



Business Rescue Proceedings Status Report – as at 30 September 2020

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1. Business Rescue Proceedings Status:

Table 1 reflects the status of commenced business rescue starting when business rescue proceedings were introduced in May 2011 until date of report namely 30 September 2020.

Table 1: Status Specification Breakdown

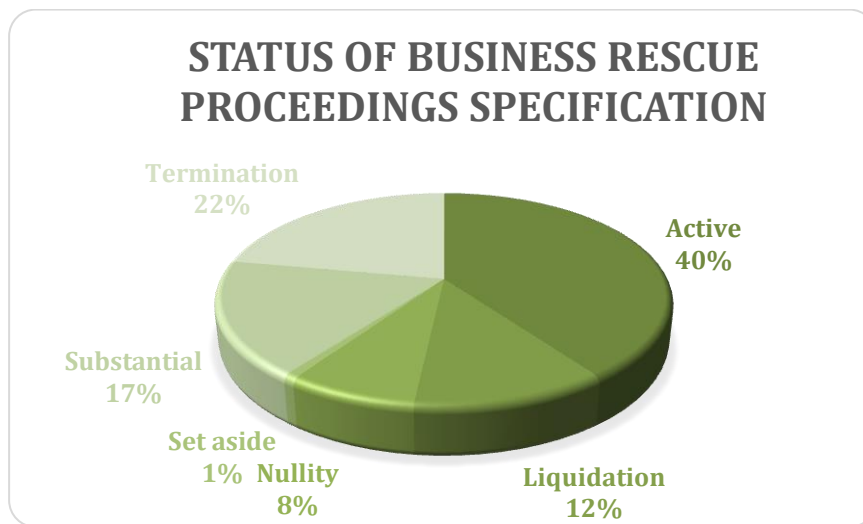
Status of Proceedings	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Grand Total
Active	53	120	119	124	151	132	163	189	272	193	1516
Liquidation	58	63	70	73	73	48	31	15	12	2	445
Nullity	111	28	21	26	24	17	22	33	15		297
Set aside	2	5	6	4		2	2	5	1	1	28
Substantial	83	107	104	97	85	69	50	39	26	3	663
Termination	76	117	89	89	148	107	94	68	46	5	839
Grand Total	383	440	409	413	481	375	362	349	372	204	3788

Notes on interpretation of table 1:

- For the CIPC financial year April 2015 to March 2016, 481 business rescue proceedings commenced. Of the 481 cases being put into business rescue proceedings, 151 is still active and 73 proceedings ended with the entity being placed directly into liquidation.
- From April 2020 to date of report, 204 business rescue proceedings commenced.

Graph 1 indicates the percentage comparison for the different statuses of commenced business rescues.

Graph 1: Status of Business Rescue Proceedings Expressed As Percentage



2. Business Rescue Proceedings Started Per Category Of Entity:

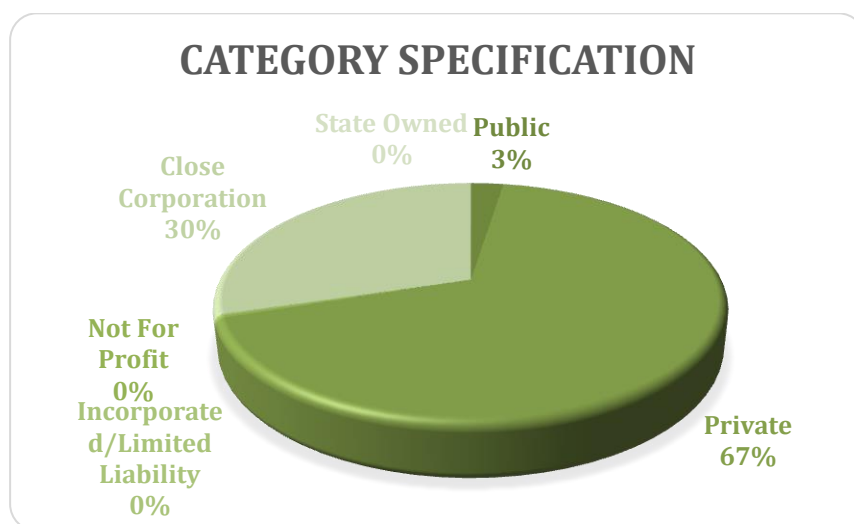
Table 2 indicates the volume of commenced business rescue proceedings for each entity category as from commencement of business rescue May 2011 to 30 September 2020.

