

COASTAL KITCHEN AND TIMBERWORKS CC (IN LIQUIDATION)

REGISTRATION NUMBER : CK1997/012203/23

MASTER'S REFERENCE NUMBER : C.123/11

REPORT IN TERMS OF SECTION 79 OF THE CLOSE CORPORATIONS ACT NO 69 OF 1984, AS READ WITH SECTION 339, 366 AND 35(5)(b) OF THE COMPANIES ACT 1973, TO BE PRESENTED AT THE SECOND MEETING OF CREDITORS AND MEMBERS TO BE HELD BEFORE THE MAGISTRATE, WYNBERG, ON THURSDAY, 2ND JUNE 2011 AT 09H00.

INTRODUCTION

The close corporation was placed under voluntary liquidation by Resolution adopted on the 4th February 2011. Barend Petersen and Johannes Frederick Klopper were appointed as Joint Liquidators by the Master of the High Court, Cape Town on the 2nd March 2011.

The registered address of the close corporation is Silversteen Estate, Lisa's Way, Steenberg. The close corporation manufactured and installed kitchen cupboards from Lisa Way, Silversteen Estate, Steenberg, Tokai.

The First Meeting of Creditors was held before the Magistrate, Wynberg, on the 31st March 2011. No claims were proved at this meeting.

Close Corporation Particulars

Member : Wayne Walter Ballard (100%)

SECTION 79(a) - STATEMENT OF AFFAIRS

According to the Statement of Affairs (Form CM 100) lodged by the members and further information to hand, the assets and liabilities of the close corporation at the date of winding-up would appear to be as follows :

ASSETS

Tools/equipment R800.00
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2.

LIABILITIES

Preferent creditors	R260.840,00
Concurrent creditors - Estimate	<u>R113.250,00</u>
	<u>R374.090,00</u>
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SECTION 79(b) – CAUSES OF THE CORPORATION’S FAILURE

The member has advised the cause of the corporation’s failure as :

“The reason for the Liquidation is that we got to a point that we owed too much money on our accounts and to SARS.

I went to all the creditors and tried to come up with a settlement amount that I could pay off and only one company was interested in my offer.

Business has been so bad for the last year that all I have been able to do is operate cash accounts and pay the bills. I have not been able to make any money and I can’t see things changing as there are too many people trying to do too little work.

I was left with only one decision and that was to liquidate.”

SECTION 79 (c) –CONTRAVENTIONS AND OFFENCES

A report will in due course be submitted to the Master of the High Court in compliance with Section 400(2) of the Companies Act No. 61 of 1973 (as amended).

SECTION 79 (d)-PERSONAL LIABILITY

It does not appear that the former member of the close corporation is personally liable for the failure of the close corporation.

SECTION 79(e)–LEGAL PROCEEDINGS

We are not aware of any legal proceedings by or against the corporation which was suspended by Liquidation proceedings, save and except for the recovery of monies owing by the corporation.

3.

SECTION 79(f)-FURTHER INVESTIGATIONS

At this stage there would appear to be no reason to conduct an enquiry into the affairs of the corporation and in particular to the failure of the corporation.


SECTION 79(g) – ACCOUNTING RECORDS & RECORDS

Certain books and records were handed to the liquidators and it appears that sufficient records were kept by the close corporation.

SECTION 79(h)-DIVIDEND PROSPECTS

It is clear that a danger of contribution will be levied against concurrent creditors who prove claims against the estate.


.....
BAREND PETERSEN
JOINT LIQUIDATOR


.....
JOHANNES FREDERICK KLOPPER
JOINT LIQUIDATOR

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RESOLUTIONS TO BE SUBMITTED TO THE SECOND MEETING OF CREDITORS AND MEMBERS TO BE HELD BEFORE THE MAGISTRATE, BELLVILLE ON FRIDAY THE 20TH MAY 2011 AT 11H00

