

ENCUMBERED ASSET ACCOUNT NUMBER 1			
PROCEEDS OF PORTION 8 OF THE FARM "VALLEYGROVE", STELLENBOSCH, WESTERN CAPE, SUBJECT TO FIRST MORTGAGE BOND, IN FAVOR OF CREDITOR NUMBER 1, CAPITAL BANK LTD (1)			
NARRATION	VAT	PAYMENTS	RECEIPTS
RECEIPTS:			
Proceeds of Portion 8 of the Farm "Valley Grove", Western Cape, Stellenbosch sold by public auction by Hastings Auctions	R (½) 1,186,956.52		R 9,100,000.00
Substantial inventory of bottled wines manufactured by Valley Grove	R see note 2 30,116.62		R 230,894.10
Miscellaneous movable assets and office equipment found at Valley Grove	R see note 3 5,700.00		R 43,700.00
PAYMENTS:			
Master's fee, pro rata portion as per Schedule A	(½) 0.00	R (½) 181,118.16	
GuardianSure Bonds Ltd, pro rata bond of security premium as per schedule A	R (½) 4,467.10	R (½) 34,247.80	
Liquidator's fee as per schedule B	R (½) 44,187.13	R (½) 338,767.99	
Western Cape Municipality for arrear rates and taxes	(½)	R (½) 124,897.50	
Hastings Auctions, pro rata portion of auctioneer's expenses as per schedule C	R (½) 3,335.37	R (½) 25,571.20	
SARS, VAT payable as per this account		R 1,170,783.53	
Total Payments:		R 1,875,386.18	
Balance Awarded As Follows:			
Capital Bank Ltd, for first mortgage bond over property:		R 7,499,207.92	
Capital: R8 946 765.32 (1)			
Interest: R 665 737.39 (Interest @ 14% from 05-09-2022 to 17-03-2023 (194 days))			
Interest calculation is unnecessary as creditor has relied on its security and the balance is insufficient to pay the capital claim (1)			
TOTALS:		R 9,374,594.10	R 9,374,594.10

Notes

- 1 You have not included the harvest of grapes in this encumbered asset. This is fruits of the asset (see page 443 of guidance text) and will benefit the secured creditor
- 2 The inventory of bottled wine is stock and this would be a free residue item
- 3 The movable assets and office equipment are not subject to any security and also fall under the free residue

Although your apportionment figures have been calculated incorrectly in your apportionment schedules, you have still been awarded marks for carrying them forward to this account - I have carried this through on your entire account.

ENCUMBERED ASSET ACCOUNT NUMBER 2			
PROCEEDS OF BOTTLING PLANT AND EQUIPMENT, SUBJECT TO SPECIAL NOTARIAL BOND IN FAVOR OF CREDITOR NUMBER 2, HARVEST FINANCE LTD (1)			
NARRATION	VAT	PAYMENTS	RECEIPTS
RECEIPTS:			
Proceeds of Bottling Plant and Equipment sold by public auction by Hastings Auctions	R (1/2) 456,521.74		R 3,500,000.00
PAYMENTS:			
Master's fee, pro rata portion as per Schedule A	(1/2) 0.00	R (1/2) 67,620.37	
GuardianSure Bonds Lts, pro rata bond of security premium as per schedule A	R (1/2) 1,667.79	R (1/2) 12,786.40	
Liquidator's fee as per schedule B	R (1/2) 51,472.83	R (1/2) 394,625.00	
GrapeFlow Bottling Solutions for repairs to the bottling plant	R (1/2) 3,732.10	R (1/2) 28,612.77	
Hastings Auctions, pro rata portion of auctioneer's expenses as per schedule C	R (1/2) 1,245.26	R 9,546.99	
SARS, VAT payable as per this account	R 51,965.71	R (1/2) 398,403.76	
Total Payments:		R 911,595.29	
Balance Awarded As Follows:			
Harvest Finance Ltd, for General Notarial Bond over specified assets: (1/2)		R (1) 2,588,404.71	
Capital: R 3 203 046.89 (1)			
Interest: R280 902.82 (1)			
(interest @ 16.5% from 05-09-2022 to 17-03-2023 (194 days) (1/2)			
Balance of claim is concurrent in terms of Singer v The Master (1)			
TOTALS:		R 3,500,000.00	R 3,500,000.00

