIN, FREE STATE, SUBJECT TO FIRST MORTGAGE BOND IN FAVOUR OF CREDITOR NO 8, BLOEM BANK (1)

<u>NARRATION</u>	<u>VAT</u>	<u>PAYMENTS</u>	<u>RECEIPTS</u>
Receipts			
Proceeds of Erf 1067, Bloemfontein, Free State, sold by public auction by Ferreira Auctioneers (1)	(1/2) 258,260.87		1,980,000.00
Occupational interest paid to the liquidator by the purchaser, EL Siyabonga (1)	(1/2) 21,913.04		168,000.00
Payments			
Master's fees, <i>pro rata</i> portion as per Schedule A	(1/2) (0.00)	111,641.65	
Orange Insurance Brokers, <i>pro rata</i> bond of security premium as per Schedule A	(1/2) (2,899.06)	22,226.09	
Liquidator's fees: as per Schedule B	(1/2) (11,206.37)	(1/2) 85,915.50	
Bloemfontein Municipal Council, rates and taxes:			
- Arrear amounts owing up to date of liquidation	(1/2) (0.00)	(1/2) 97,514.87	
- Amount paid by liquidator up to date of transfer	(1/2) (0.00)	(1/2) 36,086.34	
Ferreira Auctioneers: <i>pro rata</i> portion of auctioneer's fees as per Schedule C	(1/2) (17,911.26)	(1/2) 137,319.63	
Tempe Security Services, for night watchmen and other security services provided	(1/2) (16,566.76)	(1/2) 127,011.80	
SARS, VAT payable as per this account		(1) 231,590.46	
Total payments		(1/2) 849,306.34	
Balance awarded as follows:			
Bloem Bank Ltd, for 1st mortgage bond over the property:			(1) 1,298,693.66
Capital (1/2) R1,239,410.78			
Plus interest (1/2) R 113,244.79			
(1/2) R1,352,655.57			
Interest @ 11,5% from 5/4/20 to 19/1/21 (290 days) (1/2)			
Balance of claim is concurrent as creditor has no relied on security (1/2)			
TOTALS		2,148,000.00	2,148,000.00

(Total 15)

ENCUMBERED ASSET ACCOUNT NUMBER 2
**PROCEEDS OF MERCEDES BENZ LIGHT DELIVERY VEHICLE, SUBJECT TO AN
INSTALMENT SALE TRANSACTION IN FAVOUR OF MCCARTHY FINANCE
CORPORATION, CREDITOR NO 6 (1)**

<u>NARRATION</u>	<u>VAT</u>	<u>PAYMENTS</u>	<u>RECEIPTS</u>
Receipts			
Proceeds of 2004 Mercedes Benz Light Delivery Vehicle, sold by public auction by Ferreira Auctioneers (1)	(1/2) 21,630.59		165,834.55
Payments			
Master's fees, <i>pro rata</i> portion as per Schedule A	(1/2) (0.00)	8,619.20	
Orange Insurance Brokers, <i>pro rata</i> bond of security premium as per Schedule A	(1/2) (223.82)	1,715.95	
Liquidator's fees: as per Schedule B	(1/2) (2,438.85)	(1/2) 18,697.85	
Vusi's Auto, for service to vehicle prior to it being sold by public auction	(1/2) (1,654.97)	(1/2) 12,688.09	
Ferreira Auctioneers: <i>pro rata</i> portion of auctioneer's fees as per Schedule C	(1/2) (1,500.15)	(1/2) 11,501.18	
SARS, VAT payable as per this account		(1/2) 15,812.80	
Total payments		69,035.07	
Balance awarded as follows:			
McCarthy's Finance, creditor no 6, in terms of instalment sale transaction over the vehicle:		(1) 96,799.48	
Capital (1/2) R184,741.02			
Plus interest (1/2) R 21,650.13			
R206,391.15			
=====			
Interest @ 14,75% from 5/4/20 to 19/1/21 (290 days) (1)			
Balance of claim is concurrent in terms of <i>Singer v The Master</i> (1)			
TOTALS		165,834.55	165,834.55

(Total 11)

ENCUMBERED ASSET ACCOUNT NUMBER 3
PROCEEDS OF BOOK DEBTS COLLECTED, SUBJECT TO A CESSION IN SECURITATEM DEBITI IN FAVOUR OF BLOEM BANK LTD, CREDITOR NO 4 (1)

