

SHROSBREE TRUSTEES

GMS INSOLVENCY PRACTITIONERS CC t/a SHROSBREE TRUSTEES
Registration Number : CK 1995/041065/23
Income Tax Reference No.: 9270/755/07/8
VAT Registration Number : 4110172568

Insolvency Practitioners
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Administrators of Estates
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Our Ref: MARIO LEVI MNFR / Circular / 1 / oc

Your Ref:

9 APRIL 2014

TO ALL KNOW CREDITORS

Dear Sirs

MARIO LEVI MANUFACTURING SA (PTY) LTD (IN LIQUIDATION) - Reg. No. 199 / 011 095 / 07.
Automotive Leather Tanners situate on the corner of Lower Magginis Avenue and Mel Brooks Avenue, Uitenhage, Nelson Mandela Metropolitan Municipality
MASTER'S REF.: S 10/2014

Kindly note that the above Company was placed under Provisional Winding-up by Order of the High Court of South Africa (Eastern Cape Local Division, Port Elizabeth) on **4 March 2014**. The effective date of Liquidation in terms of Section 348 of the 1973 Companies Act, being the date on which the Application was lodged with the Court, was **14 February 2014**. The Order was made Final on 8 April 2014.

The Master of the Eastern Cape High Court, Port Elizabeth appointed the following Joint Provisional Liquidators in terms of Certificate of Appointment No. S10/2014:-

- Hans Klopper of Independent Trustees, Stellenbosch;
- Gary Shrosbree of Shrosbree Trustee, Port Elizabeth;
- Michelle Pay of Brink & Thomas Attorneys, Port Elizabeth; and
- Imraan Petersen of McWilliams & Elliott Attorneys, Port Elizabeth.

Based on information contained in the Application to Court deposed to by the Applicants for Winding-up, Messrs Standard Bank of SA Ltd, and investigations and taking your Joint Liquidators preliminary investigations into account, the following would appear to represent an estimate of the Financial position of the Company as at the time of Liquidation:-

ASSETS:

IMMOVABLE PROPERTY:

Erf 26301 Uitenhage in the Nelson Mandela Bay Metro Municipality. In Extent : 2.5572 Ha. Held in terms of Consolidated Title: T15121/2001, Known as No. 40 Mel Brooks Avenue, Eric Dodd, Uitenhage

R14 000 000

2/.....

Member : GARY MARK SHROSBREE
Member of the South African Restructuring and Insolvency Practitioners Association,
previously known as the
Association of Insolvency Practitioners of Southern Africa

MOVABLE PROPERTY:

Sundry Machinery & Equipment:

- comprising a complete Manufacturing concern for Leather supplied to the Automotive and the Furniture Industries both locally and abroad from Wet Blue Hide state to final finished Leather, Including Drying, Finishing, Buffing, Dying, Embossing.
Machinery includes Sammying Machines, Effluent Plant, Laboratory Equipment, Schawbe Leather Press, Leather Drying Plant & Toggle Unit, Splitting Machine, Carlessi Rotary Sprayline, Bause Samsetting Machinery, Ring GMBH Perforating Machine, etc.
- 7 063 430

Office Furniture & Equipment :

- comprising Desks, Chairs, Cabinets, Computer Systems, Laptops, Ipads, Celphones & Camera,
- 50 445

Motor Vehicles :

- | | | |
|--|----------|--|
| - 2010 Fiat Strada 1.4 Pick Up & Canopy, Reg. FJL647EC | R 35 000 | |
| - 1998/9 Linde Electric E20-07, H45 Forklift | 30 000 | |
| - 2000/3 Toyota 2.5 T Electric Forklift | 45 000 | |
| - 2001 H250 Diesel Linde Forklift | 45 000 | |
| - 2000/2 Linde H45 Forklift | 35 000 | |
| (Forklift Year Models not verified) | 190 000 | |

ACCOUNTS RECEIVABLE:

Sundry Trade Debtors for Goods Sold & Delivered to the Automotive and to the Furniture Industries
Less: Estimated Doubtful

	1 242 645	
	442 645	800 000
		22 053 430
		75 420 635
		R97 474 065

Apparent Deficiency

LIABILITIES:SECURED CREDITOR:

