

**IN THE HIGH COURT OF SOUTH AFRICA
(WESTERN CAPE HIGH COURT, CAPE TOWN)**

Case No: **679/2007**

In the ex parte application of:-

**EXECUTIVE OFFICER OF THE
FINANCIAL SERVICES BOARD**

Applicant

in re the financial services business of:-

FIDENTIA ASSET MANAGEMENT (PTY) LIMITED

(Registration No: 1998/024863/07)

BRAMBER ALTERNATIVE (PTY) LIMITED

(Registration No: 2000/024139/07)

FIDENTIA HOLDINGS (PTY) LIMITED

(Registration No: 2001/022355/07)

FILING SHEET

Filed herewith

CURATORS' REPORT

DATED at CAPE TOWN this the *29th* day of **JANUARY 2013**.

CLIFFE DEKKER HOFMEYR INC

Per



B SCRIBA

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TO: THE REGISTRAR
High Court
CAPE TOWN

**CURATORS' REPORT ON THE STATUS OF THE FIDENTIA GROUP CURATORSHIP
AS AT 31st DECEMBER 2012**

- 1 In this Report "Fidentia" and/or "Fidentia Group" refers to either of or all of Fidentia Asset Management (Pty) Limited ("FAM") and/or Fidentia Holdings (Pty) Limited ("Holdings") and/or Bramber Alternative (Pty) Limited ("Bramber") and/or their subsidiaries, unless otherwise indicated by context.
- 2 On 7th August 2012 Acting Justice Cloete directed the Curators to file a further Report by not later than 31 January 2013 dealing with the following:-
 - 2.1 *"The status of the curatorship as at 31st December 2012;*
 - 2.2 *An overview of assets disposed of or alienated and how the proceeds were distributed;*
 - 2.3 *Irregularities committed by the companies or their officers or management or by other persons prior to and after the date of curatorship and the state of prosecution which may have been instituted;*
 - 2.4 *Details of civil and criminal actions which may have been instituted by or against the Curators;*
 - 2.5 *The costs of the curatorship as at 31st December 2012;*
 - 2.6 *Any recommendations as to how the continuation of the curatorship or any related matters, should be dealt with further.*
- 3 *The information referred to in paragraph 2.4 above must include a detailed breakdown of all civil legal proceedings instituted, prosecuted or defended by the Curators on behalf of the companies, indicating in respect of each matter,*
 - 3.1 *Who the attorneys of record for the companies were/are;*
 - 3.2 *The fees incurred in respect of the attorneys of record;*
 - 3.3 *The fees incurred in respect of Counsel;*
 - 3.4 *Whether the litigation has been concluded or not;*

- 3.5 *In the case of litigation which has been concluded, the success or otherwise of the litigation; and*
- 3.6 *The amounts recovered on taxation, if any."*
- 4 This Report is filed pursuant to the aforesaid Court Order.
- 5 This Report must be read in conjunction with and supplementary to previous Reports filed.
- 6 Inasmuch as the previous Report filed focused on the status of the curatorship as at 31st May 2012, this Report therefore mainly focuses on developments between the period 1st June 2012 and 31st December 2012 even though there may be a measure of overlap between this Report and previous Reports filed.
- 7 This Report consists of a General Section, a Report in relation to the litigation undertaken and also a Financial Report. It is not practically feasible to confine each section specifically and accordingly there may be a certain amount of overlap between the one part and the other. Where this does occur, it is for the sake of completeness and to ensure a comprehensive understanding of the affairs of the Fidentia Group as a whole for the period under review.
- 8 Two (2) Schedules are attached to this Report. The first is a detailed schedule in response to paragraph 3 herein above. The second Schedule is a detailed Financial Report which speaks to the disposal of assets, recoveries made, costs incurred and paid and distribution effected to the end of December 2012.
- 9 The following is apparent from Schedule One:-
- 9.1 The Curators engaged in 25 litigious matters, as plaintiffs or applicants, either in the form of actions or applications.
- 9.2 Pursuant to the aforesaid, a total amount of **R101 959 823.49** was recovered either by way of collection of the amount sued for, or through the realization of an asset claimed and costs recovered.
- 10 The curators were cited either as Defendants or Respondents in 15 matters. Since the October 2011 report three applications have been instituted against the Fidentia Companies:-
- 10.1 JAW Brown and 6 others instituted an application, under case number 679/2007, against the Financial Services Board, Fidentia Holdings (Pty) Limited, Fidentia

Asset Management (Pty) Limited and Bramber Alternative (Pty) Limited for an order *inter alia* setting aside the curatorship and removal of the curators. The curators were not cited as parties to the application, which was also not served on them. The curators were compelled to bring an application for leave to intervene in this application, which intervention was eventually granted by consent. The curators filed comprehensive answering affidavits. To date the applicants failed to file any replying affidavits and failed to take any steps to set the matter down for argument. The curators demanded security for costs from the applicants and will be proceeding with an application in this regard..

