

**ZAP ELECTRICAL WHOLESALERS CC (IN LIQUIDATION) ("the Close Corporation")
MASTER'S REFERENCE NUMBER : T2399/00**

**REPORT BY THE LIQUIDATOR, JOHANNES FREDERICK KLOPPER, IN TERMS OF
SECTION 79 OF THE CLOSE CORPORATION'S ACT NO 69 OF 1984, ("THE ACT") TO BE
SUBMITTED AT A FIRST (GENERAL) MEETING OF CREDITORS TO BE HELD BEFORE THE
MAGISTRATE RANDFONTEIN ON THURSDAY, 5 OCTOBER 2000 AT 09:00**

INTRODUCTION

The Close Corporation was placed in liquidation by an Order of the High Court of South Africa (Witwatersrand Local Division) on 4 April 2000.

I was appointed liquidator by the Master of the High Court in terms of his Certificate of Appointment number T2399/00.

HISTORY OF THE CLOSE CORPORATION

The principal business activity of the Close Corporation was to supply electrical equipment to certain of the gold mines in the Randfontein area.

The Close Corporation was incorporated in terms of the Act under registration number CK90/22591/23.

According to the records in my possession and information obtained, the sole member of the Close Corporation, as at the date of liquidation, was Wilfred Charles Bovey.

REPORT IN TERMS OF SECTION 79 OF THE ACT

SECTION 79(a) : ASSETS AND LIABILITES

The following would appear to represent the financial position of the Close Corporation as at the date of liquidation based on the application for liquidation and information provided by the member:

ZAP ELECTRICAL WHOLESALERS CC (IN LIQUIDATION) ("the Close Corporation")
MASTER'S REFERENCE NUMBER : T2399/00

ASSETS	NOTES	AMOUNT {R}	AMOUNT{R}
<u>Immovable Property</u>			
11A School Street South, Randfontein (per valuation)	(a)		80,000.00
<u>Movable Property</u>			
None			
LIABILITIES			
Secured Creditors (approximate)		70,000.00	
Preferent Creditors (approximate)		UNKNOWN	
Concurrent creditors (approximate)		400,000.00	
SHORTFALL			390,000.00
TOTAL		470,000.00	470,000.00

With regard to the above I comment as follows:

- 1 The above figures are subject to adjustment and verification.

NOTES

(a) The property is subject to a mortgage bond in favour of ABSA Bank Limited.

SECTION 79(b): CAUSES OF THE CORPORATIONS FAILURE

The member attributed the Close Corporation's failure to the fact that the Close Corporation mainly supplied electrical equipment to the mines in the Randfontein area. Due to the bad economic climate in 1999 some of the mines were shut down. As a result the Close Corporation lost big accounts which led to the decrease in turnover from approximately R150,000.00 per month to R70,000.00 per month. Further problems, such as the Witwatersrand Gold Mining Company being liquidated and the "down-sizing" of Lindem Reef Mines, led to cash flow problems. According to the member of the Close Corporation, all these factors led to the Close Corporation's failure.

SECTION 79(c): REPORT UNDER SECTION 400(2) OF THE COMPANIES ACT READ WITH SECTION 66 OF THE ACT

At the moment it does not appear as if the member is personally liable to the Close Corporation :

ZAP ELECTRICAL WHOLESALERS CC (IN LIQUIDATION) ("the Close Corporation")
MASTER'S REFERENCE NUMBER : T2399/00

1. on the ground of breach of trust or negligence;
2. to make repayments to the Close Corporation in terms of Section 70(2) or (3) or Section 71(1) or (2) of the Act.
3. to either a creditor of the Close Corporation or to the Close Corporation itself;

A report will be submitted in this regard should it become necessary.

SECTION 79(e): LEGAL PROCEEDINGS

There does not appear to be any legal actions pending by or against the estate as at the date of liquidation other than the normal recovery of debt.

SECTION 79(g): BOOKS AND RECORDS

The Close Corporation's books and records have not as yet been provided to me.

SECTION 79(h): PROGRESS AND PROSPECTS OF WINDING UP

It is clear from the figures available at this stage, that concurrent creditors cannot expect to receive dividends. There is a definite danger of a contribution being levied upon concurrent creditors.

SECTION 79(i) : MATTERS REQUIRING FURTHER DIRECTIONS OF CREDITORS

I have reported above on the administration of the Close Corporation and appropriate resolutions will be submitted to this meeting to enable me to wind up the administration of the Close Corporation.

SIGNED at JOHANNESBURG on this the 11th day of SEPTEMBER 2000.

J F KLOPPER
LIQUIDATOR

**ZAP ELECTRICAL WHOLESALERS CC (IN LIQUIDATION) ("the Close Corporation")
MASTER'S REFERENCE NUMBER : T2399/00**

**RESOLUTIONS SUBMITTED AND ADOPTED AT THE FIRST (GENERAL) MEETING OF CREDITORS
HELD BEFORE THE MAGISTRATE OF RANDFONTEIN ON THURSDAY, 5 OCTOBER 2000 AT 09:00**

RESOLVED THAT:

2. 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.
3. All actions of whatsoever nature heretobefore taken by the Provisional Liquidator and/or Liquidator be and are hereby confirmed, ratified and approved.
4. 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.
5. The Liquidator be and is hereby authorised in his sole and absolute discretion to:
 - 5.1 Take legal advice on any question of law affecting the administration and distribution of the corporation;
 - 5.2 Institute or defend on behalf of the corporation any action or other legal proceedings of a civil nature for the recovery of monies due to the corporation or otherwise and subject to the provisions of any law relating to criminal procedure, institute any criminal proceedings;
 - 5.3 Hold any enquiry into the affairs of the corporation and/or any matter relating thereto;
 - 5.4 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;
 - 5.5 Write up the books of the 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 corporation, establishing the claims of creditors, or any other purpose.

ZAP ELECTRICAL WHOLESALERS CC (IN LIQUIDATION) ("the Close Corporation")
MASTER'S REFERENCE NUMBER : T2399/00

- 6 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 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.
- 7 The Liquidator be and is hereby authorised to collection any debts due to the 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.
- 8 The Liquidator be and is hereby authorised to dispose of any movable and immovable property of the 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.
- 9 The Liquidator be and is hereby authorised and empowered in his sole discretion to compromise and admit any claim against the 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.
- 10 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.

**ZAP ELECTRICAL WHOLESALERS CC (IN LIQUIDATION) ("the Close Corporation")
MASTER'S REFERENCE NUMBER : T2399/00**

- 11 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.
- 12 The Liquidator be and is hereby authorised to submit to the determination of arbitrators any dispute concerning the corporation or any claim or demand by or upon the corporation.
- 13 The Liquidator be and is hereby authorised to carry on or discontinue any part of the business of the corporation insofar as may be necessary for the beneficial winding-up thereof.
- 14 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.
- 15 The further administration of the affairs of the corporation be left entirely in the hands and at the discretion of the Liquidator.

q.q. Creditors