

GAIN FOODS CC (IN LIQUIDATION)
("the Close Corporation")

MASTER'S REFERENCE NUMBER : G165/2013

**REPORT OF THE LIQUIDATOR, LDR VAN DER MERWE OF INDEPENDENT TRUSTEES (PTY) LTD AND
H MAYO AND TS SEJWANE, IN TERMS OF SECTION 79 OF THE CLOSE CORPORATION'S ACT NO 69
OF 1984 ("THE ACT") TO BE SUBMITTED AT A SECOND MEETING OF CREDITORS TO BE HELD
BEFORE THE MAGISTRATE, RANDBURG ON WEDNESDAY, 21 AUGUST 2013 AT 09:00**

ORDER OF THE COURT AND MEETINGS

The close corporation was liquidated by way of registration of a Special Resolution with the Registrar of Companies on 19 February 2013. The Master of the High Court appointed Liebenberg Dawid Ryk van der Merwe, Henry May and Tiragalo Solomon Sejwane as joint liquidators on 22 May 2013.

History and information of the Company

According to the Registrar of Companies the company was incorporated under registration number CK2006/184568/23 and conducted business from 1 Alex Road, Sebenza Ext 2, Isando and its registered offices at 11 Macarthur Avenue, Robindale.

According to the records in our possession the members of the close corporation, as at the date of liquidation, were :

1. George Nikitas Zoulis

The principal business activity of the close corporation was that in executive bakery.

REPORT IN TERMS OF SECTION 79 OF THE ACT

SECTION 79(a) : ASSETS AND LIABILITIES

- 1 The following represents the assets and liabilities of the close corporation at date of liquidation based on the application for liquidation and information provided by the members.



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ASSETS

IMMOVABLE PROPERTY	AMOUNT	AMOUNT
None		
MOVABLE ASSETS		
Office furniture and Equipment subject to finance		171,825-00
Debtors		1,355,904-16
Motor vehicles		246,000-00
LIABILITIES		
<u>Secured</u>		
Stannic (instalment sales on equipment and vehicles & cession of book debts)	5,356,822-39	
<u>Concurrent Creditors</u>		
Trade Creditors (Approximate)	800,000-00	
SHORTFALL		4,383,093-23
TOTAL	5,8356,822-39	5,8356,822-39

With regard to the above we comment as follows :

1. The above figures are subject to adjustment verification.
2. The liabilities reflected consists of the claims by the Standard Bank and liabilities further reflected in the CM100.
3. The assets have not been sold.

SECTION 79(b) : CAUSES OF THE CORPORATIONS FAILURE

The members attributed the close corporation's failure to can be attributed to contracts that was cancelled with the Corporation in liquidation and the non-payment from clients leaving the company unable to generate sufficient funds to effect payment of it's debts.

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

It is at this point not possible to comment as to whether the members are personally liable :

1. To the corporation on the ground of breach of trust or negligence;

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2. To make repayments to the 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 corporation or to the corporation itself.

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

SECTION 79(e) : LEGAL PROCEEDINGS

We are not aware of any legal proceedings against the Corporation.

SECTION 79(g) : BOOKS AND RECORDS

The close corporation's books and records have been provided to us.

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

It would at this point in time appear that there is no prospect of a dividend to concurrent creditors.

MATTERS REQUIRING THE FURTHER DIRECTIONS OF CREDITORS

Such directions as required of creditors are contained in the draft resolutions, which are submitted for consideration and adoption by the creditors at this meeting in conjunction with this report. Creditors are requested to adopt these resolutions to enable the administration of the affairs of the close corporation to be finalised.

SIGNED at Johannesburg on this 29th day of July 2013.



LDR VAN DER MERWE

H MAYO

TS SEJWANE

JOINT LIQUIDATORS

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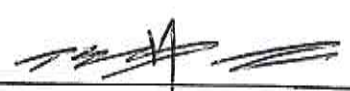
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RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS HELD BEFORE THE MAGISTRATE RANDBURG, ON WEDNESDAY, 21 AUGUST 2013 at 09:00

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 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 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;

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- 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.
- 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

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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.
- 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