

SQUARE ONE (PTY) LTD (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER : G2196/09

**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 MASTER OF THE
 MAGISTRATE, RANDBURG ON 6 OCTOBER 2010 AT 10H00**

Nature of Liquidation	Application by ABSA Bank (Witwatersrand Local Division)
Date of liquidation	17 February 2010
Date of provisional Order	N/A
Date of Final Order	17 February 2010
Provisional appointees	LDR vd Merwe & KDJ Masege
Date of 1 st meeting of creditors	16 April 2009
Final appointees	LDR vd Merwe & KDJ Masege

GENERAL AND STATUTORY INFORMATION

Registrar of Companies

The Company was duly registered with the Registrar of Companies under their reference number 1992/003866/07

Registered Address

34 Monkor Drive, Randpark, Randburg

Nature of Business

The Company carried on business in contractors supply and installation of cabling

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Directors and Shareholders

G A Coetzer

SECTION 402(a)

CAPITAL ASSETS AND LIABILITIES

The Authorised Share Capital and Issued Share Capital of the Company are unknown.

According to information available to us the following would appear to represent the financial position of the Company as at the date of liquidation:

ASSETS

IMMOVABLE PROPERTY	AMOUNT	AMOUNT
None		0-00
MOVABLE ASSETS		
Encumbered Assets		0-00
Unencumbered Assets		
1. See note 1 below		0-00
TOTAL ASSETS		0-00
LIABILITIES		
<u>Secured</u>		
<u>Preferent Creditors</u>		
1. SARS	unknown	
2. Employees	unknown	
Concurrent creditors (approximate)	24,000,000.00	
TOTAL LIABILITIES	24 000 000-00	
DEFICIT		24 000 000-00

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1. The records of the company reflect a substantial amount as being due to the company by Telkom. The recovery of this amount however seems doubtful.
2. The above figures are subject to adjustment and verification.

SECTION 402(b)

CAUSES OF THE COMPANY'S FAILURE

The Director of the Company advised that the major contract with Telkom was cancelled and as a result the company was unable to continue trading. The company was unable to pay its creditors.

SECTION 402(c)

REPORT UNDER SECTION 400(2)

At this stage we do not have anything to report under this heading, however, should any contraventions come to our attention, a report will be submitted to the Master of the High Court in regard to such contraventions.

The Director appears to have contravened the following provisions of the Companies' Act.

- | | |
|-------------|-----------------------------------------------------------------------------------------------------------------------------|
| Section 105 | in that I have not been furnished with the Share Register of the Company and the Director may have failed to maintain same. |
| Section 242 | in that I have not been furnished with the Minute Book of the Company and the Director may have failed to maintain same. |
| Section 414 | in that the Director failed to attend the First Meeting of Creditors. |
| Section 363 | In that I have not been furnished with a Statement of Affairs form. |



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SECTION 402(d)

REPORT UNDER SECTION 424

At this stage, we are not in a position to state whether any Director or Officer, or past Director or Officer appears to be personally liable for the liabilities of the Company.

SECTION 402(e)

LEGAL PROCEEDINGS

As far as we are aware there are no legal proceedings pending by or against the Company, save and except for the recovery of debts.

SECTION 402(f)

FURTHER ENQUIRY

We are not of the opinion that a further enquiry should be held into the formation, promotion or failure of the Company.

SECTION 402(g)

BOOKS AND RECORDS

Certain records relating to the affairs of the Company have been handed to us.

SECTION 402(h)

PROGRESS AND PROSPECTS OF LIQUIDATION

A letter of demand has been sent to all debtors of the Company, and an accounting will be made in our Liquidation Account to be submitted to the Master of the High Court in due course.



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SECTION 402(i)

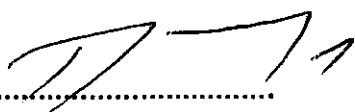
MATTERS REQUIRING FURTHER DIRECTIONS OF CREDITORS AND
CONTRIBUTORIES

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.

GENERAL

As there appears to be definite danger of contribution to be levied we cannot recommend that creditors submit a claim for proof.

DATED at JOHANNESBURG this day of **September 2010**.



.....
LDR VAN DER MERWE

DATED at JOHANNESBURG this day of **September 2010**.

.....
KDJ MASEGE

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**RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF
CREDITORS HELD BEFORE THE MAGISTRATE, RANDBURG ON 6 OCTOBER 2010
at 10H00**

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, ("The Act") such powers to be exercised at his sole and absolute discretion.
4. The Liquidator is 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.

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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 Act, 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 Act.
14. The creditors hereby consent to the liquidator's remuneration ("the remuneration") being taxed by The Master of High Court in terms of section 384 of the Act at the **higher figure of:**

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- 14.1. the prescribed tariff as is contained in Annexure CM 104 to the Winding Up regulations to the Act
- 14.2. the increased amount of work done by the liquidator in terms of the actual time spent by him or her and his or her staff in the discharge of their duties in the winding-up as is reflected on properly kept timesheets at the charge out tariff of the respective professional and administrative staff and which will be deemed to be good cause for the increase of such remuneration.
15. The remuneration referred to in 14 above may further be increased based on aspects such as:
- 15.1. the complexity of the estate in question,
- 15.2. the degree of difficulty encountered by the liquidator in the administration of the estate, and
- 15.3. particular difficulties experienced by the liquidator because of the nature of the assets or some other similar feature connected with the winding-up,
16. 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