10.2 The Trustees for the time being of the Antheru Beleggings Trust brought an application against the curators and the Fidentia Companies, under case number 7394/2012, for an order declaring its investment in FAM to be R33,727,399. This application was opposed. The curators obtained an order against Antheru Beleggings Trust for it to provide security for the costs of the curators. Antheru Beleggings Trust was unable to comply with the court order and as a result the application was dismissed with costs.

10.3 The Antheru Beleggings Trust brought an application under case number 6657/2010 for an order rescinding the judgment granted, by agreement, between the curators and Antheru Beleggings Trust in terms of which Antheru Beleggings Trust withdrew its application for the winding-up of Fidentia Asset Management (Pty) Limited. The rescission of judgment application is opposed and the curators have brought an application for Antheru Beleggings Trust to provide security for costs in the amount of R500,000.00. This application is set down for hearing on 31 January 2013.

11 During March 2012 Brown caused a subpoena to be served on one of the curators and various other parties requiring their attendance at court in a matter unrelated to the curatorship. In addition they were required to produce documents which had no bearing on the charges Brown and another were facing. Consequently it became necessary to apply to court to have the subpoena set aside as Brown refused to release the witnesses from attending court

A final order setting aside the subpoena was duly obtained from the High Court Cape Town.

12 The total amount of costs incurred to date by the Curators either as Plaintiff/Applicant or Defendant/Respondents amount to **R15 492 992.86** made up as follows:-

12.1 Attorneys' fees: **R5 753 847.72**;

12.2 Counsel's fees and other disbursements: **R9 739 145.14**.

13 CURATORS' FEES

The curators fees paid to date amount to **R17 097 084.00**.

14 DISTRIBUTIONS EFFECTED IN TERMS OF CURATORSHIP ORDER

14.1 All distributions effected were mainly from recoveries and trading operations conducted by the curators.

14.2 **R248 778 954.00** has been so distributed as provided for in terms of the final curatorship order. Full details appear in the Financial Report attached hereto.

15 CRIMINAL PROSECUTIONS

15.1 Graham Maddock was charged with various criminal offences relating to his involvement in the affairs of the Fidentia Group and was convicted and sentenced in terms of a Plea Bargain and Sentence Agreement to an effective seven (7) years imprisonment during 2008. Mr Maddock has since been released on parole.

15.2 During 2009, Steven Goodwin who fled the country was arrested under an Interpol warrant in the United States of America, was brought back to the Republic and charged with various criminal offences relating to the affairs of the Fidentia Group. He was convicted and sentenced in terms of a Plea Bargain and Sentence Agreement during April 2009 to an effective period of seven (7) years imprisonment. He was released on parole during November 2012.

15.3 Piet Botma has been criminally charged with bribery and corruption. The trial is part heard.

15.4 Joseph Arthur Walter Brown has been charged with corruption, money laundering and several counts of fraud and theft relating to the affairs of the Fidentia Group. However, he has made every attempt to avoid facing trial and his matter was postponed no less than sixteen times, before it eventually commenced on 27 November 2012 in the Cape High Court. Brown is conducting his own defence and the trial is likely to last several months.

15.5 Mr Mel Cunningham has been charged with fraud arising from the sale of Infinity to Fidentia. The Asset Forfeiture Unit has taken control of his Estate.

Mr Cunningham is currently out on bail and his trial has not yet commenced. Cunningham is seeking to avoid the criminal trial on the basis that he is medically unfit to stand trial.

GENERAL

16 Sante Hotel Wellness and Conference Centre

- 16.1 This asset continues to present a challenge to the Curators.
- 16.2 The current tenant is operating the business but clearly under difficult trading conditions.
- 16.3 The curators plan to have the previous tenant interrogated before the Master of the High Court.
- 16.4 A creditor of the previous tenant, despite being fully aware that all the assets on the property at Sante is that of Fidentia, insisted in removing certain assets on the day a major event was to be held at Sante. This necessitated an urgent application to the High Court for the stay of the writ and removal of goods attached.
- 16.5 The application was duly granted and the Sheriff and creditor needed to show cause why they should not pay the costs of that application.
- 16.6 The matter has been settled by a payment of **R30 000.00** by the Respondents.

