

KLINKENBERG INCORPORATED PROPRIETARY LIMITED (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER G1136/2015

REPORT SUBMITTED BY THE JOINT LIQUIDATORS IN TERMS OF SECTION 402 OF THE COMPANIES ACT NO 61 OF 1973 AS AMENDED TO BE SUBMITTED AT A SECOND MEETING OF CREDITORS AND CONTRIBUTORIES TO BE HELD BEFORE THE MAGISTRATE, MAGISTRATE'S COURT, ROODEPOORT, ON 11 MAY 2016, AT 09H00.

ORDER OF THE COURT AND MEETINGS

Nature of Liquidation	Application in the High Court of South Africa, Gauteng Local Division, Johannesburg
Date of Liquidation	08 December 2015
Date of Provisional Order	n/a
Date of Final Order	08 December 2015
Provisional Appointees	Liebenberg Dawid Ryk van der Merwe, Gert Louwrens Steyn de Wet & Hashim Yunus Ismail care of Zaheer Cassim
Date of First Meeting	16 March 2016
Final Appointees	Liebenberg Dawid Ryk van der Merwe, Gert Louwrens Steyn de Wet & Hashim Yunus Ismail care of Zaheer Cassim

GENERAL AND STATUTORY INFORMATION

Registrar of Companies

The Company was duly registered with the Registrar of Companies under their Registration Number 2006/030404/21.

Registered Address

The registered address of the Company was at 68 Kingfisher Street, Horizon, Roodepoort, Gauteng.

Auditors

The auditors of the Company were RCA & Associates.

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Place of Business

The Company's place of business was at Cnr. Ontdekkers & Starling Road, Horison, Roodepoort, Gauteng 1724.

Director

- Robert Klinkenberg - Identity Number 691015 5004 082
101/2 Lawrence Road
Poortview
Ruimsig, Roodepoort
- Date of Death - 03 December 2015

Share Capital

We have not been able to obtain the statutory documentation of the Company and cannot comment under this heading.

Shareholder

Robert Klinkenberg – 100%

Business of the Company

The Company operated as a law firm, as provided for in the Rules of The Law Society of the Northern Provinces ("The Law Society"), and in terms of the provisions of the Attorneys Act, Act No. 53 of 1979.

STATEMENT OF AFFAIRS

We were not placed in possession of a Statement of Affairs as required in terms of Section 363 of the Companies Act No 61 of 1973 as amended, by the Director.

SECTION 402(a)

Financial Statement of Assets and Liabilities

According to our investigations, the financial position of the Company would appear to be as follows:-

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ASSETS	Notes		
<u>Unencumbered Assets</u>			
Movable assets sold by Public Auction	1		171 802.71
Motorcycle - valuation			100 000.00
<u>Encumbered Assets</u>			
Book Debts	2		18 850 583.35
LIABILITIES			
<u>Secured Creditors</u>			
n/a			
<u>Preferent Creditors</u>			
Salaries – Approximately SARS		2 221 397.96 0.00	
<u>Trade Creditors</u>			
Shortfall on Trust Account - approximately	3	69 622 614.33	
Deficit			52 721 626.23
TOTAL		71 844 012.29	71 844 012.29

NOTES

1. Application was made to the Master of the High Court Johannesburg by the Joint Provisional Liquidators in terms of Section 386(2A) of the Companies Act 61 of 1973 for the sale of movable assets by Public Auction.
2. In conjunction with The Law Society, the Liquidators appointed LP Baartman Attorneys to attend to the collection of the Debtors' Book. The collection of the amounts owing to the company is an ongoing process and the liquidators may very well have to embark on legal proceedings to collect the amounts due to the Company.
3. The above figures are subject to adjustment and verification.

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SECTION 402(b)

Causes of the Company's Failure

The sole Director and Shareholder was Mr R Klinkenberg, who passed away on 3 December 2015. In terms of Section 23 of the Attorneys Act the Company could no longer trade as a law firm upon his passing. It would also further appear that a significant amount of money was misappropriated by Mr Klinkenberg.

