**PROGRAMME IN SOUTH AFRICAN INSOLVENCY LAW AND PRACTICE 2022**

**Practice Assessment: Paper 2**

**Date: 11 – 12 October 2022**

**PLAGIARISM DECLARATION**

|  |  |  |
| --- | --- | --- |
| **I hereby declare and warrant that** | **Badge Tick1 with solid fill** | **Close with solid fill** |
| I have read and understood the relevant sections in the Law Student’s Handbook relating to Plagiarism, citation and referencing. | **x** |  |
| I understand what plagiarism means and that it is the worst academic sin. | **x** |  |
| I have acknowledged all quotations which I have used in my assignment, essay, or take-home test. | **x** |  |
| I have acknowledged all the ideas of others which I have used in my assignment, essay, or take-home test. | **x** |  |
| I have acknowledged all my sources in accordance with the referencing rules found in the Law Students handbook | **x** |  |
| I have included a bibliography of all my sources | **x** |  |
| I have not copied anyone else’s assignment, essay or take-home test or any part thereof | **x** |  |
| I have not permitted anyone else to copy my assignment, essay or take-home test or any part thereof. | **x** |  |
| I have not plagiarized. | **x** |  |

Signature: 

Date: 7 October 2022

**FRIENDY CITY HOMES (PTY) LTD (IN LIQUIDATION)**

**BANK RECONCILIATION STATEMENT**

|  |  |  |
| --- | --- | --- |
| **NARRATION** | **PAYMENTS** | **RECEIPTS** |
| Balance as per bank statement as at date of drafting of account:**PLUS**Outstanding deposit (occupational rent)**PAYMENTS STILL TO BE MADE:**Bond premiumMaster’s feesLiquidator’s remunerationAdvertising costsBank charges (provision)Postage and pettiesSARS for VAT per this account**AWARDS TO CREDITORS STILL TO BE MADE**Encumbered asset account 1Encumbered asset account 2Encumbered asset account 3Free Residue | 12,500,00139, 050.0012,500.00500.00750.001,025,001,355,039.11 | (1/2) 1,796,954.35168,000.00 |
| **TOTALS** |  | **1,964,954.35** |

**ENCBUMERED ASSET ACCOUNT 1**

**PROCEEDS OF ERF 1067, Port Elisabeth, Eastern Cape, subject to first mortgage bond in favour of creditor no. 8 PE Bank**

|  |  |  |  |
| --- | --- | --- | --- |
| NARRATION | VAT | PAYMENTS | RECEIPTS |
| **Receipts**Proceeds of Erf 1067, Port Elisabeth, Eastern Cape sold by public auction by Mandela Auctioneers (Pty)Ltd on 12 June 2010Occupational Interest paid to the liquidator by the purchaser FL Greyvensteyn**Payments**Master’s fees pro rata portion Bay Insurance Brokers, pro rata bond of security as per Schedule ALiquidator’s fees as per schedule BNelson Mandela Bay Municipal Council, rates and taxes:Arrear amounts owing up to date of liquidationAmount paid by liquidator up to date of transferMandela Bay Auctioneers: pro rate portion of auctioneer’s fees as per schedule CFSC Security Services for night watch men and other security services providedSARS, VAT payable as per this accountTotal PaymentsBalance awarded as follows:PE Bank for 1st mortgage over the property.Capital 1.239,410.78Plus Interest 115,638.33 1,355,039.11Interest @ 11.5% from 6 April 2021 until 20 January 2021 (290 days)Balance of claim is concurrent as the creditors has not relied on any security. | 277,826.08 21,913.04(3260.86)(0.00)(0.00)(19565.21)(16,566.75) | 119,140.0063,90021,719.1497,514.8736,086.34150, 000 127,011.8061,537.12676,908.471,621091.53 | 2,130,000.00168 000.00 |
| **TOTALS** |  | 2,298,000.00 | 2,298 000.00 |