17 Infinity

This asset (except for certain surplus pieces of equipment) was sold with the approval of the Financial Services Board.

LITIGATION

18 Rashaad Khan

- 18.1 Rashaad Khan has failed to make payment of the costs he was ordered to pay and a Warrant of Execution has been issued against him. The Sheriff is experiencing difficulties in locating Mr Khan in order to serve the Warrant of Execution.
- 18.2 Mr Khan who appeared at the Insolvency Enquiry, was also ordered by the Presiding Officer, to deliver certain documents which he has failed to do. A

Warrant of Arrest was duly obtained and issued is in the hands of the Sheriff to be executed.

18.3 Mr Khan continues to evade the enforcement authorities.

19 MI Cunningham NO and 3 Others

19.1 The Exception brought by David Warren, was dismissed with costs.

19.2 An early trial date has been agreed with all parties. The trial will be heard on 22 July 2013 in the High Court, Western Cape.

20 S J De Kock and Thebe Securities

20.1 The Court ruled in favour of the Curators in their claim against Rakitzis who has since the judgment, paid the capital sum. The costs need to be quantified and recovered from him.

20.2 The action against De Kock and Thebe is due to be heard on 12 February 2013 in the High Court Johannesburg.

21 Hendrik R Bam

Bam has apparently emigrated to Australia and the curators are trying to locate his current whereabouts in order to enforce the judgment against him.

22 Legatus

22.1 In the matter against Meyeridricks the Curators, after investigation, amended and increased the amount claimed from Meyeridricks. An objection has been noted to the amendment. Plaintiffs are endeavouring to set down the objection for hearing as soon as possible.

22.2 The actions under case numbers 7972/2010 and 45006/2012 have been consolidated. The consolidated actions. Involving the R4.8 appropriated by the Curators is set down for hearing on 21 February 2013. The trial preparation is well underway.

DISPOSALS

23 During the period under review, the properties at Blue Horizon Bay were put up to auction. The highest bid received was R1.1m which is way below its apparent true

market value. The curators are considering their options in consultation with the FSB.

DISTRIBUTION OF ASSETS DISPOSED

- 24 During November 2011, the FSB applied to Court to sanction the Distribution Plan as proposed by the Curators. In the original Distribution Plan, Antheru's claim was admitted at around R9m (Nine Million Rand). Antheru's contention was that its claim should be about R27m (Twenty-seven Million Rand). The Financial Services Board's Application to sanction the proposed distribution plan was opposed by various parties including certain Antheru investors.
- 25 The matter was resolved on the basis that the distribution would be effected as if Antheru's claim was R27m (Twenty-seven Million Rand) and that it must institute an action against the curators within 30 days to prove its claim.
- 26 The matter was finally disposed of in the Cape High Court during April 2012 when the Court sanctioned the distribution proposed except that an amount of R27m (Twenty-seven Million Rand) odd had to be retained to cover any increased claim Antheru might have.
- 27 The Distribution Plan was appropriately adjusted to take into account the possibility that Antheru's claim may be more than the R9m (Nine Million Rand) already admitted.
- 28 The Antheru distribution is to be retained by the curators and not paid over unless and until the original investors in Antheru are identified whereupon their claims will be verified and distribution paid directly to them.
- 29 Even though Antheru's claim on its version was R27m (Twenty-seven Million Rand), it subsequently brought an application to have its claim admitted at R33m (Thirty-three Million Rand). That claim was contested and dismissed by the Court on 8 November 2012. Due to Antheru's failure to provide security for costs as ordered by the court.

ASSETS STILL TO BE DISPOSED OF

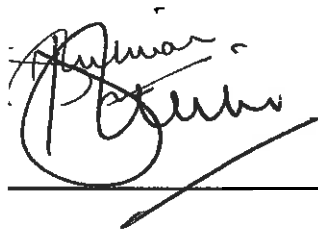
- 30 The following assets still have to be disposed of:
 - 30.1 The property and business of Sante Hotel and Spa;
 - 30.2 Properties at Blue Horizon Bay;

- 30.3 The Fidentia Group's interest in Moshate (Pty) Limited;
- 30.4 The Fidentia Group's interest in Legatus once the true ownership thereof is finally determined;
- 30.5 The uncut Tanzanite gemstone; and
- 30.6 Maddock's house at Cape Infanta unless he settles the amount owing by him.