Table 2: Category Specification Breakdown

Category	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Grand Total
Public	53	9	7	8	5	3	2	2	1	4	94
Private	240	281	257	266	297	238	252	265	298	160	2554
Not For Profit		3		2	1	2	2	1	1		12
Incorporated/Limited Liability			2		1	2	1		1		7
Close Corporation	90	147	143	137	177	130	105	81	70	40	1120
State Owned									1		1
Grand Total	383	440	409	413	481	375	362	349	372	204	3788

Graph 2 indicates the aggregate percentage comparison for the different entity categories of commenced business rescues since commencement of business rescue proceedings on 1 May 2011.

Graph 2: Category of Business Rescue Proceedings Expressed As Percentage



3. Business Rescue Proceedings Started Per Province:

Table 3 indicate the volume of commenced business rescue proceedings for each of the nine provinces broken down into each CIPC financial year.

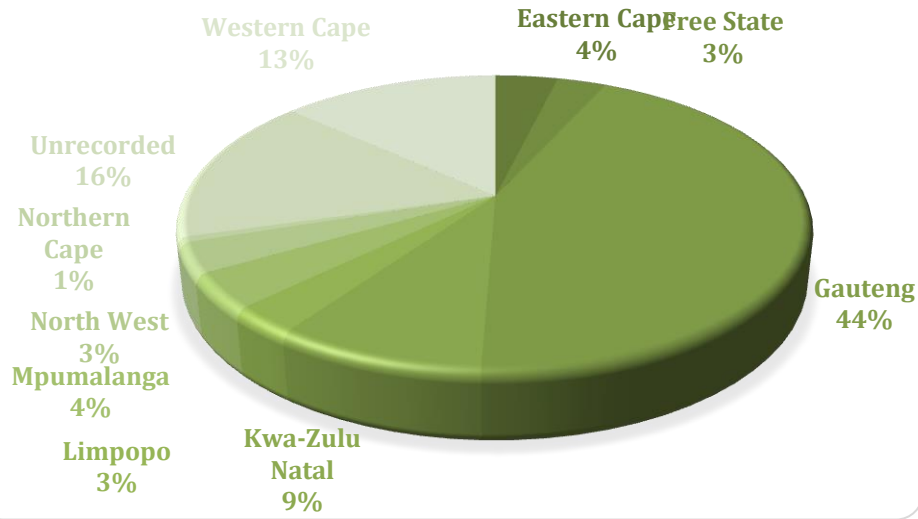
Table 3: Province Breakdown

Province	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Grand Total
Eastern Cape	3	11	24	15	28	14	17	7	19	7	145
Free State	11	7	14	17	12	12	16	10	13	2	114
Gauteng	54	102	216	215	234	160	178	188	197	114	1658
Kwa-Zulu Natal	1	6	52	34	56	50	53	43	37	16	348
Limpopo	3	4	6	15	18	13	16	23	12	4	114
Mpumalanga	5	10	10	18	17	18	22	19	19	10	148
North West	3	9	24	21	18	23	6	11	8	2	125
Northern Cape	1	2		3	3	4	2	6		1	22
Unrecorded	258	256	14	4	19	21	8		8	21	609
Western Cape	44	33	49	71	76	60	44	42	59	27	505
Grand Total	383	440	409	413	481	375	362	349	372	204	3788

Graph 3 reflects the aggregate breakdown for each of the nine provinces as from inception of business rescue expressed as a percentage.

Graph 3: Province for Commenced Business Proceedings Expressed as Percentage

PROVINCE SPECIFICATION



4. Notice of Termination (CoR125.2) Filed:

Table 4 indicates the volume of CoR125.2 filed for commenced business rescue proceedings. A CoR125.2 will be received during a specific financial year but the filing of the document will be recorded against the year for which the business rescue proceedings commenced. Example, the CoR125.2 may be filed January 2015 but the proceedings commenced during the 2011-2012 financial year and therefore the CoR125.2 will be recorded against the 2011-2012 financial year in the below table.

