

**AFRICAN AIRLINES INVESTMENTS OPERATIONS (PTY) LIMITED (IN LIQUIDATION)**  
**(REGISTRATION NUMBER: 2008/017277/07**  
**("the company")**

**MASTER'S REFERENCE NUMBER: C1373/2010**

REPORT OF 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 & CONTRIBUTORIES TO BE HELD BEFORE THE MAGISTRATE, STELLENBOSCH ON, 16 NOVEMBER 2011 AT 10H00.

**ORDER OF THE COURT AND MEETINGS**

Nature of Liquidation	Application to the High Court of South Africa (Western Cape High Court, Cape Town) – case number: 25753/10
Date of Liquidation	30 November 2010
Date of Provisional Order	30 November 2010
Date of Final Order	16 February 2011
Provisional Liquidators	J F Klopper & N A Tshivhase
Final Liquidators	J F Klopper & N A Tshivhase
Date of 1 <sup>st</sup> meeting of creditors	10 August 2011 – No claims were proved

**GENERAL AND STATUTORY INFORMATION**

**Registrar of Companies**

The company was duly registered with the Registrar of Companies on 16<sup>th</sup> July 2008 under the reference number 2008/017277/07.

**Registered Address**

The registered address of the company is reflected as being 1<sup>st</sup> Floor, 87 Dorp Street, Stellenbosch.

**Directors**

It appears from our investigations that the following persons served as the directors of the company as at the date of Liquidation:

- Nomsa Thwala (Identity Number: 79111 60568086)
- Andreas Jonathan Van Heerden (Identity Number: 57012 15051085)
- Daniel De Villiers (Identity Number: 77110 65011087)

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**Business of the Company**

The company's principal business activity is described as follows: Financial intermediation, except insurance and pension funding.

**Auditors**

The auditor of the company, BGR Aucamp Scholtz is situated in Somerset West.

**STATEMENT OF AFFAIRS**

We have been provided with a Statement of Affairs as required in terms of Section 363 of the Companies Act No. 61 of 1973 as amended.

**SECTION 402(a): FINANCIAL STATEMENT OF ASSETS AND LIABILITIES**

The following represents the assets and liabilities of the company that we are aware of as at date of liquidation. The assets and liabilities listed are subject to verification and adjustment and may change depending on the claims submitted for proof.

ASSETS	AMOUNT {R}	AMOUNT{R}
Loan account against Kingsfield Embraer Aviation (Pty) Ltd (Holding company) - Liquidated : Dividend unknown		Unknown
Loan account against Oscar Tango Delta Aircraft- (Loan R 173 430) – Realisable value being determined		Unknown
Loan account against African Airlines Investments Contracts (Pty) Ltd – Liquidated : Dividend unknown		Unknown
Vehicle: 2002 Toyota Panel Van – per valuation		R 18 500.00
Furniture and office equipment – per valuation		R 28 830.00
Debt collection		R 89 026.90
<b>TOTAL</b>		<b>R 136 356.90</b>
<b>LIABILITIES</b>		

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<u>Secured Creditors:</u>	R 0.00	
<u>Preferent Creditors:</u> Workers - estimated at SARS – Unknown	R 151 200.00 Unknown	
<u>Concurrent Creditors:</u> Estimated at	R 24 292 062.30	
<b>SHORTFALL</b>		R 24 292 062.30
<b>TOTAL</b>	R 24 443 262.30	R 24 443 262.30

**COMMENT ON THE ASSETS**

The movable assets belonging to the company will be sold by way of public auction, after our resolutions have been adopted at this meeting.

**COMMENTS ON THE LIABILITIES**

The liabilities relate in the main to monies owing in respect of loan accounts and services rendered.

The extent of monies owing to the South African Revenue Services is unknown at this stage as we have not as yet received details of their claim.

**SECTION 402(b) : CAUSES OF THE COMPANY'S FAILURE**

According to the directors, documentation lodged and investigations conducted, the main reasons for the liquidation of the company would appear to be the following:

*African Airlines Investments Operations (Pty) Ltd was part of a number of group companies that signed surety for a loan made by the IDC to one of the holding companies, Kingsfield Embraer Aviation (Pty) Ltd.*

*When Kingsfield Embraer Aviation (Pty) Ltd defaulted on the loan, the IDC called up the sureties, and subsequently applied to liquidate African Airlines Investments Operations as the outstanding loan could not be covered by the available cash reserves.*

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**SECTION 402(c) : REPORT TO THE MASTER IN TERMS OF SECTION 400 (2) OF THE COMPANIES ACT**

Based upon the information available to us at this stage, it is not our intention to submit a report to the Master. A report will be submitted at a later stage should it become necessary.

**SECTION 402(d) : PERSONAL LIABILITIES OF DIRECTORS OR OFFICERS**

At this stage we are unable to comment as to whether any director of the company could be held personally liable for the debts of the company. Should information come to light at a later stage to the effect that the directors could be held personally liable for the debts of the company, a report will be submitted in this regard. Investigations into the conduct of the company's affairs will however continue.

**SECTION 402(e) : LEGAL PROCEEDINGS**

We have no knowledge of any legal proceedings pending or threatened by or against the company as at date of liquidation other than actions relating to the recovery of debt.

**SECTION 402(f) : FURTHER ENQUIRY INTO THE AFFAIRS OF THE COMPANY**

There are certain aspects relating to the trade, dealings and affairs of the company that the liquidators may want to investigate at an enquiry. Investigations are on-going with regard to the failure of the Company and the conduct of its business. Should the liquidators decide to convene a meeting for an enquiry in terms of section 415 of the Act creditors will be advised accordingly.

**SECTION 402(g) : BOOKS AND RECORDS**

The undersigned are not yet in possession of the books and records of the Company and are therefore, at this stage, unable to state with any certainty whether the provisions of Section 284 of the Act have been complied with.

**SECTION 402(h) : ESTIMATED DIVIDEND**

It would appear that only Preferent creditors in the estate will be receiving a dividend award.

**SECTION 402(i) : MATTERS REQUIRING THE FURTHER DIRECTIONS OF CREDITORS**

Such directions as we desire, and sanction of the action taken by the Provisional Liquidators and Liquidators to date, are contained in the Resolutions to be submitted for consideration and adoption, are attached hereto.

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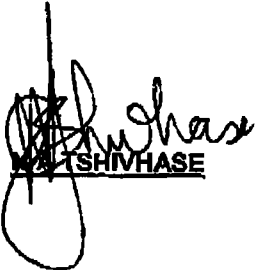
**MASTER'S REFERENCE NUMBER: C1373/2010**

Dated at Stellenbosch this 25<sup>th</sup> of October 2011.



**JF KLOPPER**

Dated at Johannesburg this 21<sup>st</sup> of October 2011.



**M TSHIVHASE**

**C/O INDEPENDENT TRUSTEES (PTY) LIMITED**  
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**STELLENBOSCH**  
**7599**

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