FUTURE CONDUCT AND RECOMMENDATION

- 31 The Curators recommend that the remaining assets be realized as and when it is considered most favourable to do so and that the pending litigation be brought to finality as expeditiously as possible.

DATED at CAPE TOWN this 28th *th* day of **JANUARY 2013**



A handwritten signature in black ink, appearing to read 'Dines Gihwala', is written over a horizontal line. The signature is stylized and cursive.

DINES GIHWALA

On behalf of the Fidentia Curators

Curators' Report January 2013

Case Number	Plaintiffs/Applicants Attorneys of record	Defendants/Respondents	Defendants' / Respondents' Attorneys of record	Amount of Claim	Amount Recovered	Fees	Counsel's fees and disbursements	Status of matter
43116/08	Port Ferry Properties 48 Petersen Hertog	Fidentia Administration Services (Pty) Ltd DCM Gihwala NO G Papadakis	Cliffe Dekker Hofmeyr - J Jones	R 3 872 687.37	Nil	R 6 728.28		No changes
73145/09	Clubview Ontwikkelings (Pty) Limited	Infinity Rewards	Cliffe Dekker Hofmeyr - J Jones	R 320 199.55	Nil	R 10 858.00		No changes
20991/09	Itakane Trading	Werkmans Attorneys	Cliffe Dekker Hofmeyr - J Jones	R 176 538.12	Nil	R 25 078.83	R 50 422.01	No changes
MC Randburg (38259/09)	Legatus Trust (Pty) Ltd	R H Meyerdricks	None	R 68 300.00	Gold Coins recovered	R 6 509.40	R 1 589.00	Settled. The curators amended and increased the amount claimed by Meyerdricks. An objection has been noted to the amendment. Plaintiffs are endeavouring to set down the objection for hearing on 2013-01-24.
No case no.	Fidentia Software Futuras	Department of Health	None	Potential claim against Department - R 1.2 million	R 700 000.00	R 32 360.61	R 7 129.24	Settled
27734/08	Legatus Trust (Pty) Ltd	RH Meyerdricks	None	R 175 520.69	Nil			No changes
27849/09	DCM Gihwala NO G Papadakis Legatus Trust (Pty) Ltd	RH Meyerdricks	Garb & Joffe Attorneys	R 1 484 709.49	Nil	R 217 909.23	R 140 378.32	Application to amend quantum opposed. Matter to be argued during the course of 2013.
25649/20	TEBA Bank Ltd	Malebye Motaung Mtembu Inc	Cliffe Dekker Hofmeyr - J Jones	R 220 000 000.00	Nil	R 245 601.44	R 413 389.68	Pleadings have closed. Parties proceeding to trial.
27737/09	Schoombie Ouditseurs	G Papadakis NO & DCM Gihwala NO	Cliffe Dekker Hofmeyr - J Jones	R 89 490.00	Nil	R 95 327.37	R 7 163.83	Matter withdrawn by plaintiffs. Tendered 50% of wasted legal costs. Bill to be prepared and taxed.