Table 4: Termination Specification Breakdown

Termination Specification	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Grand Total
Termination - Court order						1	1				2
Termination - Liquidation	19	50	28	20	44	32	30	28	8	2	261
Termination - Not Distressed	35	55	50	61	98	66	57	30	13	3	468
Termination - other			1	6		1	1	1			10
Termination - Plan not accepted	3	5	7	1	5	2	2	1	1		27
Termination - Plan not published			1	1							2
Termination - set aside						1					1
Termination - not specified	19	7	2		1	4	3	8	24		68
Grand Total	76	117	89	89	148	107	94	68	46	5	839

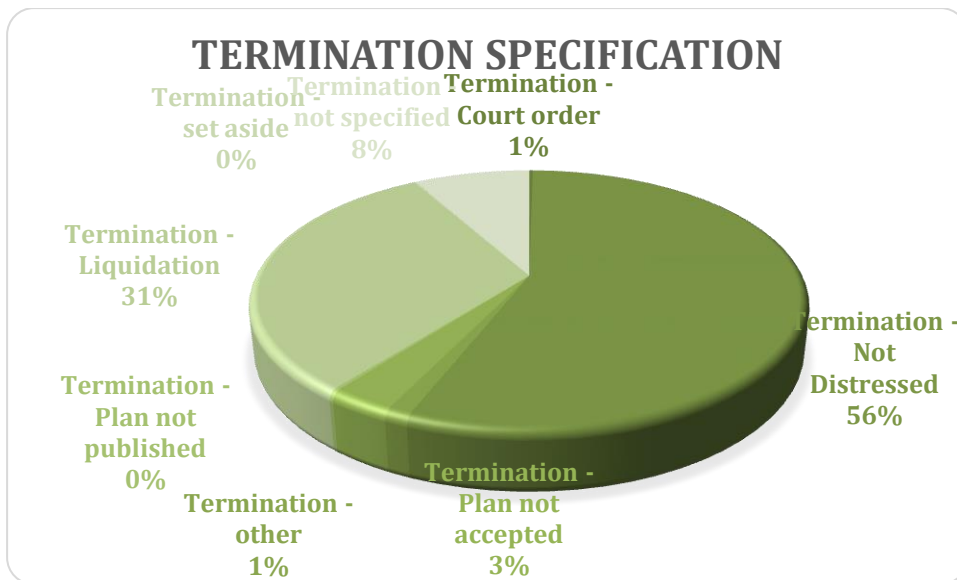
***Notes:**

- Termination – Not specified = reason for termination not specified
- Termination – Liquidation = BRP terminates proceedings in order for entity to start liquidation proceedings
- Termination – Not distressed = BRP terminates proceedings due to the fact that entity is not financially distressed
- Termination – Plan not accepted = BRP notifies CIPC that plan was not accepted and no further action was taken by an affected person to extend the proceedings
- Termination – Other = Is for terminations whereby the BRP notifies CIPC that proceedings are being terminated but does not fall within the main reasons e.g. BRP terminates for personal reasons, that he is removing/resigning himself from the matter due to director deviating from plan, business can trade itself out of distress.

- Termination – Plan not published = BRP notified CIPC that the plan was not published in order for it to be considered for approval.
- Termination – Plan not accepted = BRP notified CIPC that plan was not accepted and no further action was taken to approve plan.
- Termination – Court Order = BRP approached the courts for an order terminating the business rescue since the proceedings commenced by order of court.

Graph 4 reflects the overall breakdown of the main reasons for terminations submitted as at 30 September 2020.

Graph 4: Termination Specification Breakdown Expressed As Percentage



5. Age Analysis of Substantial Implementations and Terminations Filed:

Table 5 indicates the average period it took to file a Notice of Substantial Implementation (CoR125.3) or Notice of Termination (CoR125.2) expressed in months for each of the CIPC financial years as well as the aggregate. Table 5 also indicated the number of business rescue proceedings that took less than 2 months, 3 months, 4 months, and 5 months and longer than 5 months.