- | | | |
|--|-------------|-------------|
| - The Standard Bank of SA Ltd : | | |
| #1 Overdraft | R24 962 447 | |
| #2 Bank Guarantee | 200 000 | |
| #3 Surety for indebtedness of Mario Levi Eastcape (Pty) Ltd (In Liquidation) | 29 320 713 | R54 483 160 |

As Security for these claims, the Bank hold Continuing Covering Mortgage Bonds of R18 044 200 over Erf 26301 Uitenhage, Surety Bond over Erf 26301 of R10 000 000, as Surety for Mario Levi Eastcape (Pty) Ltd (In Liq.), Cession of Book Debts, as well as external Suretyships from Third Parties.

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- Cape Produce Company (Pty) Ltd: Claim for Goods Sold & Delivered	5 335 818	59 818 978
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As Security Cape Produce Co. hold a General Covering Notarial Bond (a Preferent Claim) and a Special Notarial Bond over "all" Machinery, Equipment, Movables, etc. (Secured Claim).

PREFERENT CREDITORS:

- Staff Salaries & Wages	682 500	
- Leave Pay & Leave Bonuses	272 770	
- Service Awards, estimated at	1 000 000	1 955 270
- South African Revenue Services:		
Value Added Tax (Amount due, if any to be calculated)	0	
PAYE	106 423	
UIF & Skills Levies	17 645	124 068
Compensation Commission Levies (Amount due, if any, to be calculated)		0 2 079 338

CONCURRENT CREDITORS:

- Sundry Trade Creditors for Goods Sold & Delivered, Services Rendered, etc.		23 445 108
- Sundry Shareholder Loans		
Imbani Leather (Pty) Ltd	66 118 803	
Mario Levi S.p.A.	46 748 819	
Mario Levi Italia S.L.	8 438 790	121 306 412 35 575 749
		R97 474 065

Note:-

1. The Directors of the Company have not yet submitted the Statement of Affairs of the Company, reflecting the Financial position as at date of Liquidation.
2. The Assets are reflected above at their Valuation.
3. Liabilities are reflected at the amounts which appear due at the time of preparing the first notice to Creditors. More accurate figures will be reflected in a subsequent Report once the amounts due have been more accurately calculated. The Staff Salaries & Wages are reflected above at their full face value. The Service Award component will be calculated by the Payroll Service Provider at month end, but estimated to be approximately R1m. The Preferent portions of the amounts due to Staff are only a portion of these amounts, as they are limited in terms of the Insolvency Act: Salaries & Wages (R12 000), Leave or Holiday Pay (R4 000) and Service or Retrenchment Awards (R12 000). In addition, amounts deducted from Remuneration, but not paid over (Insurance Policies, Provident Fund Contributions and Garnishee Order amounts) will also constitute an additional component of the Claim of Staff.

4/.....

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There is a Title Deed restriction in terms of which the Immovable property reflected above, shall not be transferred unless Erf 29039, adjacent to the above Erf which is owned by Mario Levi Eastcape (Pty) Ltd (In Liquidation) is simultaneously transferred to the same Transferee, except with the prior written consent of the Municipality or its successor in Title.

Your Joint Provisional Liquidators are of the view that Application be made for the relaxation of such Title Deed restriction, so as to make each of the two Erven more "realisable".

At this stage, it is not yet known whether there will be sufficient value for a Concurrent Dividend to be payable, accordingly Proof of Claim forms are only annexed hereto for the Secured, as well as certain classes of Preferent Creditors. Staff Claims will be distributed once the amounts due have been finally calculated. Claim forms are however also available to other classes of Creditors on request.

Now that the Provisional Winding-up Order has been made Final, the Master of the Eastern Cape High Court, Port Elizabeth will convene the formal First Meeting of Creditors to be held before the Magistrate, Uitenhage, which Meeting could be held between four and six weeks from now and will be the first opportunity for Creditors to submit their Claims for proof.

Yours faithfully

GARY SHROSBREE
JOINT PROV. LIQUIDATOR



HANS KLOPPER
JOINT PROV. LIQUIDATOR

MICHELLE PAY
JOINT PROV. LIQUIDATOR

IMRAAN PETERSEN
JOINT PROV. LIQUIDATOR

Encl.