4268/2008	DCM Gihwala NO and G Papadakis NO	Cliffe Dekker Hofmeyr - L HR Bam Rhoadie	Acting personally	R9,866,434.18 and R96,744.41	R	96 744.41	R	599 023.65	1030123.85	Judgment granted against defendant in the amount claimed together with interest and costs, as well as the costs for the sequestration. Defendant and family left country. In the process of tracing their whereabouts.
13420/07	DCM Gihwala NO and G Papadakis NO	Cliffe Dekker Hofmeyr - JAW Brown and SJ Brown L Rhoadie	MR Khan and Associates	R	24 771 203.82	R	112 462.94	R	721 406.62	Application finalised. In the process of recovering costs from MR Khan and Associates in terms of taxed bills of costs
14287/07	DCM Gihwala NO and G Papadakis NO	Cliffe Dekker Hofmeyr - L JAW Brown NO; SL Brown NO; S Latagan NO; ZC Brown NO (SL Brown Family Trust and CAM Brown Family Trust)	MR Khan and Associates	R11,229,119.53	Nil	R	14 443.80	Matter pending until the finalisation of the applications for the sequestration of the SL Brown and CAM Brown Family Trusts		
3504/09	DCM Gihwala NO and G Papadakis NO	Cliffe Dekker Hofmeyr - L Second Start No 9 (Pty) Ltd	None	R840,000 and R971,999.99	R864,683.91 (dividend and taxed costs recovered from the insolvent estate)	R	19 653.03	R	12 098.59	Matter is finalised
5467/07	DCM Gihwala NO and G Papadakis NO	Cliffe Dekker Hofmeyr - L JAW Brown NO; SJ Brown NO and A Tucker NO	None	Forfeiture Order Re. Facets Building	R45,000,000 from sale of Facets Building	R	38 532.00	R	107 673.00	Matter is finalised
9997/09	DCM Gihwala NO and G Papadakis NO	Cliffe Dekker Hofmeyr - L Registrar of Deeds; GN Georgiou NO; BD Georgiou NO; S Tsangarakis NO (Kia Joy Trust)	EG Cooper Majlect Inc. 77 Kellner Street, Westdene, Bloemfontein	R5,100,000	R5,132,641.63 Recovered in terms of settlement	R	25 917.90	R	7 695.00	Matter is finalised
8510/07	South African Broadcasting Corporation Limited	Cliffe Dekker Hofmeyr - L DCM Gihwala NO; G Papadakis NO; Executive Officer of the FSB; Registrar of Financial Service Providers	SBS Incorporated, 2nd Floor, 20 Baker Street, Rosebank, Johannesburg	Urgent application for access to interrogation of witnesses	R80,938.93 (taxed costs)	R	22 754.40	R	40 612.50	Matter is finalised
6655/10	Antheru Beleggings Trust	June Marks Attorneys	Cliffe Dekker Hofmeyr - L Rhoadie	Applications for winding up including intervention application and separation of issues application	Nil	R	954 792.78	R	2 633 821.30	Bills of costs taxed in the amount of R2,120,079.87 - in the process of being recovered
6656/10			Fidentia Asset Management (Pty) Ltd		Nil					Bills of costs taxed in the amount of R2,120,079.87 - in the process of being recovered
6657/10	Intervening Creditors: Marin van Schaikwyk; JJ van Blerk Family Trust		Bramber Alternative (Pty) Limited; DCM Gihwala NO; G Papadakis No; Financial Services Board		Nil					Application for rescission of judgment brought by Antheru. Application opposed. Application for security for costs pending

Case No.	Applicant	Respondent	Order	Order Description	Amount	Order Type	Proceeds from sale of property	Order Status
21717/10	DCM Gihwala NO and G Papadakis NO; Bramber Alternative (Pty) Ltd	Cliffe Dekker Hofmeyr - L Rhoadie	The Registrar of Deeds	Order authorising sale of property	27 953.94 R	R	Proceeds from sale of property R35,000,000	8 679.96 Matter finalised
8982/07	DCM Gihwala NO	Cliffe Dekker Hofmeyr - L Rhoadie	JAW Brown NO	Forfeiture Order	85 977.03 R	R	Nil	182 742.00 Matter finalised
8993/07	G Papadakis NO		S.J Brown NO; A Tucker NO; Registrar of Deeds (Sunset Beach)					
879/2007	JAW Brown; Carter & Kloof; M.J Van Schalkwyk; JAW Brown Family Trust; ZC Brown Family Trust; Antheru Mandated Investors; Brown Brothers Holdings	None	The Financial Services Board; Fidentia Holdings (Pty) Limited; Bramber Alternative (Pty) Limited; Fidentia Asset Management Limited; D Gihwala NO; G Papadakis NO	Application for setting aside curatorship and intervention application by curators	358 988.28 R	R	Nil	200 972.43 Applicants to file replying affidavits. Security for costs demanded
7394/2012	H Heydennyt; N.O.; Joubert NO	June Marks Attorneys	D Gihwala NO; G Papadakis NO; Fidentia Management (Pty) Limited; Fidentia Asset Holdings (Pty) Limited; Bramber Alternative (Pty) Limited	Application to declare investment of Antheru Beleggings Trust R33,727,399	134 703.43 R	R	Nil	63 005.94 Application dismissed with costs due to failure by Antheru to put up security for costs. Costs to be recovered
3042/2010	D Gihwala NO; G Papadakis NO; Fidentia Capitalwise (Pty) Limited	Cliffe Dekker Hofmeyr - B Scriba	Bramber Alternative (Pty) Limited; Threadneedle Holdings Company (Pty) Limited; Threadneedle Consulting (Pty) Limited; R Reed; JNP de Jongh	R 20 000 000.00	30 090.02 R	R	Nil	120 732.23 No changes
2054/08	DCM Gihwala NO and G Papadakis NO	Cliffe Dekker Hofmeyr - B Scriba	JPN de Jongh; N de Jongh NO; L Spiess NO; JPN de Jongh NO; N de Jongh NO; JM de Jager NO	R 6 737 778.00	301 795.63 R	R	1 704 892.32 R	648 122.53 Settled for R5 100 000 plus costs
3350/08	DCM Gihwala NO and G Papadakis NO	Cliffe Dekker Hofmeyr - B Scriba	L Spiess	R 4 000 000.00	343 963.54 R	R	2 327 360.00 R	833 316.27 Settled for R1 750 000 plus costs at R500 000
3349/08	DCM Gihwala NO and G Papadakis NO	Cliffe Dekker Hofmeyr - B Scriba	S Dekker	R 1 173 333.00	44 350.27 R	R	Nil	150 198.79 Matter is in process of being set down - Rule 37 Conference in March 2013
1832/09	Curators of Ovation Global Investment Services (Pty) Limited and Ovation Global Investment Nominees (Pty) Limited	Webber Wentzel	Fidentia Curators and Fifteen Others	Total divestment of investors' funds	277 898.80 R	R	Nil	710 815.85 Fidentia and Common Curators' were unsuccessful and ordered to pay costs. Fidentia Curators' taxed down original bills of costs from R1 237 615.32 to R155 386.53