**ENCBUMERED ASSET ACCOUNT 2**

**PROCEEDS OF MERCEDES BENZ IIGHT DELIVERY VEHICLE, SUBJECT TO AND INSTALLMENT SALE TRANSACTION IN FAVOUR OF MERCEDS BENZ FINANCE CORPORATION, CREDITOR NO …..**

|  |  |  |  |
| --- | --- | --- | --- |
| NARRATION | VAT | PAYMENTS | RECEIPTS |
| **Receipts**Proceeds of 2004 Mercedes Benz light delivery vehicle sold by public auction by Mandela Bay Auctioneers**Payments**Master’s fees pro rata portion Schedule AOrange Insurers pro rata bond of security premium as per schedule ALiquidator’s fees as per schedule BVal’s Auto for service to vehicle prior to it being sold by public auctionMandela Bay Auctioneers: pro rate portion of auctioneer’s fees as per schedule CSARS, VAT payable as per this accountTotal PaymentsBalance awarded as follows:MCCarthy’s Finance, creditor no …in terms of installment sale transaction over the vehicleCapitalPlus InterestInterest @ 11.5% from 6 April 2021 until 20 January 2021 (290 days)Balance of claim is concurrent in terms of Singer v The Master. | 33000.00(3260.86)(0.00)(0.00)(19565.21)(16,566.75) | 1000.0022,00012,688.0921,719.1497,514.8736,086.34130434.79127,011.80 | 220,000.00168 000.00 |
| **TOTALS** |  |  | 2,298 000.00 |

**ENCBUMERED ASSET ACCOUNT 3**

**PROCEEDS OF BOOK DEBTS COLLECTED, SUBJECT TO A CESSION IN SECURITATEM DEBITI IN FABOUR OF BLOEM BANK**

|  |  |  |  |
| --- | --- | --- | --- |
| NARRATION | VAT | PAYMENTS | RECEIPTS |
| **Receipts**Proceeds of book debts collected by Attorneys April and Vogel upon instruction by the liquidatorsProceeds of debts collected by the LiquidatorSARS, VAT refund per this account**Payments**Master’s fees pro rata as per Schedule ABAY Insurance Brokers pro rata bond of security premium as per schedule ALiquidator’s fees as per schedule BLiquidators fees:Fee at 10% on …. Plus 15% VAT April and Vogel Attorney for collection costs re book debts collected.**Total Payments****Balance awarded as follows:**PE Bank creditor number ….in terms of cession of book debtsCapitalPlus InterestInterest @ 17% from 6 April 2021 until 20 January 2021 (…days)Balance of claim is concurrent in terms of Singer v the Master. | 0.000.00(0.00)(0.00)(19565.21)(16,566.75) | 1000.0021,719.1497,514.8736,086.34130434.79127,011.80 | 119,000.0023,713.77 |
| **TOTALS** |  |  | 142713.77 |

**FREE RESIDUE ACCOUNT**

**ENCBUMERED ASSET ACCOUNT 3**

**PROCEEDS OF BOOK DEBTS COLLECTED, SUBJECT TO A CESSION IN SECURITATEM DEBITI IN FABOUR OF BLOEM BANK**

|  |  |  |  |
| --- | --- | --- | --- |
| NARRATION | VAT | PAYMENTS | RECEIPTS |
| **Receipts**Proceeds of computer and other office equipment sold by public auction by Mandela Bay auctioneers**Payments**Master’s fees pro rata as per Schedule ABAY Insurance Brokers pro rata bond of security premium as per schedule ADe Villiers taxed bill of costs re liquidationMandela Bay Auctioneers pro rata portion of auctioneers fees as per schedule CAdvertising Expenses:Second(general MeetingInspection and ConfirmationDestruction of books and recordsWeston Bank bank charges including a provision of 500.00)Petties Postage and StationerySARS, VAR payable as per this account**Total Payments****Balance awarded as follows:**Preferent Creditors:Charles Olifant Creditor 2 section 98Arrear SalaryLeave paySeveranceThere are insufficient funds to pay creditor 2 in full, no further awards to be made | (0.00)(0.00)(19565.21)(16,566.75) | 1000.0014323.40 250.00250.00250.001025.00 | 25000.00168 000.00 |
| **TOTALS** |  |  | 2,298 000.00 |

**SCHEDULE A**

**PRO RATA APPRORTIONMENT OF MASTER’S FEES AND BOND PREMIUM**

|  |  |  |  |
| --- | --- | --- | --- |
| **ACCOUNT** | **GROSS PROCEEDS** | **MASTER’S FEE** | **BOND PREMIUM** |
| Encumbered asset 1 | 2,298,000.00 | 119140.00 | 21,719.14 |
| Encumbered Asset 2 | 220,000.00 | 1000.00 |  |
| Encumbered Asset 3 | 142,713.77 | 1000.00 |  |
| Free Residue |  | 17910.00 |  |
| **TOTAL** | 2,660,713,77 | 139, 050.00 | 25000.00 |

Master’s fee calculation:

Total Gross value of estate: R 2,660,713.77, less R150 000.00 R 1000.00

Balance of R2,510,713.77.divided by R5000 = 502.11

Therefore 502 x 275 = R 139,050.00.