Table 5: Age Analysis

Substantial / Termination	Average of Age Analysis to Termination or Substantial Implementation	Sum of Age Analysis - 2 months or less	Sum of Age Analysis - 3 months	Sum of Age Analysis - 4 months	Sum of Age Analysis - 5 months	Sum of Age Analysis - 6 months or longer
Substantial	17.36	41	22	27	28	545
2011-2012	22.57	1	0	2	0	80
2012-2013	15.38	9	4	4	7	83
2013-2014	17.60	9	4	5	1	85
2014-2015	22.10	1	2	3	5	86
2015-2016	19.54	9	4	1	6	65
2016-2017	15.01	3	3	4	4	55
2017-2018	15.18	1	1	1	3	44
2018-2019	9.67	2	3	3	0	31
2019-2020	6.65	5	0	3	2	16
2020-2021	3.00	1	1	1	0	0
Termination	13.16	197	40	58	47	497
2011-2012	24.30	8	3	3	2	60
2012-2013	18.94	29	1	17	4	66
2013-2014	16.92	21	1	4	5	58
2014-2015	14.13	21	3	4	4	57
2015-2016	11.38	19	10	7	17	95
2016-2017	10.92	27	7	3	5	65
2017-2018	8.37	26	8	8	7	45
2018-2019	6.49	18	5	7	2	36
2019-2020	3.96	23	2	5	1	15
2020-2021	1.20	5	0	0	0	0
Grand Total	15.02	238	62	85	75	1042

6. Liquidations

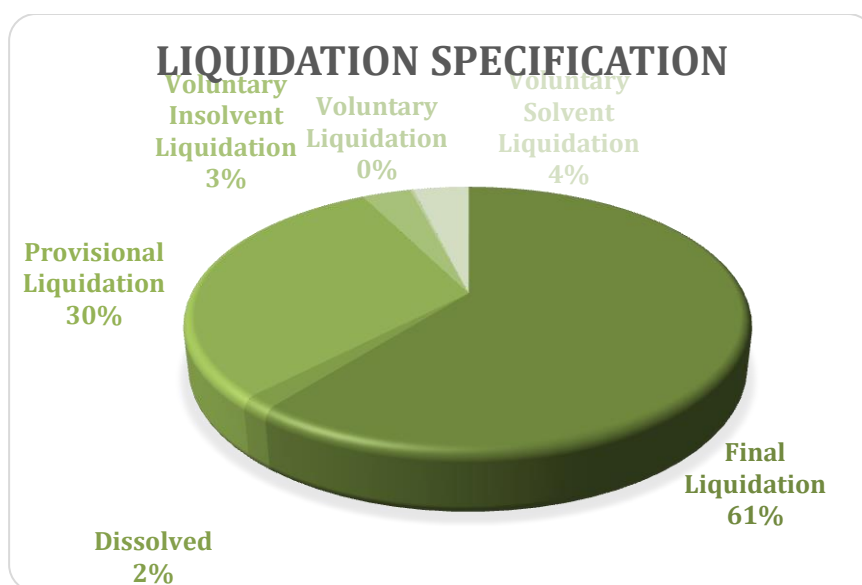
Table 6 indicates the volume of liquidation applications and court orders filed for entities that commenced business rescue proceedings without the proceedings being terminated or business rescue plan being substantially implemented. A liquidation application or court order will be received during a specific financial year but the filing of the document is only recorded against the year for which the business rescue proceedings commenced. Example, the liquidation application may be filed January 2015 but the proceedings commenced during the 2011-2012 financial year and therefore the liquidation application will be recorded against the 2011-2012 financial year in the below table.

Table 6: Liquidation Specification Breakdown

Liquidation Specification	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Grand Total
Dissolved	3	4									7
Final Liquidation	24	32	53	45	48	29	18	13	6	2	270
Provisional Liquidation	10	17	15	28	25	19	13	2	6		135
Voluntary Insolvent Liquidation	3	10	2								15
Voluntary Liquidation	1										1
Voluntary Solvent Liquidation	17										17
Grand Total	58	63	70	73	73	48	31	15	12	2	445

Graph 5 reflects the breakdown of liquidations filed for the aggregate of commenced business rescue proceedings up until 30 September 2020.