Curators' Financial Report – December 2012

1. Introduction

- 1.1 This financial report deals with the administration and financial performance of the remaining companies comprising the private equity portfolio for the period ended 31 December 2012. Legatus represents the remaining trading entity in the private equity portfolio. With regards to the other companies in the private equity portfolio, these have either been disposed of with the consent of the FSB, alternatively, those companies for which no offers were received and which could not continue trading profitably have been wound down.
- 1.2 The remaining companies comprising the private equity portfolio, for the period covered by this report, are:
- Legatus; and
 - Moshate (not trading).

2. Legatus Trust (Pty) Ltd (“Legatus”)

2.1 Introduction

- 2.1.1 Legatus continues to provide specialised fiduciary products to the South African Market, and specifically administers deceased estates and Trusts. It is a member of the Fiduciary Institute of South Africa.
- 2.1.2 The audited financial statements of Legatus for the year ended 31 March 2012 have been completed.
- 2.1.3 The income statement, statement of financial position, cash flow statement and statement of changes in equity for the nine months ended 31 December 2012, together with a commentary thereon, are recorded at paragraphs 2.2 to 2.5*infra*.

2.1.4 The legal matters and disputes are recorded at paragraph 2.6 *infra*. As recorded in our previous report, the proposed sale of Legatus has been deferred, until the dispute as to ownership has been resolved.

2.2 Income statement for the eight months ended 31 December 2012

		9 months ended 31 Dec 2012 (Unaudited)	9 months ended 31 Dec 2011 (Unaudited)	Year ended 31 Mar 2012 (Audited)
	Note	R	R	R
Revenue	2.2.1	3 797 250	3 816 547	5 130 856
Operating expenses	2.2.2	3 504 543	3 458 614	4 753 477
Operating Profit		292 707	357 933	377 379
Investment Income		63 994	96 529	132 749
Net profit before taxation		356 701	454 462	510 128
Taxation		99 876	127 249	157 087
Profit after tax		256 825	327 213	353 041

2.2.1 Total revenue for the nine months ended 31 December 2012 decreased by 0.5% compared to the nine months ended 31 December 2011. Income from trusts was in line with the previous period.

2.2.2 Operating expenses for the nine months ended 31 December 2012, increased by 1.3% compared to the comparative period.

