

I N D E P E N D E N T

C O R P O R A T E R E C O V E R Y A D V I S O R S

Independent Trustees (Pty) Limited (Reg No 2002/025164/07)
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TO ALL KNOWN CREDITORS

Your Ref:
Our Ref: **H PLAATJIES/CINDY**
Direct Line: **021 – 880 5400**
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Direct E-Mail: **hillaryp@corprecover.co.za**
Date: **19 May 2009**

Dear Sir / Madam

WESTERN CAPE PLUMBING CC (IN LIQUIDATION)
REGISTRATION NUMBER: 1998/002804/23
MASTER'S REFERENCE NUMBER: C189/2009

We refer to the above-mentioned matter and enclose a copy of the Joint Liquidators' Report, together with Resolutions, to be adopted at the First Meeting of Creditors to be held before the Master of the High Court, Cape Town, on Friday, 29 May 2009 at 9h00.

We confirm that, based on information at this stage, there is a danger of a contribution in this estate and creditors are therefore urged not to lodge their claim documents.

We take this opportunity of assuring you of our best attention at all times.

Yours faithfully
INDEPENDENT TRUSTEES (PTY) LTD

HILLARY PLAATJIES
FOR JOINT LIQUIDATOR

(Sent electronically and therefor not signed)

WESTERN CAPE PLUMBING CC (IN LIQUIDATION)
("the Close Corporation")

MASTER'S REFERENCE NUMBER : C189/2009

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 FIRST MEETING OF CREDITORS AND CONTRIBUTORIES TO BE HELD BEFORE THE MASTER OF THE HIGH COURT, CAPE TOWN ON 29 MAY 2009 AT 09H00

Nature of Liquidation	Application to the High Court of SA (A Provision of the district Cape de Goede Hoop) was made by a creditor of the Company
Date of liquidation	10 February 2009
Date of provisional Order	10 February 2009
Date of Final Order	10 March 2009
Provisional liquidators	J F Klopper & F Salie
Date of 1 st meeting of creditors	29 May 2009

GENERAL AND STATUTORY INFORMATION

Registrar of Companies

The Close Corporation was duly registered with the Registrar of Companies under their reference number 1998/002804/23.

Registered Address

The registered address of the Close Corporation is 9 Teneriffe Close, The Ridge, Blouberg Strand, Western Cape.

Members

It appears from my investigations that the following person was the sole member of the Close Corporation:

Mr. C H H Hulley

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Business of the Close Corporation

The Close Corporation carried on business in plumbing and construction work. The Close Corporation did plumbing work and sewerage reticulation on projects as a subcontractor.

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

SECTION 79(a)

Financial Statement Of Assets And Liabilities

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		
Encumbered Assets		
Mini Excavator – Komatsu estimated at (Subject to an instalment sale of agreement in favour of Absa Bank)		R 125 000.00
Unencumbered Assets		
Computers & Office Equipment - approximately		R 10 000.00
JLK Arbitration - approximately		R1 000 000.00
Site Sandhurst – approximately		R 30 000.00
Hartensig - approximately		R1 200 000.00
Lynfield - approximately		R 18 000.00
LIABILITIES		
Secured Creditors'	R 88 926.00	
Preferent Creditors		
Sars - estimated	R1 000 000.00	
Workers - estimated	UNKNOWN	
Concurrent Creditors – estimated at	R 989 536.00	
Legal Fees – estimated at	R 800 000.00	
Sub Total	R2 878 462.00	R2 383 000.00
Deficit		R 495 462.00

SECTION 79(b)

Causes Of The Close Corporation's Failure

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Mr Hulley, the sole member, was provisionally sequestrated by an Order of the High Court of South Africa on 23 December 2008. According to the Notice of Motion the principle causes of the Close Corporation's failure are attributable to the following:

1. The close corporation became involved in an arbitration regarding plumbing work done for Johan Louw Construction, resulting therein that the close corporation did not receive payment for the work done. The quantum was referred to the High Court and the matter is still pending a decision by this court. This has affected the cashflow of the business severely.

SECTION 79(c)

Report Under Section 400(2) Of The Companies' Act Read With Section 66 Of The Close Corporation's Act

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.

SECTION 79(d)

Personal Liabilities Of Members Or Officers

At this stage we are unable to comment on whether the former member or officer(s) 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.

SECTION 79(e)

Legal Proceedings

The arbitration is ongoing for more than ten years against JLK Construction. Western Cape Plumbing have an agreement with Binningham Capeland and Associates to represent the company in the arbitration. The Liquidators are currently investigating this claim and perusing the various legal proceedings and costs pertaining to these actions.

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SECTION 79(f)

Further Enquiry

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

SECTION 79(g)

Books And Records

The Close Corporation provided our office with all books and records in their possession.

SECTION 79(h)

Progress And Prospects Of Dividend

At this stage there appear to be a danger of contribution being levied on Creditors.

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 Stellenbosch this _____ day of May 2009

J F KLOPPER

DATED at Cape Town this _____ day of May 2009

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F SALIE

WESTERN CAPE PLUMBING CC (IN LIQUIDATION)
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RESOLUTIONS SUBMITTED AND ADOPTED AT THE FIRST MEETING OF CREDITORS HELD BEFORE
THE MASTER OF THE HIGH COURT, CAPE TOWN ON 29 MAY 2009 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 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;

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- 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 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.

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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 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.
 - 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.

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- 14 The further administration of the affairs of the Close Corporation be left entirely in the hands and at the discretion of the Liquidator.

q.q. CREDITORS/ MEMBER

MASTER OF THE HIGH COURT, CAPE TOWN