Graph 5: Liquidation Specification Breakdown Expressed As Percentage



7. Nullities filed:

Table 7 indicated the number of proceedings that became nullities for commenced business rescue proceedings commencing during each CIPC financial year. For the total volume of commenced proceedings for CIPC financial year 2019-2020, 15 became a nullity.

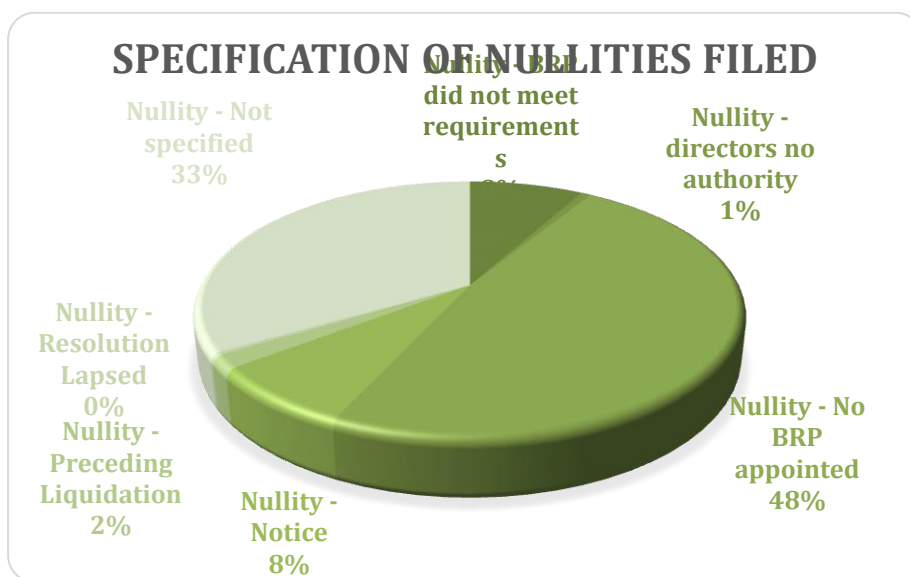
From the 3788 business rescue proceedings that commenced, 297 became a nullity. Therefore, 7.8% of all commenced business rescue proceedings ended in a nullity.

Table 7: Nullity Specification Breakdown

Nullity Specification	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	Grand Total
Nullity - BRP did not meet requirements								24		24
Nullity - directors no authority			2							2
Nullity - No BRP appointed	68	10	7	3	14	11	16	8	6	143
Nullity - Notice	1	4	6	6	4		2			23
Nullity - Preceding Liquidation				1	2		2			5
Nullity - Resolution Lapsed				1						1
Nullity - Not specified	42	14	6	15	4	6	2	1	9	99
Grand Total	111	28	21	26	24	17	22	33	15	297

Graph 6 indicates the breakdown of the reasons for the aggregate of nullities up to 30 September 2020.