2.3 Statement of financial position

	Note	31 Dec 2012 (Unaudited) R	31 Mar 2012 (Audited) R
Assets			
Non-current assets			
Property plant and equipment	2.3.1	46 834	63 641
Intangible Assets – Trust Licence	2.3.2	200 376	200 376
		<u>247 210</u>	<u>264 017</u>
Current assets			
Trade and other receivables	2.3.3	409 074	386 899
Cash and cash equivalents		1 627 676	2 780 000
		<u>2 036 750</u>	<u>3 166 899</u>
Total assets		<u>2 283 960</u>	<u>3 430 916</u>
Equity and liabilities			
Equity			
Share capital		312	312
Retained income		1 752 158	1 495 333
	2.3.4	<u>1 752 470</u>	<u>1 495 645</u>
Current Liabilities			
Current tax payable		115 984	137 535
Trade and other payables		415 506	597 736
Shareholder for Dividend		-	1 200 000
Total Current Liabilities		<u>531 490</u>	<u>1 935 271</u>
Total Liabilities and equity		<u>2 283 960</u>	<u>3 430 916</u>

2.3.1 Property Plant and Equipment comprises of computers and equipment, which is being depreciated using the straight line method to write down the cost, less residual value over the useful lives of the assets.

2.3.2 The intangible assets comprise of the Trust Licence and are regarded as having an indefinite life. Based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate cash flows.

2.3.3 Trade and other receivables largely include advances made to Estates and Trusts and are recoverable in full.

2.3.4 The movement in shareholders' equity is addressed through the statement of changes in equity (refer paragraph 2.5).

2.4 Cash Flow Statement

	9 months ended 31 Dec 2012 (Unaudited)	Year ended 31 Mar 2012 (Audited)
	R	R
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	3 604 662	5 415 610
Cash paid to suppliers and employees	(3 515 980)	(5 354 959)
Cash generated from operations	<u>88 682</u>	<u>60 651</u>
Interest income	63 994	132 749
Tax paid	(105 000)	(223 854)
Dividend paid	(1 200 000)	-
Net cash from operating activities	<u>(1 152 324)</u>	<u>(30 454)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<u>-</u>	<u>-</u>
Total cash movement for the year	(1 152 324)	(30 454)
Cash at the beginning of the year	2 780 000	2 810 454
Total cash at end of the year	<u>1 627 676</u>	<u>2 780 000</u>

2.5 Statement of changes in equity

	Share Capital	Retained income	Total equity
Balance at 31 March 2011	312	2 342 292	2 342 604
Profit for the year		353 041	353 041
Dividend declared		(1 200 000)	(1 200 000)
Balance at 31 March 2012	<u>312</u>	<u>1 495 333</u>	<u>1 495 645</u>
Profit for the 9 months ended 31 December 2012		256 825	256 825
Balance at 31 December 2012	<u>312</u>	<u>1 752 158</u>	<u>1 752 470</u>

2.5.1 The directors declared a dividend of R1,2 million.

2.6 Legal matters

2.6.1 Summonses have been issued to RH Meyeridricks, a former director and shareholder of Legatus, in respect of.

2.6.1.1 While acting as director of Legatus, Meyeridricks allegedly received certain monies "secret profits" to which he was not entitled.

2.6.1.2 Monies lent and advanced to Meyeridricks have not yet been repaid.

2.6.2 Summons was issued by the Joint Trustees of the estate of AL Cruickshank for the recovery of R4.8 million. The curators are of the view that there is no merit to the claim and are defending the matter.

2.6.3 The dispute as to the ownership of Legatus has not been resolved and is being defended.

5. Moshate Holdings Pty Ltd (Moshate)

- 5.1 This is a non-trading company in which approximately R15 million of investor funds was invested, with a view to the company procuring land upon which cemeteries would be established. A dispute currently exists as to the effective shareholding in Moshate.
- 5.2 Despite repeated assurances from the directors that audited financial statements would be prepared from the date of commencement of operations, the directors have failed to provide audited financial statements for the company.
- 5.3 The curators have initiated steps to liquidate the company.

6. Compilation of Accounting Records

- 6.1 The statutory audits for Fidentia Holdings, Fidentia Administrative Services (FAS) and Fidentia Facilities, should be completed during February 2013.

7. Court Sanctioned Distribution Plan

7.1 Admitted Claims

7.1.1 The curators admitted the following claims:

Investor	Capital Claim
TETA	R 185 000 000
Antheru	R 9 205 449
Baltron	R 38 573 680
LHUT	R1 133 911 822
Total admitted claims at date of this report	R1 366 690 951

7.1.2 In respect of the Evertrade transactions there is nothing further to report from the previous report.

7.1.3 In terms of the distribution plan as approved by the Western Cape High Court, the following amounts have been distributed to the TETA, Baltron and LHUT. In accordance with the judgment, as handed down, the distribution to Antheru has been withheld pending the determination of an action to be instituted by Antheru. Details relating to this action are contained in the litigation report.