<u>NARRATION</u>	<u>VAT</u>	<u>PAYMENTS</u>	<u>RECEIPTS</u>
Receipts			
Proceeds of book debts collected by Brand and Maswati Attorneys (1)	(1/2) 0.00		61,528.54
Proceeds of book debts collected by the liquidator (1)	(1/2) 0.00		23,713.77
SARS, VAT refund per this account			(1) 2,641.48
Payments			
Master's fees, <i>pro rata</i> portion as per Schedule A	(1/2) (0.00)	4,430.44	
Orange Insurance Brokers, <i>pro rata</i> bond of security premium as per Schedule A	(1/2) (115.04)	882.03	
Liquidator's fees:			
Fee @ 10% on R85,242.31 plus 15% VAT	(1/2) (1,278.65)	(1/2) 9,802.88	
Brand and Maswati Attorneys, for collection costs re book debts collected	(1/2) (1,247.79)	(1/2) 9,566.40	
Total payments		24,681.75	
Balance awarded as follows:			
Bloem Bank Ltd, creditor no 4, in terms of cession of book debts:		(1) 63,202.04	
Capital (1/2) R108,675.88			
Plus interest (1/2) R 14,678.69			
<hr/> R123,354.57 <hr/> =====			
Interest @ 17% from 5/4/20 to 19/1/21 (290 days) (1)			
Balance of claim concurrent in terms of <i>Singer v the Master</i> (1)			
TOTALS		87,883.79	87,883.79

(Total 12)

FREE RESIDUE ACCOUNT (1)

<u>NARRATION</u>	<u>VAT</u>	<u>PAYMENTS</u>	<u>RECEIPTS</u>
Receipts			
Proceeds of computer and other office equipment, sold by public auction by Ferreira Auctioneers (1)	(1/2) 2,217.74		17,002.65
Payments			
Master's fees, <i>pro rata</i> portion as per Schedule A	(1/2) (0.00)	883.71	
Orange Insurance Brokers, <i>pro rata</i> bond of security premium as per Schedule A	(1/2) (21.61)	175.93	
Liquidator's fees: as per Schedule B	(1/2) (247.88)	(1/2) 1,900.38	
Africa Attorneys, taxed bill of costs re liquidation	(1/2) (694.36)	(1/2) 5,323.40	
Ferreira Auctioneers: <i>pro rata</i> portion of auctioneer's fees as per Schedule C	(1/2) (153.81)	(1/2) 1,179.19	
<i>Advertisement expenses:</i>			
Second (general) meeting	(1/2) (32.60)	(1/2) 250.00	
Inspection and confirmation	(1/2) (32.60)	(1/2) 250.00	
Destruction of books and records	(1/2) (32.60)	(1/2) 250.00	
Wealthy Bank, bank charges (including a provision of R500,00)	(1/2) (121.86)	(1/2) 934.26	
Petties, postage and stationery	(1/2) (133.70)	(1/2) 1,025.00	
SARS, VAT payable as per this account (see Sch D)		(1) 746.72	
Total payments		(1) 12,918.59	
Balance awarded as follows:			
<i>Preferent creditors:</i>			
C Van Deventer, Cr 2, s 98A (1)		(1) 4,084.06	
Arrear salary (1/2) R12,000.00			
Leave pay (1/2) R 4,000.00			
Severance (1/2) R 2,800.00			
There are insufficient funds to pay creditor No 2 in full, no further awards to be made. (1)			
TOTALS		17,002.65	17,002.65

(Total 18)

SCHEDULE A
PRO RATA APPORTIONMENT OF MASTER'S FEES AND BOND OF SECURITY PREMIUM (1)

<u>ACCOUNT</u>	<u>GROSS PROCEEDS</u>	<u>MASTER'S FEES</u>	<u>BOND PREMIUM</u>
Encumbered asset account 1	2,148,000.00	(1/2) 111,641.65	(1/2) 22,226.09
Encumbered asset account 2	165,834.55	(1/2) 8,619.20	(1/2) 1,715.95
Encumbered asset account 3	85,242.31	(1/2) 4,430.44	(1/2) 882.03
Free residue account	17,002.65	(1/2) 883.71	(1/2) 175.93
TOTALS	2,416,079.51	125,575.00	25,000.00

(Total 5)

Master's fee calculation:

Total gross value of estate: R2,416,079.51, less R150,000.00 (1) R1,000.00

Balance of R2,226,079.51 divided by R5,000.00 = 453.22, (1)

Therefore: 453 x R275 (1) (1) R124,575.00

Total Master's fee therefore: (1) R125,575.00

=====

(Total 5)

SCHEDULE B
CALCULATION OF LIQUIDATOR'S REMUNERATION IN ACCORDANCE WITH THE SPENDIFF DECISION

(1)