Graph 6: Nullity Specification Breakdown Expressed As Percentage



8. Total Recorded Matters:

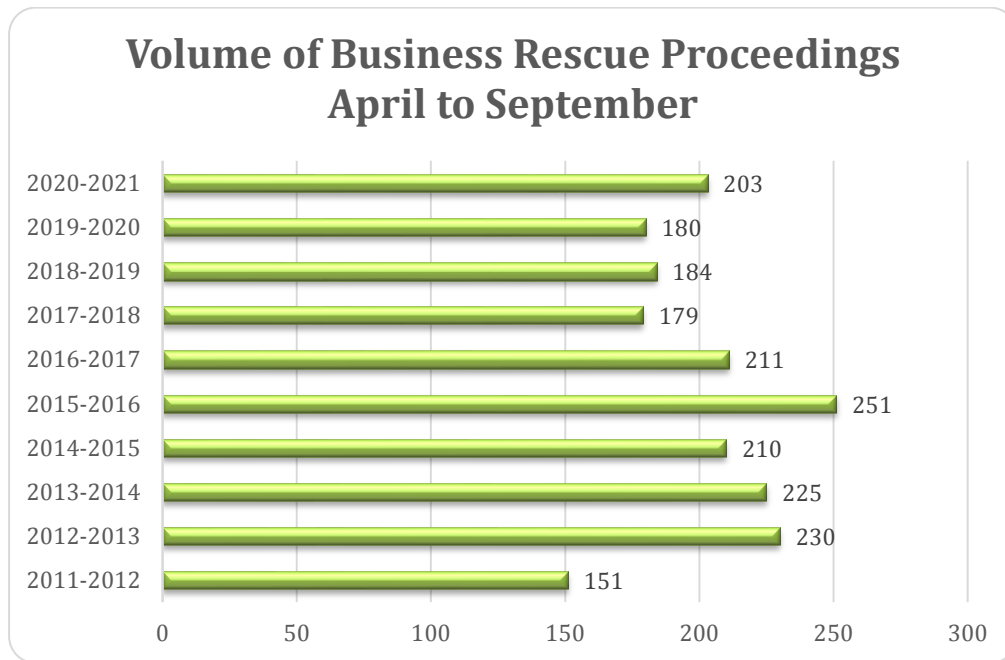
Table 8 reflects the volume of commenced business rescue proceedings for April to September.

Table 8: Commenced Business Rescue Proceedings for April to September.

Year/Month	April	May	June	July	August	September	October	Grand Total
2011-2012	2	7	27	16	33	66	21	172
2012-2013	32	44	23	21	57	53	46	276
2013-2014	31	44	34	43	44	29	47	272
2014-2015	23	34	33	31	54	35	43	253
2015-2016	40	32	22	67	55	35	57	308
2016-2017	27	40	35	39	41	29	33	244
2017-2018	16	27	42	26	33	35	32	211
2018-2019	18	41	27	39	29	30	22	206
2019-2020	28	26	33	35	27	31	36	216
2020-2021	18	59	30	44	16	36	1	204
Grand Total	235	354	306	361	389	379	338	2362

Graph 7 reflects the overall breakdown of the volume of aggregate of business rescue proceedings recorded for each CIPC financial year.

Graph 7: Volume of business Rescue Proceedings Expressed In Volume (excluding the 1 matter recorded for October 2020 to date)



9. Business Rescue Proceedings Started Per Industry:

Table 9 indicates the volume of commenced business rescue proceedings for each of the classified industries as per SARS Sic Code as from 1 April 2015.

Table 9: Industry Breakdown

Description of Principle Business	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Grand Total
Accommodation and food service activities	1	17	22	16	22	20	98
Administration and support service activities	25	12	5	11	9	6	68
Agriculture, forestry and fishing	23	25	16	17	16	13	110
Arts, entertainment and recreation	4	4	3	2	4	14	31
Construction	65	39	42	34	40	11	231
Education	2	5	1	3		1	12
Electricity, gas, steam and air conditioning supply	6	2	2	15	4	3	32
Financial and insurance activities	20	16	17	13	11	6	83
Human Health and Social Work	3	2	9	3	2	1	20
Information and Communication	13	8	5	8	11	4	49
Manufacturing	43	34	41	46	47	27	238
Mining	25	11	36	12	14	4	102
Not provided	36	34	23	14	43	28	178
Other Activities	8	11	3	27	46	2	97
Professional, scientific and technical activities	26	18	23	12	10	4	93
Public administration and defence; compulsory social security	5	1	1				7

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Grand Total
Real Estate Activities	33	34	35	44	29	19	194
Transportation and storage	25	18	14	29	25	11	122
Water supply, sewerage, waste management and remediation activities	4	2	4	2		1	13
Wholesale and Retail	114	82	60	41	39	29	365
Grand Total	481	375	362	349	372	204	2143

Graph 8 indicate the total volume of business rescue proceedings for each industry for each CIPC financial year.

Graph 8 Industry Specification Breakdown Expressed As Volume