IT IS HEREBY RESOLVED

1. That the Liquidators actions in that arrangements were made for banking facilities to meet the necessary administration expenses be approved and confirmed.
2. THAT the actions of the Liquidators to date hereof, be and are hereby ratified and confirmed.
3. THAT the Liquidators be hereby authorised and empowered to:
 - 3.1 engage the services of attorneys and counsel in connection with any matter arising out of or related to the affairs of the estate;
 - 3.2 agree with such attorney on the tariff and/or scale of fees to be charged by and paid to the attorney for the rendering of services to the estate;
 - 3.3 pay to the attorney, provided that there is at all times a sufficiency of funds in the free residue, the agreed costs and the disbursements made by the attorney as and when the services are rendered and the disbursements are made subject to:
 - 3.3.1 the taxation of such costs and disbursements by the Master of the High Court when the attorney has performed his mandate.
4. THAT the Liquidators be and are hereby authorised to collect any outstanding debts due to the close corporation in liquidation, and for the purpose thereof either to sell or compound any of these debts for such sum and on such terms and conditions as he in his sole discretion may deem fit, or to abandon any claim which he in his sole discretion may deem appropriate and that all legal costs so incurred shall be costs of the Estate.
5. THAT the Liquidators be and are hereby authorised to employ auditors to investigate and write up the books of the close corporation to the date of liquidation and to produce an audited balance sheet as at that date, and to complete any necessary Income Tax and other Government Returns and that all costs so incurred shall be costs in the liquidation of the close corporation.

6. THAT the Liquidators be and are hereby authorised to dispose of immovable and movable assets of the Close Corporation by public auction, private treaty or public tender and that the mode of sale for any one or more of the assets shall be determined by the Liquidator and that all costs incurred in relation thereto be costs of administration.
7. THAT the Liquidators be and are hereby authorised and empowered in his discretion to hold an enquiry into the formation, and affairs of the close corporation, and any matter relating hereto, should he deem it to be in the interest of creditors, and to employ Attorneys and or Counsel to assist in the said enquiry, and to summons any person who they should deem necessary to be present at the enquiry, all costs so incurred to be costs of administration.
8. THAT the Liquidators be and are hereby authorised and empowered to investigate any apparent voidable and/or undue preference and/or any disposition of property, and to take any steps which he in his discretion may deem necessary, including the instituting of legal action and the employment of Attorneys and/or Counsel, to have these set aside and to proceed to the final end or determination of any such legal action or to abandon same at any time as he in his sole discretion may consider appropriate and that all costs incurred in terms hereof be treated as administration costs.
9. THAT in the event of any assets which are subject to a Mortgage Bond, Pledge or other form of security not realising sufficient to pay the claim of the secured creditors plus the pro-rata share of the costs of administration in full, then the Liquidators be and are hereby authorised in his discretion to abandon such assets to the creditor concerned at an agreed valuation, subject to the payment by such creditor of a pro-rata share of the costs of administration in terms of Section 89 of the Insolvency Act, as amended.
10. THAT the Liquidators be and are hereby authorised and empowered, in his discretion to compromise or admit any claim against the Estate, whether liquidated or unliquidated, as a liquidated claim in terms of Section 78(3) of the Insolvency Act, as amended, provided that proof thereof had been tendered at a meeting of creditors.
11. THAT the Report, submitted by the Liquidators in terms of Section 66 of the Close Corporation Act as read with Section 402 of the Companies Act, be and is hereby approved and adopted and that the further administration of the affairs of the Estate be left to the discretion of the Liquidator.
12. THAT the Liquidators have the right to cancel any or all Lease Agreements entered into.
13. THAT the costs incurred by the Liquidators in furnishing the Master of the High Court with the required fidelity guarantee or any renewal thereof at the rate

Prescribed by the Master of the High Court or at a rate in excess thereof be and is hereby agreed and ratified by the creditors.

14. THAT the Liquidators are hereby authorised to submit for determination and/or arbitrators any dispute concerning the Close Corporation or any claim or demand by or upon the close corporation and that any costs so incurred to be costs so incurred to be costs of administration and paid for by the estate.
15. THAT costs incurred by the Liquidators in maintaining, conserving and realising any assets of the estate, be and are hereby ratified and confirmed and that such costs be costs of administration and/or costs in terms of Section 89(1) of the Insolvency Act no 24 of 1936, as amended, if applicable and payable by the estate or the creditors, as the case may be.

ADOPTED ON BEHALF OF CREDITORS
AND MEMBERS

PRESIDING OFFICER

DATE