

CGF ADDS BUSINESS RESCUE SERVICES WITH NEW APPOINTMENT

Johannesburg
04 August 2014

We are pleased to announce that Jenè Palmer has been appointed as a Lead Independent Consultant within CGF Research Institute (Pty) Ltd, and where the company is now able to offer professional Business Rescue and Turnaround services to its growing list of clients. Palmer has practical experience in implementing business rescue and turnarounds and attributes her success in this area to her keen appreciation for strategy, as well as open and honest communication with all stakeholders involved in the process.

Palmer is a Chartered Accountant (SA) who has garnered a wealth of experience over the last two decades in the corporate environment, including leading a JSE-listed ICT company as its CEO and returning the company to profitability. Palmer geared the company for an acquisition in order to achieve the goal of turning it into a Billion Rand organisation.



Lead Independent Consultant: Jenè Palmer joins CGF to add a new dimension to its corporate governance services

Palmer's areas of additional expertise include board and executive leadership, strategy development, financial management and business optimisation. Her passion lies in assisting companies to reach their full potential and overcome the challenges posed by an economic downturn, weak strategic direction, operational inefficiencies or financial distress. In the current economic climate, there are many businesses that suffer as a result of varied and unexpected factors and which may be caused by, inter alia; unsuitable financial structures, sudden regulatory changes or poor product/service performance in the marketplace. At this point, many business owners may realise that they are in need of a business rescue or turnaround strategy, but do not always know where to begin. Most often the aspects that make the process intimidating are closely linked with the areas that need the most work. These include strategic intent, legal and regulatory concerns, debtors and creditors, asset assessments, diminishing or non-existent capital, waning profits, inappropriate cost structures and poor governance and operational systems.

Professional assistance

Through CGF's newly acquired specialist Business Rescue and Turnaround services, companies may now also benefit by:

1. *obtaining an unbiased, external review of the company's business plans* in order to determine whether or not the organisation's future strategic and funding requirements are aligned in respect of the current market and operational conditions (as well as historical business performance).
2. *developing alternative business plans* and highlighting options available to shareholders and executive management required to reclaim and re-build the business (while maintaining sensitivity towards the company's existing staff and the skills, assets and resources).
3. *assisting the company with the implementation of revised business plans* including the establishment of growth drivers, negotiating with creditors, facilitating the possible sale of assets or discontinuance of a division and/or product line.

It is important to recognise the need for early intervention and a possible business restructure when the first warning signals emerge. This is because most companies will still be economically viable in the early stages of 'stress' detection and there is a higher probability of successfully turning the company around. In terms of

the Companies Act 71 of 2008, Boards are required to monitor and manage risk. This includes evaluating whether or not the company is a “going concern” and that it is able to meet its obligations as and when they fall due. If questions arise around the company’s liquidity, which includes any uncertainty as to whether or not the company will be able to pay its debts as they fall due within the next six months; the Board is obliged to consider placing the company into business rescue. Expectedly, the converse also holds true. If the Board does not act appropriately in such circumstances, they will need to reasonably explain their reasoning for not embarking upon a business rescue; and failing such a course of action, their inaction may indeed be viewed as acting recklessly and not in the best interests of the company.

Business rescue is defined by the Companies Act 2008 as: “Proceedings to facilitate the rehabilitation of a company that is financially distressed.” The three key objectives of business rescue are:

1. Implementing the temporary supervision and management of a company by a business rescue practitioner – either appointed by the Board or after an application to the court by shareholders, creditors or employees.
2. Introducing a temporary moratorium on the rights of claimants against the property of the company and providing the company with time to resolve its under-performance. Labour contracts continue to be subject to the Labour Relations Act 66 of 1995.
3. Developing and implementing -- in consultation with creditors and other affected parties -- a Business Rescue Plan that will, ideally, rescue the company or, alternatively, will achieve a better result for creditors and shareholders than would otherwise be the case in liquidation.

Although it is often a bold and difficult step for a company to claim financial distress, it can be the beginning of a complete turn-around and such where the company is given a complete ‘new lease of life’. CGF can execute the role of a business rescue practitioner or alternatively, advise the board on the strategic options available to your company and deliver feedback on the implementation of the company’s strategic plans.

Amongst Palmer’s many noteworthy business accolades, she was also selected as Finalist in the BWASA Business Woman of the Year 2008 and Finalist in CSSA IT Personality of the Year 2010.

About CGF Research Institute (Pty) Ltd: Services

CGF is a Proudly South African, Level 4 B-BBEE compliant company that specialises in conducting desktop research on Governance, Risk and Compliance (GRC) related topics, amongst other related company secretariat, regulatory and compliance services.

Through CGF's Lead Independent Consultants, our capabilities include the aggregation of local and international best of breed corporate governance services and extend to:

- strategic management consulting, business re-structuring, business rescue and turn-around services, executive placements, executive coaching, board assessments and evaluation, out-sourced company secretarial functions, facilitation of Corporate Governance Awareness workshops, IT governance through to Enterprise Risk Management (ERM) consulting. These services cater for large corporates, small and medium sized businesses and state owned organisations.

To find out more about CGF, its Lead Independent Consultants and Patrons access www.cgf.co.za or www.corporate-governance.co.za

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Words: 1,018

For further information contact Terrance M. Booysen (Chief Executive Officer) on Tel: (011) 476 8264 or e-mail tbooyesen@cgf.co.za or Jenè Palmer on Cell: 082 903 6757 or e-mail: jene@palmer.co.za