ENCUMBERED ASSET ACCOUNT NUMBER 3			
PROCEEDS OF 2019 SELF-PROPELLED GRAPE HARVESTER, SUBJECT TO INSTALLMENT SALE TRANSACTION IN FAVOR OF CREDITOR NUMBER 4, AGRITECH FINANCE (1)			
NARRATION	VAT	PAYMENTS	RECEIPTS
RECEIPTS:			
Proceeds of 2019 Self-propelled grape harvester sold by private treaty	(1/2)		R 1,150,000.00
SARS VAT refund as per this account			R (1/2) 17,797.99
PAYMENTS:			
Master's fee, pro rata portion as per Schedule A	(1/2) 0.00	R (1/2) 22,281.12	
GuardianSure Bonds Ltd, pro rata bond of security premium as per schedule A	R (1/2) 547.99	R (1/2) 4,201.24	
Liquidator's fees:	R (1/2) 17,250.00	R (1/2) 132,250.00	
Total Payments:		R 158,732.36	
Balance Awarded As Follows:			
AgriTech Finance, for installment sale transaction 2019 Grape Harvester: (1/2)		R 1,009,065.63	
Capital: R 1 261 052.55 (1)			
Interest: R125 673.39 (1)			
(Interest @ 18.75% from 05-09-2022 to 17-03-2023 (194 days) (1/2)			
Balance of claim is concurrent in terms of Singer v The Master (1)			
TOTALS:		R 1,167,797.99	R 1,167,797.99

FREE RESIDUE ACCOUNT			
NARRATION	VAT	PAYMENTS	RECEIPTS
RECEIPTS			
Proceeds of of Book Debts collected by Sithole and Partners attorneys at the request of the liquidator	- (½)		R 88,405.08
Proceeds of a quantity of Stella Valley Cabernet grapes harvested	-		R 120,876.76
SARS VAT refund as per this account	This would not be a VAT refund if you had included all the free residue assets		R 6,892.37
PAYMENTS			
Master's fee, pro rata portion as per schedule A	(½) 0.00	R (½) 4,043.35	
GuardianSure Bonds Ltd, pro rata bond of security premium as per schedule A	R (½) 99.73	R (½) 764.56	
Liquidator's fee as per schedule B	R (½) 3,139.23	R (½) 24,067.42	
Horizon Attorneys, taxed bill of cost re liquidation	R (½) 2,430.25	R (½) 18,631.93	
Wages paid to general labourers	R -	R 15,000.00	Expense to encumbered asset 1
Advertisement expenses:			
Second(general) meeting	R (½) 120.00	R (½) 920.00	
Inspection of account	R (½) 4.93	R (½) 37.82	
Confirmation of account	R (½) 4.93	R (½) 37.82	
Destruction of books and records	R (½) 4.93	R (½) 37.82	
Trust Bank Ltd: Bank Charges	R (½) 52.17	R (½) 400.00	
Postage and pettyies	R (½) 134.35	R (½) 1,030.00	
Sithole & Partners Attorneys- professional fee for collection of Books Debts	R (½) 901.84	R (½) 6,914.10	
TOTAL PAYMENTS:		R 71,884.82	
Balance awarded as follows:			
Preferent Creditors:			Refer to hierarchy of preferent creditors
Creditor number 5: SARS (S101) (½)		R 137,186.64	Employees rank first
Arrear VAT prior to liquidation: R119 345.02 (½)			
Arrear Income Tax prior to liquidation: R17 841.62 (½)			
Thabo Moeng, CR7 (S98A) (½)		R 54,000.00	The award to employee isR16,000
Arrear Salary R12 000.00 (½)			
Leave Pay: R4 000.00 (½)			
Sindiwe Mthembu, CR 10 (S98A) (½)		R 12,000.00	
Arrear Salary R12 000.00 Employees are limited to 3 months or R12,000, this means that R3,000 would be concurrent			
Concurrent Creditors @ _____ cents in the Rand		-R 58,897.25	
TOTALS:		R 216,174.21	R 216,174.21