**SCHEDULE B**

**CALCULATION OF LIQUIDATORS REMUNERATION**

|  |  |
| --- | --- |
| **Encumbered Asset Account 1****Fixed property**Fee 3% on R2,130.000.00Less R277,826,08 x15%x3%**Occupational rent****Fee @10% on R168 000.00****Less 21,913.04 x15% x 10%****Fee on fixed Property****Fee on occupational rent****Plus VAT @ 15% on 79121.09****Total fee Vat inclusive** | **R 63900.00****R 1,250.21****R62,649.79****R16,800.00****R 328.70****R16,471.30****R62,649.79****R16,471.30****R79121.09****R11,868.16****R90,989.25** |
| **Encumbered asset account 2****Fee @ 10% on R 220 000****Less R 33000 x15%x10%****Plus VAT of 15% on 21505** | **R22,000,00****R 495.00****R 21505.00****R24730.75** |
| **Free Residue Account****Fee at 10% of****Less: R…. x 15x10 %****Plus VAT of 15%****Total fee inclusive of VAT** |  |

 **SCHEDULE C**

**PRO RATA APPRORTIONMENT OF AUCTIONEER’S COMMISSION**

|  |  |  |
| --- | --- | --- |
| **Account** | **Gross Proceeds** | **Auctioneer’s Commission** |
| **Encumbered Asset Account1****Encumbered Asset Account 2****Free Residue Account** | **2,130,000.00****220,000.00** |  |
| **Total** |  | **150,000.00** |

**SCHEDULE D**

**VAT SCHEDULE**

|  |  |  |  |
| --- | --- | --- | --- |
| **Account** | **OUTPUT VAT** | **INPUT VAT** | **VAT PAYABLE/REFUNDABLE** |
| **Encombered Asset Account1****Encumbered Asset Account 2****Encumebred Asset Account3****Free Residue Account** | **0.00** |  |  |
| **Total** |  |  |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **NO.** | **CREDITOR NAME** | **TOTAL CLAIM** | **SECURED CLAIM** | **PREFERRENT CLAIM** | **CONCURRENT CLAIM** | **SECURED PAYMENT/AWARD** | **CONCURRENT AWARD** |
| 1. | NMB Publishers (PTY) Ltd | 34,987.98 | 0.00 | 0.00 | 34,987.98 | 0.00 | 0.00 |
| 2. | Charles Oliphant | 25,300.00 | 0.00 | 12,000(salary s98)4,000.00(leave s98A)2,800(sev s98A) | 6,500.00 | 4084.06(free residue) | 0.00 |
| 3. | Solly’s Stationer Store CC | 3,266.00 | 0.00 | 0.00 | 3,266.00 | 0.00 | 0.00 |
| 4. | PE Bank | 108,675.88(capital)14,678.69(interest | 63,302.04 | 0.00 | 60.152.53 | 63,202.00 | 0.00 |
| 5. | Unemployment Insurance fund | 2,017.82 | 0.00 | 2017.82(s99) | 0.00 | 0.00 | 0.00 |
| 6. | Mercedes Benz Finance Corporation | 184,741.02(Capital)21,650.13(Interest) | 96,799.48 | 0.00 | 109,591.67 | 96,799.48 | 0.00 |
| 7. | South African Revenue Service | 15,974.48 | 0.00 | 15,974.48 | 0.00 | 0.00 | 0.00 |
| 8. | PE Bank LD | 1,239,410.78(capital)113,244.79(Interest) | 1,298,693.66 | 0.00 | 53,961.91 | 1,298,693.66 | 0.00 |
| 9. | Marjorie Pienaar | 54,000.00 | 0.00 | 0.00 | 54, 000.00 | 0.00 | 0.00 |
| 10. | Gerhard Pienaar | 24,000.00 | 0.00 | 0.00 | 24,000.00 | 0.00 | 0.00 |
|  | TOTALS |  |  |  | **332,667.87** |  |  |