7.1.4 With the approval of the FSB a guarantee held for the benefit of Baltron, in the amount of R4 418 311 was returned to Baltron. This amount does not form part of the capital claim of Baltron.

Investor	Capital Claim
TETA	R 33 300 361
Baltron	R 6 943 338
LHUT	R90 728 888
Total distribution	R130 972 587

This distribution equates to 18% of the admitted claim of each investor. In accordance with the judgment handed down, an amount of R5 027 413 has been retained in respect of Antheru's potential claim.

7.2 Disposals of capital assets to date and recoveries of other amounts.

7.2.1 The disposal of the capital assets to date is summarised as:

7.2.1.1 Proceeds from the Sale of Assets Comprising the Fixed Property Portfolio (exclusive of VAT):

Description of Property	Sales Proceeds R
Facets	43 480 824
Facets-Occupational Rental	6 177 054
ThabaManzi	34 099 998
ThabaManzi-Occupational Rental	2 100 000
Sante-Rental (Note 1)	503 831
Syco Deli	1 750 000
Syco Deli-Occupational Rental	176 250
Waterford Place	34 415 887
Wavelengths 231	5 302 552
Villa Marais	3 900 352
Recovery Transfer Duty&Deposit-BellSombre	1 510 268
Recovery Teewaterskloof	265 000
Total	133 682 016

Note 1 The rental figure is recorded net of costs incurred associated with the hotel. The hotel and spa is operated by an independent contractor for its own account.

7.2.1.2 The proceeds from the sale and realisation of assets associated with such sales, comprising the Private Equity Portfolio, exclusive of VAT, is.

Description	Net Sales Proceeds R
AOS	9 993 668
Software Futures	14 366 636
Fidentia Rangers	3 050 000
Boland Rugby	201 397

Polex	5 293 284
Infinity	13 464 626
Total	46 369 611

7.2.2 The remaining companies comprising the private equity portfolio have not been disposed of.

7.2.3 Other recoveries, recorded exclusive of VAT, comprise:

Description	Proceeds R
Sale of Movable Assets	10 840 902
Sale of Cricket Suite	319 200
Recoveries from Previous Directors & Staff	22 426 043
Recoveries from Third Parties	8 971 639
Guarantee (Note 1)	4 418 311
Other	51 017
Total	47 027 112

Note 1: The guarantee represents funds held as a guarantee deposited by Baltron.

7.2.4 The inflow of funds as detailed *supra* can be summarised as:

Description	Proceeds R
Sale of fixed properties	133 682 016
Sale of private equity	46 369 611
Other Recoveries	47 027 112
Inflows from sales and recoveries	227 078 739
Interest earned(Note 1)	23 051 197
Interest Polex	2 260 809
Interest Infinity	197 496
Proceeds from trading activities	95 138 865
Total inflows	347 727 106

Note 1: No provision for tax on the interest earned has been raised as it is anticipated that the interest income will be offset against the assessed losses and trading expenses of the various companies within the Fidentia Group.

7.2.5 The total outflows, representing expenditure incurred by the Curators (exclusive of VAT), to 31 December 2012 are:

Description	Expenditure R
Curators Fees	17 097 084
Forensic Accounting Services	8 288 504
Legal Services	44 121 770
Recoveries-Legal Fees	(1 251 991)
FSB costs	2 509 782
Total expenditure	70 765 149

7.2.6 The amount currently available can accordingly be summarised as:

Total inflows	R347 727 106
Less: Total expenditure	R(70 765 149)
Less: Distributions for benefit of LHUT	R(113 375 893)
Less: Distribution of Guarantee to Baltron	R(4 418 311)
Less: Court Approved Distributions	R(130 984 750)
Amount available Note 1	R 28 183 003

Note 1: This includes the amount of R5 027 413 retained as directed by the Court.

7.2.7 The account reflects that as at 31 December 2012, an amount of R28.2 million is available.

8. Distributions

- 8.1 Since curatorship, we have made distributions to the investors in the amount of R244 360 643. In addition Baltron received the refund of the guarantee placed with Fidentia in the amount of R4 418 311, resulting in a total amount of R248 778 954 being returned to the investors since curatorship. The distribution to date to LHUT, Baltron and TETA represents 18% of their admitted claims.

9. Assisting the NPA

- 9.1 We continue to assist the NPA with the various criminal cases they are involved in prosecuting.