4 / 6 marks

PRO RATA APPORTIONMENT OF THE MASTER'S FEES AND THE BOND PREMIUM			
SCHEDULE A			
ACCOUNT	GROSS PROCEEDS	MASTER'S FEES	BOND PREMIUM
Encumbered asset account 1	R 9,374,594.10	R 181,118.16	R 34,247.80
Encumbered asset account 2	R 3,500,000.00	R (½) 67,620.37	R (½) 12,786.40
Encumbered asset account 3	R 1,150,000.00	R (½) 22,218.12	R (½) 4,201.24
Free residue account	R 209,281.84	R 4,043.35	R 764.56
TOTALS	R (1) 14,233,875.94	R (½) 275,000.00	R (½) 52,000.00

2 / 2 marks

MATER'S CALCULATION:		
Gross value of estate:	R (½) 14,233,875.94	R 1,000.00
LESS:	R 150,000.00	
	R 14,083,875.94	
Divide by R5000.00	(½) 2816	
Therefore, 2816 x R275	R 774,400.00	
Max Master's fee allowed is R275 000.00 (½)		
TOTAL MASTER'S FEE:	R 275,000.00 (½)	

SCHEDULE B			
CALCULATION OF LIQUIDATOR'S REMUNERATION IN ACCORDANCE WITH THE SPENDIFF DECISION			
ENCUMBERED ASSET ACCOUNT 1			
Fixed Property:			
Fee @ 3% on	R	9,100,000.00	R 273,000.00 (½)
LESS VAT	R	1,186,956.52	x 15% x 3% R 5,341.30 (½)
Total fee on Fixed Property			R 267,658.70
Substantial Inventory of Bottled wines of ValleyGrove			
Fee @ 10% on	R	230,894.10	R 23,089.41 (½)
LESS VAT	R	30,116.62	x15% x 10% R 451.75 (½)
Total fee on inventory			R 22,637.66
Miscellaneous movable assets and office equipment of ValleyGrove			
			I have awarded a mark for correct calculation but these assets are free residue assets and should not reflect here
Fee @ 10% on	R	43,700.00	R 4,370.00 (½)
LESS VAT	R	5,700.00	x15% x 10% R 85.50 (½)
Total fee on movable assets			R 4,284.50
Fee on Fixed property			R 267,658.70
Fee on Inventory			R 22,637.66
Fee on Movable assets			R 4,284.50
Total fees(VAT Excl):			R 294,580.86
Plus VAT @ 15% thereon			R 44,187.13 (½)
Total fee VAT inclusive			R 338,767.99
ENCUMBERED ASSET ACCOUNT 2			
Fee @ 10% on:	R	3,500,000.00	R 350,000.00 (½)
LESS:	R	456,521.74	x 15% x 10% R 6,847.83 (½)
			R 343,152.17
Plus VAT @ 15% thereon:			R 51,472.83 (½)
Total fee VAT inclusive			R 394,625.00 (½)
ENCUMBERED ASSET ACCOUNT 3			
Fee @ 10% on:	R	1,150,000.00	R 115,000.00 (½)
LESS:			x 15% x 10% R - (½)
			R 115,000.00
Plus VAT @ 15% thereon:			R 17,250.00 (½)
Total fee VAT inclusive			R 132,250.00 (½)
FREE RESIDUE			
Fee @ 10% on Book Debts	R	88,405.08	R 8,840.51
LESS VAT			x 15% x 3% R -
Total fee on Book Debts			R 8,840.51
Fee @ 10% on income of harvest	R	120,876.76	R 12,087.68 (½)
LESS VAT			x15% x 10% R - (½)
Total fee on Income			R 12,087.68
Fee on Book Debts			R 8,840.51 (½)
Fee on Income			R 12,087.68
Total fees(VAT Excl):			R 20,928.19
Plus VAT @ 15% thereon			R 3,139.23
Total fee VAT inclusive			R 24,067.42