ENCUMBERED ASSET ACCOUNT 1
Fixed property

Fee @ 3% on R1,980,000.00 (1/2) R59,400.00

Less: R258,260.87 x 15% x 3% (1/2) R 1,162.17

Total fee fixed property (1/2) R58,237.83

=====

Occupational rent

Fee @ 10% on R168,000.00 (1/2) R16,800.00

Less: 21,913.04 x 15% x 10% (1/2) R 328.70

Total fee occupational rent (1/2) R16,471.30

=====

Fee on fixed property R58,237.83

Fee on occupational rent R16,471.30

R74,709.13

Plus VAT @ 15% on R74,889.90 (1) R11,206.37

=====

Total fee (VAT inclusive) (1) R85,915.50

ENCUMBERED ASSET ACCOUNT 2

Fee @ 10% on R165,834.55	(1/2) R16,583.46
Less: R21,630.59 x 15% x 10%	(1/2) R 324.46
	R16,259.00
Plus VAT @ 15% on R16,259.00	(1) R 2,438.85
	=====
Total fee (VAT inclusive)	(1) R18,697.85

FREE RESIDUE ACCOUNT

Fee @ 10% on R17,002.65	(1/2) R1,700.27
Less: R2,217.74 x 15% x 10%	(1/2) R 33.27
	R1,667.00
Plus VAT @ 15% on R1,671.04	(1) R 233.38
	=====
Total fee (VAT inclusive)	(1) R1,900.38

(Total 12)

SCHEDULE C
PRO RATA APPORTIONMENT OF THE AUCTIONEER'S COMMISSION (1)

<u>ACCOUNT</u>	<u>GROSS PROCEEDS</u>	<u>AUCTIONEER'S COMMISSION</u>
Encumbered asset account 1	(1/2) 1,980,000.00	(1/2) 137,319.63
Encumbered asset account 2	(1/2) 165,834.55	(1/2) 11,501.18
Free residue account	(1/2) 17,002.65	(1/2) 1,179.19
TOTALS	2,162,837.20	150,000.00

(Total 4)

SCHEDULE D
VAT SCHEDULE (1)

<u>ACCOUNT</u>	<u>OUTPUT VAT</u>	<u>INPUT VAT</u>	<u>VAT PAYABLE / (REFUNDABLE)</u>
Enc asset account 1	280,173.91	(1/2) 48,583.45	(1/2) 231,590.46
Enc asset account 2	21,630.59	(1/2) 5,817.79	(1/2) 15,812.80
Enc asset account 3	0.00	(1/2) 2,641.48	(1/2) (2,641.48)
Free residue account	2,217.74	(1/2) 1,471.02	(1/2) 746.72
TOTALS	304,022.24	58,513.74	(1) 245,508.50

(Total 6)

DISTRIBUTION ACCOUNT - LIST A (1)

NO	CREDITOR NAME	TOTAL CLAIM	SECURED CLAIM	PREFERENT CLAIM	CONCURRENT CLAIM	SECURED / PREFERENT AWARD	CONCURRENT AWARD
1.	PULP Publishers (Pty) Ltd	34,987.98	0.00	0.00	34,987.98	0.00	0.00
2.	C Van Deventer	25,300.00	0.00	(1/2) 12,000.00 (1/2) salary s 98A) (4,000.00 (1/2) leave s 98A) (2,800.00 (sev s 98A)	(1/2) 6,500.00	(1/2) 4,084.06 (Free Residue)	0.00
3.	Sarie's Stationery Store CC	3,266.00	0.00	0.00	3,266.00	0.00	0.00
4.	Bloem Bank Ltd	108,675.88 (Capital) 14,678.69 (Interest)	(1/2) 63,202.04	0.00	(1/2) 60,152.53	(1/2) 63,202.04 (E/A acc 3)	0.00
5.	Unemployment Insurance Fund	2,017.82	0.00	(1/2) 2,017.82 (s 99)	0.00	0.00	0.00
6.	McCarthy Finance Corporation	184,741.02 (Capital) 21,650.13 (Interest)	(1/2) 96,799.48	0.00	(1/2) 109,591.67	(1/2) 96,799.48 (E/A acc 2)	0.00
7.	SA Revenue Service (SARS)	15,974.48	0.00	(1/2) 15,974.48 (s 99)	0.00	0.00	0.00
8.	Bloem Bank Ltd	1,239,410.78 (Capital) 113,244.79 (Interest)	(1/2) 1,298,693.66	0.00	(1/2) 53,961.91	(1/2) 1,298,693.66 (E/A acc 1)	0.00
9.	M Buitendag	54,000.00	0.00	0.00	(1/2) 54,000.00	0.00	0.00
10.	G Buitendag	24,000.00	0.00	0.00	(1/2) 24,000.00	0.00	0.00
	TOTALS				332,667.87		0.00

(10 marks)



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