

BOPHELO BIO SCIENCE & WELLNESS (PTY) LTD (in liquidation)

The company BOPHELO BIO SCIENCE & WELLNESS (PTY) LTD was placed under liquidation by order of The High Court of Lesotho under Case Number. CCA/0064/2022 on 15 July 2022

Liquidators:
Mr Chavonnes Badenhorst St Clair Cooper

Liquidators' address for service:
c/o Mei & Mei Attorneys
Pasta Building, Top Floor
Captain Derego's
(Cathedral Area)

Emails to be sent to each of
chavonnes@coopertrust.co.za

21 July 2022

Dear Sir/Madam

RE: BOPHELO BIO SCIENCE & WELLNESS (PTY) LTD (IN LIQUIDATION)
MASTER'S REFERENCE: E52/2022

1. We refer to the above matter and advise as follows.
2. On Wednesday, 20 July 2022, we attend to the premises of Bophelo Bio Science and Wellness in Mafeteng, Lesotho to take control over the assets, books, records of the company and to inform the employees that the company has been liquidated.
3. We met with Mr Moeti Marai, Mr Rod Teague and Mr Gustav Trichardt.

Asset Registry & Insurance

4. We were advised that there is an asset registry and that same is kept in Johannesburg and that contact would need to be made with a lady by the name Vidya, to provide us with same.
5. A combined commercial vehicle risk policy has been taken out on the Toyota Hilux 4.4GD_6 SRX 4X4. The insurer is Lesotho National General Insurance Company.
6. The abovementioned policy is renewable on the 7th of August 2022 and the method of payment is an annual payment.
7. In addition, we were advised that there is another insurance policy for the

remainder of the assets and that Vidya would need to provide us with the necessary information.

Inventory & Valuation

8. An inventory list will be compiled over the next few days by the employees and provided to us. The said inventory will be verified and a valuation will be done.
9. Photographs were taken of the assets on site.

Bank Account/s

10. Bophelo has 3 bank accounts.
11. The first bank account, with account number 80021724497, is held with Nedbank Mafeteng, this account is for postage & petties and an amount of M25 000.00 is deposited into this account on a monthly basis. The card is then used to purchase fuel for the vehicle and generator, hardware at the hardware store, top-up of cellular phone allowance for employees and for any emergency.
12. The second account, with account number 11990043908, is also held with Nedbank Mafeteng.
13. The third account, with account number 62828124165, is held with FNB South Africa.
14. We were advised to liaise with Vidya on how the bank second and third bank account work. She also operates these accounts.
15. The Banks will be informed of the liquidation and Mr. Cooper appointed as liquidator . The said accounts will be frozen and only payments as instructed by the liquidator will be made.

Debtors

16. We were advised that there are no debtors. Bophelo works on a pay up front basis. All funds have to clear in the Bophelo bank account before the items sold are released to the purchaser.

Cannabis License

17. The Cannabis License expires in 2028. However, an annual renewal fee is paid for the trading license and the Cannabis Operator's License.
18. The renewal date for the Cannabis Operator's License is on the 30th of September 2022. In this regard we were advised that the renewal fee in the amount of M 350 000.00 has been paid for the 2022/2023 renewal. This must be verified, and proof obtained from Vidya.

Books, Records & Backup

19. All books and records pertaining to the finances must be obtained from Vidya in Johannesburg.
20. Bophelo does not have a central server and were in found to liaise with Vidya. There is a cloud and only a firewall protection is in place here.
21. In addition, documents are stored on Microsoft Teams and Monday.com, being the software company.

Litigation

22. As far as the gentlemen were aware there were no legal proceedings against Bophelo, save for the liquidation application which we informed them about.

Auditors, Last set of Financials & Management Reports

23. The auditors of Bophelo are Moores Roland. The liquidator will make contact with them to obtain the latest financials and company records.
24. A copy of the last set of financials and the management reports will need to be obtained from Vidya in Johannesburg as all financials are dealt with from Johannesburg.

Lesotho Revenue Authority

25. Bophelo registered for VAT during June 2022. Thus, no VAT was previously paid. In this regard we were provided with a copy of the VAT registration certificate which sets out the VAT number as well as Bophelo's TIN number.

Import & Export

26. There is no import and/or export code. In this regard we were advised that there were talks that Bophelo would export in the future. No exports have taken place since the commencement of the operations. To export one would need to apply for an export permit for each export transaction.

Monthly Running Costs & Reporting

27. The gentlemen we met with could not advise on the monthly running costs and that we would need to liaise with Vidya.
28. The employees in Lesotho have weekly virtual meeting with the senior management. These meetings take place every Tuesday afternoon at 15h00 and the average duration is about one hour.

Current Contracts

29. The only contract which has been signed with the necessary authority by Mr Trichardt is a contract with Levia. In this regard Bophelo is waiting for the counter signed contract from Levia. We have requested a copy of the agreement once received from Levia. The contract is for an approximate value of M 70 000.00

Premises

30. Bophelo is leasing the premises from the Mophuti Matsoso Development Trust. No further details could be provided.

Employees and Security Guards

31. We were advised that there are 102 permanent employees on site.
32. Salaried are paid on the 27th of each month. In addition to salaries, employees also get cellular allowances.
33. Mr Marai prepares the payroll, Vidya doublechecks the payroll and then another party releases the funds. The PAYE is also paid over to the LRA. The name of the party releasing the funds was not provided.
34. Currently there are casual workers, on site and letter need to be proved to them to end their casual work. We have requested Mr Marai to draft the letter and send same to us. These casual workers must also be remunerated on the 27th of July 2022.

Access to Premises

35. Security is 24 hours a day on site, and they work in shifts.
36. People who enter the site must sign in and out by security.
37. Specific procedures are in place to obtain access to the vault wherein the cannabis is stored.

Corporate Social Responsibility

38. As part of Bophelo's Corporate Social Responsibility, some materials have been pledged to a trust and the King of the Kingdom of Lesotho.
39. The material which has been pledged, is material that can no longer be used by Bophelo.
40. We have agreed that Bophelo continue with their Corporate Social Responsibility as pledged.

Going Forward

41. We urgently require the missing information, especially the financial information and will liaise with Vidya and Moores Roland.
42. Employees need to be paid salaries on the 27th of July 2022.
43. The vehicle insurance must be renewed.
44. Funding of the running costs requires urgent discussion.
45. An urgent zoom meeting will need to be held to discuss the way forward regarding trading on a monthly basis and the funding thereof.

We trust that you find this report in order.

Yours faithfully,

CBCTC Cooper
Provisional Liquidator