SECTION 402(c)

Report under Section 400(2)

Should any contraventions come to our attention an additional report will be submitted to the Master of the High Court in regard to such contraventions.

SECTION 402(d)

Personal Liabilities of Directors or Officers

Our investigations into the financial affairs of the Company are continuing. A detailed report will be made available after once our investigations are concluded. As mentioned above, the Company operated as a law firm, and as such, its Director, and now his deceased estate, are jointly liable for the debts of the Company.

SECTION 402(e)

Legal Proceedings

As far as we are aware, no legal proceedings against the Company were pending at date of the commencement of winding-up.

SECTION 402(f)

Further Enquiry

The outcome of our investigations referred to above, will determine whether any further enquiry relating will be necessary. In the event that an enquiry is considered necessary, a meeting for the holding of such an enquiry will be convened.

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SECTION 402(g)

Books and Records

A Court Order dated 15 December 2015 was granted in The High Court of South Africa Gauteng Division, Pretoria, to The Law Society, in terms of which Mr Johan van Staden, the Head of Members Affairs of The Law Society was appointed as Curator Bonis, to exercise the powers and discharge the duties prescribed in the Court Order in respect of the Trust Account and practice of the late Mr Robert Klinkenberg. The Law Society immediately took possession of the files and documents. We have collected certain financial records from the trading premises.

SECTION 402(h)

Progress and Prospects of Liquidation

After an Application was made by the Liquidators to the Master of the High Court, Johannesburg, consent was granted by the Master of the High Court, Johannesburg, on the 15th of February 2016, extending the powers of the Provisional Liquidators, to obtain urgent legal advice and to commence legal proceedings if need be.

In the interim, an Order has been granted preventing the deceased estate from further disposal of assets, pending the launching of an Application brought by the Liquidators in the High Court of South Africa, Gauteng Local Division, Johannesburg, for the sequestration of the deceased estate of the late Mr Robert Klinkenberg.

ESTIMATED DIVIDEND

At this stage it appears that there will be a minimal dividend accruing to creditors who submit a claim for proof. We therefore invite creditors to complete and return the claim documents to us as soon as possible.

SECTION 402(i)


Matters requiring further Directions of Creditors and Contributories

Such directions as we desire, and sanction of the actions taken by the Liquidators to date, are contained in the Resolutions to be submitted for consideration and adoption, are attached hereto.

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DATED AT ROODEPOORT ON THIS THE 4th DAY OF MAY 2016



LIEBENBERG DAWID RYK VAN DER MERWE

GERT LOUWRENS STEYN DE WET

HASHIM YUNUS ISMAIL

ZAHEER CASSIM


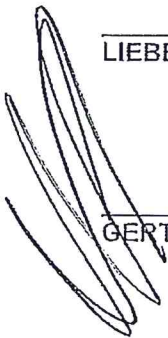
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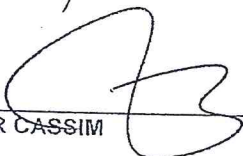
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RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS
HELD BEFORE THE MAGISTRATE, ROODEPOORT, ON 11 MAY 2016 AT 09:00.

RESOLVED THAT:

- 1 The report of Liquidator or Joint Liquidators, as the case may be, hereinafter referred to as (the Liquidator"), as submitted be received and adopted and all his actions referred to therein be and are hereby confirmed, ratified and approved.
- 2 All actions of whatsoever nature hereto before taken by the Provisional Liquidator and/or Liquidator be and are hereby confirmed, ratified and approved.
- 3 The Liquidator be granted the authority and is vested with all the powers mentioned in Section 386(4)(a) – (i) of the Companies Act No 61 of 1973, as amended, such powers to be exercised at his sole and absolute discretion.
- 4 The Liquidator be and is hereby authorised in his sole and absolute discretion to:
 - 4.1 Take legal advice on any question of law affecting the administration and distribution of the company;
 - 4.2 Institute or defend on behalf of the company any action or other legal proceedings of a civil nature for the recovery of monies due to the company or otherwise and subject to the provisions of any law relating to criminal procedure, institute any criminal proceedings;
 - 4.3 Hold any enquiry into the affairs of the company and/or any matter relating thereto;
 - 4.4 Investigate and institute legal proceedings for the recovery of any voidable or undue preferences, voidable dispositions of property or any other impeachable transactions of whatsoever nature and to abandon same at any time;
 - 4.5 Write up the books of the company as may be required, and if necessary, to produce a balance sheet, audited or not, as at the date of liquidation, either for the purpose of investigating the affairs of the company, establishing the claims of creditors, or any other purpose.

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- 5 The Liquidator be and is hereby authorised in his sole and absolute discretion to employ and engage the services of attorneys and/or counsel (senior and/or junior) and/or accountants and/or bookkeepers and/or any employee of the insolvent and/or recording agents and/or any other person who in the sole discretion of the Liquidator may be of assistance in the winding-up of the company in relation to any matter referred to in 4 above and further to pay all the costs thereof of whatsoever nature out of the estate as costs incurred in the liquidation.
- 6 The Liquidator be and is hereby authorised to collection any debts due to the company and for the purpose thereof to sell or compound or compromise any of these debts for such sum and upon such terms and conditions as he in his sole discretion may deem fit, and to accept any part of the debt in settlement thereof, and to grant an extension of time for the payment of any such debt, and to abandon any debt which he in his sole discretion may deem to be irrecoverable.
- 7 The Liquidator be and is hereby authorised to dispose of any movable and immovable property of the company, whether in his possession or under his control now or to come into his possession or under his control in the future by public auction, private treaty or public tender upon such terms and conditions as he in his sole and absolute discretion shall determine and to abandon any such assets for which he can find no purchaser or abandon them to a secured creditor at the value placed thereon by such creditor or at such value as is agreed upon by the Liquidator and the creditor if such creditor's claim is secured by such assets and to sign all such documents as may be necessary to give effect to such disposition.
- 8 The Liquidator be and is hereby authorised and empowered in his sole discretion to compromise and admit any claim against the company of whatsoever nature and howsoever arising and whether disputed or not and whether actual, contingent, prospective, conditional, unconditional, assessed, unassessed, liquidated or unliquidated as a liquidated claim in terms of Section 78(3) of the Insolvency Act No 24 of 1936 as amended, read with Section 339 of the Companies Act No 61 of 1973, as amended, at such amount as may be agreed upon by the Liquidator, provided that proof thereof has been tendered at a meeting of creditors.
- 9 The Liquidator be and is hereby authorised to make application for the destruction of books and records of the estate six months after the confirmation of the Final Liquidation and Distribution Account.
- 10 The Liquidator be and is hereby authorised to perform any act or exercise any power for which he is not expressly required by the Companies Act No 61 of 1973, as amended, to obtain the leave of the Court.

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- 11 The Liquidator be and is hereby authorised to submit to the determination of arbitrators any dispute concerning the company or any claim or demand by or upon the company.
- 12 The Liquidator be and is hereby authorised to carry on or discontinue any part of the business of the company insofar as may be necessary for the beneficial winding-up thereof.
- 13 The Liquidator be and is hereby authorised to exercise *mutatis mutandis* the powers conferred upon a Liquidator by Section 35 (uncompleted acquisition of immovable property before liquidation) and 37 (effect of liquidation upon a lease) of the Insolvency Act No 24 of 1936, as amended, read with Section 339 of the Companies Act No 61 of 1973, as amended.
- 14 The further administration of the affairs of the company be left entirely in the hands and at the discretion of the Liquidator.

q.q. CREDITORS

PRESIDING OFFICER

DATE