½ / 3 marks

PRO RATA APPORTIONMENT OF AUCTIONEER'S COMMISSION
SCHEDULE C

ACCOUNT	GROSS PROCEEDS (AUCTION)		AUCTIONEERS COMMISSION	
Encumbered asset account 1	R	9,374,594.10	R	25,571.20
Encumbered asset account 2	R	3,500,000.00	R	9,546.99
TOTALS	R	12,874,594.10	R	35,118.19 (½)

You have apportioned the auctioneer's commission for encumbered asset 1, which was the amount in item 2.2 - your calculation should only have included the 2 free residue assets and encumbered asset 2 (see items 1.2.1, 1.2.2 and 1.2.3)

VAT SCHEDULE					
SCHEDULE D					
ACCOUNT		OUTPUT VAT		INPUT VAT	VAT PAYABLE/(REFUNDABLE)
Encumbeed asset account 1	R	1,222,773.14	R	51,989.61	R 1,170,783.53
Encumbeed asset account 2	R	456,521.74	R	58,117.98	R 398,403.76
Encumbeed asset account 3		(½) 0.00	R	(½) 17,797.99	-R (½) 17,797.99
Free residue account		0.00	R	6,892.37	-R 6,892.37
TOTALS	R	1,679,294.88	R	134,797.95	R 1,544,496.93

DISTRIBUTION ACCOUNT - LIST A							
NO.	CREDITOR NAME	TOTAL CLAIM	SECURED CLAIM	PREFERRENT CLAIM	CONCURRENT CLAIM	SECURED / PREFERRENT AWARD	CONCURRENT AWARD
1	Capital Bank Ltd	R 8,946,765.32	R 8,946,765.32	R -	R (1/2) -	R -	R -
2	Harvest Finance Ltd	R 3,203,064.89	R 2,588,404.71	R -	R 614,660.18	R 2,588,404.71	-R 32,978.90
	Interest:	R 280,902.82					
3	Vintech Suppliers Ltd	R 17,410.61	R -	R -	R (1/2) 17,410.61	R -	
4	AgriTech Finance	R 1,261,052.55	R 1,009,065.63	-	R 251,986.92	R 1,009,065.63	
	Interest:	R 125,673.39					
5	SARS	R 137,186.64	R -	R (1/2) 137,186.64	R -	R 137,186.64	
6	Winecraft Essentials Ltd	R 3,668.29	R -	R -	R (1/2) 3,668.29	R -	
7	Thabo Moeng	R 54,000.00	R -	R (1/2) 12,000.00 (Salary S98A)	R 38,000.00 (1/2)	R 16,000.00 (1/2)	
				R (1/2) 4,000.00 (Leave pay S98A)			
8	David Smith	R 100,000.00	R -	R -	R (1/2) 100,000.00	R -	
9	Maria Ndlovu	R 72,000.00	R -	R -	R (1/2) 72,000.00	R -	
10	Sindiwe Mthembu	R 12,000.00	R -	R 12,000.00 (Salary S98A)	R -	R 12,000.00	
	TOTALS				R 1,097,726.00		-R 58,897.25

CONCURRENT DIVIDEND OF R0 CENTS IN THE RAND

LIST - B (1) reflect NIL

VALLEYGROVE FARMS (PTY) LTD (IN LIQUIDATION)		
BANK RECONCILIATION STATEMENT		
NARRATION	PAYMENTS	RECEIPTS
Balance as per bank statement		R 13,552,455.81
PAYMENTS STILL TO BE MADE:		
Bond Premium (provision for renewal)	R 26,000.00	
Master's Fee		(½)
Liquidator's remuneration		
Advertising Costs		
Bank charges (provision)	R 150.00	
Postage and petties		
SARS, for VAT payable per this account		
AWARD TO CREDITORS STILL TO BE MADE:		
Encumbered asset account 1 (Cr 1)	R 7,499,207.92	
Encumbered asset account 2 (Cr2)	R 2,588,404.71	(½)
Encumbered asset account 3 (Cr 4)	R 1,009,065.00	
Free residue:		
Cr 5	R 137,186.64	
Cr 7	R 54,000.00	(½)
Cr 10	R 12,000.00	
Concurrent creditors		
TOTALS	R 11,326,014.27	R (1) 13,552,455.81

