

FOCUSED ORE RESOURCE MANAGEMENT CLOSE CORPORATION
(IN LIQUIDATION)
("the Close Corporation")

MASTER'S REFERENCE NUMBER T.2161/2015

REPORT SUBMITTED BY THE JOINT LIQUIDATORS IN TERMS OF SECTION 79 OF THE CLOSE CORPORATIONS ACT NO. 69 OF 1984, AS AMENDED, TO BE SUBMITTED AT A SECOND MEETING OF CREDITORS AND CONTRIBUTORIES TO BE HELD BEFORE THE MAGISTRATE, RUSTENBURG, ON 24 FEBRUARY 2016 AT 08H30.

Nature of Liquidation	Special Resolution – Creditors' Voluntary Winding-Up
Date of Resolution	28 May 2015
Date of Provisional Order	n/a
Date of Final Order	n/a
Final Appointees	Liebenberg Dawid Ryk van der Merwe & Lindiwe Florence Kaaba
Date of First Meeting	24 February 2016

GENERAL AND STATUTORY INFORMATION

Registrar of Companies

The Close Corporation was duly registered with the Registrar of Companies under their reference number 1999/056156/23.

Registered Address

The registered address of the Close Corporation was Plot 178, Waterkloof, Rustenburg, 0299.

Members

It appears from my investigations the following person was member:-

- Kgori, Alice Modiane - Identity Number 770308 0779 087
- Galloway, Richard Ashley - Identity Number 570204 5161 185

Business of the Close Corporation

The Close Corporation's main business was in mining contracting and consultancy, machinery manufacturing and chemical trading.

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Auditors

The Auditors at date of liquidation would appear to have been Furter Carstens and Partners.

We now report in terms of Section 79 of the Close Corporation's Act:-

SECTION 79(a)

Financial Statement of Assets and Liabilities

We did receive the Statement of Affairs (Annexure CM100) from the erstwhile member, as is required by him, in order to have the Close Corporation wound-up by Special Resolution. According to information available to us, the following would appear to represent the financial position of the Close Corporation as at the date of liquidation:-

ASSETS		
<u>Encumbered Assets</u>		
Portion 178 of Farm 305 Waterkloof, encumbered by way of a Mortgage Bond to ABSA Bank Ltd - valuation		1 645 000.00
<u>Unencumbered Assets</u>		
Movable Assets per Valuation		78 350.00
Funds from Dollar Account		24 540-29
Debtors		343 945-49
LIABILITIES		
<u>Secured Creditors</u>		
ABSA Bank Limited - Mortgage Bond	2 340 255.65	
Nedbank – Cession of book debts	Unknown	
<u>Preferent Creditors</u>		
Employees – Salaries - Approximately	699 985.70	
SARS – Per CM100.	Unknown	
<u>Concurrent Creditors</u> – Per CM100	224 000.00	
Polybass Chemicals CC	3 738 337.46	
Shortfall before cost of administration		5 000 743-03
TOTALS:	R7 092 578-81	R7 092 578-81

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NOTES:

1. The above figures are subject to adjustment and verification.
2. The debtor collection is still ongoing.
3. The movable assets and immovable property will be sold after close of this meeting.
4. The values above are according to sworn valuations.

SECTION 79(b)

Causes of the Close Corporation's failure

According to the member the principle cause of the Close Corporation's failure are attributable to the following:-

1. The main business of the Close Corporation was that of mining and consulting in the mining industry. The Close Corporation built a machine for a mining company. Due to the current economy, the mining company decided not to continue with the installation of the machine due to financial constraints in the mining sector. The machine is currently scrap metal value. Due to the aforementioned, the Close Corporation did not have further Cashflow to continue.

SECTION 79(c)

Report under Section 400(2) of the Companies' Act Read with Section 66 of the Close Corporation's Act

The director has failed to provide me with:-

- The Company's statutory records; and
- The Company's books and records.

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

SECTION 79(d)

Personal liabilities of Members or Officers

At this stage we are unable to comment on whether the former Member or Officer of the Close Corporation can be held personally liable for the debts of the Close Corporation. A report will be submitted, should it become necessary.

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SECTION 79(e)

Legal Proceedings

As far as we are aware there are no legal proceedings pending by or against the Close Corporation.

SECTION 79(f)

Further Enquiry

The liquidators do not intend to hold an Enquiry at present. Creditors will be informed if the Joint Liquidators decide to proceed with an enquiry into the affairs of the Close Corporation.

SECTION 79(g)

Books and Records

The books and records relating to the affairs of the Close Corporation have been handed to us.

SECTION 79(h)

Progress and Prospects of Liquidation


Upon our appointment as Provisional Liquidators, we immediately investigated the affairs of the Close Corporation. The asset mentioned above will be sold by public auction after close of this business. Legal proceedings will also be instituted against the debtors who have not paid in terms of a letter of demand that was sent.

SECTION 79(i)

Matters requiring further directions of Creditors and Contributories

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

DATED AT ROODEPOORT ON THIS 4TH DAY OF FEBRUARY 2016


 LIEBENBERG DAWID RYK VAN DER MERWE

 LINDIWE FLORENCE KAABA

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**RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS
HELD BEFORE THE MAGISTRATE RUSTENBURG ON 24 FEBRUARY 2016 AT 08H30.**

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 heretobefore 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 Close Corporation;
 - 4.2 Institute or defend on behalf of the Close Corporation any action or other legal proceedings of a civil nature for the recovery of monies due to the Close Corporation 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 Close Corporation 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 Close Corporation 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 Close Corporation, 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 Close Corporation 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 Close Corporation 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 Close Corporation, 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 Close Corporation 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 Close Corporation or any claim or demand by or upon the Close Corporation.
- 12 The Liquidator be and is hereby authorised to carry on or discontinue any part of the business of the Close Corporation 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 Close Corporation be left entirely in the hands and at the discretion of the Liquidator.
- 15 That the sale of the movable assets by Public Auction be and are hereby ratified.

q.q. CREDITORS

q.q. MEMBER

q.q. PRESIDING OFFICER