

ECO EASI CC (IN LIQUIDATION)

("THE CLOSE CORPORATION")

MASTER'S REFERENCE NUMBER : C1311/2001

REPORT OF THE LIQUIDATOR, JOHANNES FREDERICK KLOPPER, TO BE SUBMITTED, IN TERMS OF SECTION 79 OF THE CLOSE CORPORATIONS ACT, ACT 69 OF 1984, TO CREDITORS AT THE GENERAL (SECOND) MEETING OF CREDITORS TO BE HELD BEFORE THE MAGISTRATE, MALMESBURY, ON THURSDAY, 11 APRIL 2002 AT 09H00

ORDER OF COURT AND MEETINGS

The Close Corporation was placed under liquidation by an Order in the High Court of South Africa (Cape of Good Hope Provincial Division) on 18 December 2001 pursuant to an application by Bridgett Hartley under Case Number 10603/2001.

The Master of the High Court, Cape Town, appointed Johannes Frederick Klopper of Hans Klopper Trustees (Pty) Limited as Liquidator as per Certificate of Appointment dated 07 January 2002.

The Provisional Order of Liquidation was made final on 29 January 2002.

The First Meeting of Creditors was held before the Magistrate, Malmesbury, on 07 March 2002. No claims were submitted and proved at this meeting.

FORMATION AND HISTORY OF THE CLOSE CORPORATION

The Close Corporation was duly incorporated in terms of the provisions of the Close Corporations Act, Act 69 of 1984 ("the Act"), under Registration Number CK 99/11140/23, with its registered address situated at Die Ou Pastorie, Pastorie Street, Darling, Western Cape, and its principal place of business situated at Caledon Street, Darling.

The principal business activity of the Close Corporation was that of the manufacture of wooden doors for low cost houses.

The sole member of the Close Corporation was Roger Clayton Hartley who held 100% member's interest.

SECTION 79(a) : ASSETS AND LIABILITIES

The member did not provide me with a Statement of Affairs, but according to documentation based on the application for liquidation and investigations conducted, the following would appear to represent the financial position of the Close Corporation as at date of liquidation:

ASSETS:

Movable assets sold for <i>(Subject to Landlord's Lien : R53 984,70)</i> <i>(Subject to Instalment Sale Agreement : BOE Bank : R18 240,00)</i> <i>(Subject to Instalment Sale Agreement : Stannic : R140 790,00)</i>	R213 014,70
Debtor approximately	<u>R320 000,00</u>
TOTAL ASSETS	<u>R533 014,70</u>

LIABILITIES:

Secured Creditors:

Estimated at R336 000,00

Preferent Creditors:

Unknown Unknown

Concurrent Creditors:

Estimated at R564 289,00

TOTAL LIABILITIES **R900 289,00**

COMMENT ON THE ASSETS

Pursuant to an extension of my powers granted to me by the Master of the High Court, Cape Town, and with the consent of the major creditors, the furniture and equipment were sold by way of a public auction.

I am still in the process of collecting the outstanding debt.

SECTION 79(b) : REASON FOR THE CLOSE CORPORATION'S FAILURE

According to documentation based on the application for liquidation and investigations conducted, the following are the main reasons for the liquidation of the Close Corporation:

Although the Close Corporation was registered in 1999 it only started trading during February 2001.

The Close Corporation secured a contract with Everite Building Projects (Pty) Limited to manufacture wooden doors as per agreed specifications to Everite Building Projects (Pty) Limited. In terms of this agreement the Close Corporation had to supply 3 000 doors per month at an agreed price. To enable the Close Corporation to meet its obligations, labourers, premises and equipment had to be sort. As there was no starting capital, the equipment was purchased per instalment sale agreements.

In October 2001 the Close Corporation was informed that Everite Building Projects (Pty) Limited would not accept or pay for any further doors and for no valid reason, the agreement was cancelled. Cancellation of the agreement caused the Close Corporation to stop trading.

In the light of the above and the fact that it was not financially viable for the Close Corporation to pay its creditors, one of the creditors, Bridgett Hartley, consequently applied for the liquidation of the Close Corporation.

SECTION 79(c) : CONTRAVENTIONS AND OFFENCES : SECTION 400 (2) OF THE COMPANIES ACT AS READ WITH SECTION 66 OF THE ACT

It does not appear as if the member has contravened provisions of the Companies Act or committed any other offence other than the failure to furnish me with a Statement of Affairs.

SECTION 79(d) : LIABILITIES OF MEMBERS

At this stage it appears that the member is not liable:

- (i) to the Close Corporation on the grounds of breach of trust or negligence;
- (ii) to make repayments to the Close Corporation in terms of Section 70(2) or (3) or Section 71(1) or (2);
- (iii) to either a creditor of the Close Corporation or the Close Corporation itself, as the case may be, by virtue of any provision of Part VIII of this Act.

SECTION 79(e) : LEGAL PROCEEDINGS

I have no knowledge of any legal proceedings pending or threatened by or against the Close Corporation as at date of liquidation.

SECTION 79(f) : ENQUIRY INTO FORMATION AND FAILURE

A further enquiry will not be necessary with regard to the formation and failure of the Close Corporation.

SECTION 79(g) : BOOKS AND RECORDS

I have been supplied with the books and records belonging to the Close Corporation in terms of Section 79(g) of the Act.

SECTION 79(h) : DIVIDEND PROSPECTS AND FURTHER ADMINISTRATION

At this stage there appears to be no danger of a contribution in this estate based on the figures available to me.

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

Such directions as I require of creditors are contained in the Resolutions, which are submitted for consideration and adoption by 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.

.....
JOHANNES FREDERICK KLOPPER
LIQUIDATOR

HANS KLOPPER TRUSTEES (PTY) LIMITED
P O BOX 820
STELLENBOSCH
7599

TELEPHONE: 021 - 8879992
TELEFAX: 021 - 8879993

ECO EASI CC (IN LIQUIDATION)

("THE CLOSE CORPORATION")

MASTER'S REFERENCE NUMBER : C1311/2001

RESOLUTIONS

RESOLUTIONS TO BE SUBMITTED, IN TERMS OF SECTION 79 OF THE CLOSE CORPORATIONS ACT, ACT 69 OF 1984 ("THE ACT"), AT THE GENERAL (SECOND) MEETING OF CREDITORS TO BE HELD BEFORE THE MAGISTRATE, MALMESBURY, ON THURSDAY, 11 APRIL 2002 AT 09H00

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 heretofore taken by the Provisional Liquidator and/or the Liquidator be and is 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.
- 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 collect 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 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.
- 11 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.
- 12 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.
- 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.

CREDITOR