

**SATELLITE RECEIVABLES (PTY) LIMITED Formerly known as PARADIGM  
SELECT (PTY) LIMITED (IN LIQUIDATION)**  
**("the Company")**

**MASTER'S REFERENCE NUMBER : 673/2001**

**REPORT OF THE LIQUIDATOR, JOHANNES FREDERICK KLOPPER, IN TERMS OF SECTION 402 OF  
THE COMPANIES ACT NO 61 OF 1973 AS AMENDED TO BE SUBMITTED AT A SECOND MEETING OF  
CREDITORS TO BE HELD BEFORE THE MAGISTRATE OF WYNBERG ON THURSDAY, 21 FEBRUARY  
2002 AT 09:00**

**ORDER OF THE COURT AND MEETINGS**

- 1 The Company was placed in provisional liquidation by an Order in the High Court of South Africa (Cape of Good Hope Provincial Division) on 20 June 2001. The Master of the High Court appointed Johannes Frederick Klopper as Provisional Liquidator on 27 June 2001.
- 2 The first meeting of creditors and contributories was held before the Magistrate of Wynberg on 01 November 2001.
- 3 Johannes Frederick Klopper was appointed as final Liquidator by the Master of the High Court on 17 January 2002.

**HISTORY AND INFORMATION OF THE COMPANY**

**Former Names:**

Logtronics (Pty) Limited;  
Control Instruments Manufacturing (Pty) Limited;  
Professional Cellular Communications (Pty) Limited;  
DSat Select (Pty) Limited;  
Paradigm Select (Pty) Limited.

**Date of Incorporation:**

04 November 1991.

**Registered Office:**

2<sup>nd</sup> Floor, Paradigm House, River Park, River Lane, Mowbray, 7700.

**Main Object:**

The primary business of the company was at all material times to conclude medium term rental agreements and administer the debtor's book flowing from such agreements. In particular, the company concluded and administered satellite television and related audio-visual equipment rental agreements with corporate entities and members of the public.

**Year End:**

June.

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**Share Capital:**

Authorised : 10 000 ordinary shares with a par value of R1,00 each;

Issued : 100 ordinary shares with a par value of R1,00 each.

**Share Holders:**

The sole shareholder is Paradigm Rentals (Gauteng) (Pty) Limited – formerly GFR Capital Limited.

**Auditors:**

These are still reflected as Fisher Hoffman Sithole.

**Details of Director:**

Clyde Kasril Herman, 103 Avon Road, Viewcrest, 2192.

**STATEMENT OF AFFAIRS**

4 I have not been placed in possession of a Statement of Affairs as required in terms of Section 363 of the Companies Act No 61 of 1973, as amended.

**SECTION 79(A) : FINANCIAL STATEMENT OF ASSETS AND LIABILITIES**

5 The following represents the assets and liabilities of the company at date of liquidation. Unless otherwise stated, these figures only represent estimates of the assets and liabilities and will change depending on the claims submitted for proof.

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<b>Assets</b>					
Claim against Valuefin (Pty) Ltd (In liquidation) (Claim amount R 151 922 941.69)					unknown
Debts ceded to Cape of Good Hope Bank (gross collection to date)					2,451,720.00
Debts ceded to Cape of Good Hope Bank (possible further collections)					6,000,000.00
Office furniture and equipment					50,000.00
<b>Liabilities</b>					
<b>Secured creditor</b>					
Cape of Good Hope Bank (no provision made for section 89 costs)				8,451,720.00	
<b>Preferent creditors</b>					
Unknown					
<b>Concurrent creditors</b>					
Provision based on information received				136,000,000.00	
Inter company loan account				155,820,704.04	
<b>Shortfall</b>					291,770,704.04
				300,272,424.04	300,272,424.04

**NOTES**

The statement of assets and liabilities must be read in conjunction with the following notes:

- 6.1 A Claim has been proved against Valuefin (Pty) Ltd which company is also in liquidation and a subsidiary of Paradigm Capital Holdings Limited (In liquidation).
- 6.2 The true financial position of the company will however only be known once the affairs of all the companies in the Paradigm group have been unravelled.
- 6.3 Claims by the company against third parties are being investigated and will be pursued after the resolutions to be submitted with this report have been adopted.

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**CAUSES OF THE COMPANY'S FAILURE**

I have not handed been provided with a Statement of Affairs by the company's director, but according to documentation based on the application for liquidation and investigations conducted, the following are the main reasons for the liquidation of the company:

The company was a subsidiary in the Paradigm group of companies ("the group") of which Paradigm Capital Holdings Limited was the holding company that was wound up on 07 June 2001. As a result of the demise of the group and the holding company, the company did not have access to funds and was unable to continue its day to day business.

The management "walked out" due to the winding up of Paradigm, which resulted in the company having no direction as to the day to day running of its business.

Its employees were unsure of their continued employment, as the company was unable to pay their salaries and wages.

The company was unable to meet any of its monthly financial commitments, materially impacting on the value of the business as a going concern and the Applicant creditor, Nedcor Bank Limited, consequently applied for the liquidation of the company.

**REPORT TO THE MASTER IN TERMS OF SECTION 400 OF THE COMPANIES ACT**

It is not my intention at this stage to submit a report to the Master of the High Court. However, I am still investigating this aspect and if necessary, a detailed report will be submitted to the Master in due course.

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

At this stage it is not known whether the former director or officer of the company can be held personally liable for the debts of the company. A report will be submitted, should it become necessary.

**LEGAL PROCEEDINGS**

A number actions instituted by the company were pending as at the date of provisional liquidation but these actions relate mainly to the collection of monies due to the company. The actions pending against the company relate to the nature of the contracts between the company and its clients.

**ENQUIRY**

Investigations into the affairs into the affairs of Paradigm Capital Holdings Limited continue by way of an enquiry in terms of Sections 417 and 418 of the Act, which, indirectly, involves the company as well.

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The Liquidator does not intend to hold an enquiry into specifically the affairs of this company at present.

**BOOKS AND RECORDS**

No specific books and records relating to the affairs of this company were found. The records of the Paradigm Group included the records of this company on a consolidated basis.

**ESTIMATED DIVIDEND**

It appears at present that there is no real danger of contribution being levied upon creditors. Creditors will however be afforded the opportunity to file claims against the company at a special meeting convened for that purpose should it become necessary.

Creditors are requested to adopt the enclosed resolutions to allow the administration of the affairs of the company to be finalised.

**SIGNED at STELLENBOSCH on this 18<sup>th</sup> day of FEBRUARY 2002.**

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**J F KLOPPER**

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**RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS HELD BEFORE THE MAGISTRATE, WYNBERG, ON THURSDAY, 21 FEBRUARY 2002 at 09:00**

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**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 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.
- 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

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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 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 Companies Act No 61 of 1973, as amended.
- 14 The further administration of the affairs of the company be left entirely in the hands and at the discretion of the Liquidator.

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**q.q. CREDITORS**