

ANDRE POTGIETER TRANSPORT CC (IN LIQUIDATION)
("the Close Corporation")

MASTER'S REFERENCE NUMBER : C1112/2009

**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 MAGISTRATE PIKETBERG
 ON 25 MARCH 2010 AT 09H00**

Nature of Liquidation	High Court of South Africa (Western Cape High Court, Cape Town) under Case Number 21347/09
Date of liquidation	21 October 2009
Date of provisional Order	21 October 2009
Date of Final Order	04 February 2010
Final appointees	R Pieters, J F Klopper & X E Daku

GENERAL AND STATUTORY INFORMATION

Registrar of Companies

It appears from documentation lodged that the Close Corporation was duly registered with the Registrar of Companies under Registration Number 2001/045719/23 with its registered address and its main place of business situated at Vervoer Singel, Piketberg.

It appears from our investigations that the members of the Close Corporation as at date of liquidation were:

Mr. A E Potgieter

Mrs S M Potgieter

The Close Corporation carried on business by supporting and auxiliary transport activities and activities of travel agencies.

AUDITORS

The former auditor of the company is reflected as being Bester Groenewald and Partners of Moorreesburg.

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REPORT IN TERMS OF SECTION 79 OF THE 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		
<u>Immovable Properties:</u>		
Erf 3054 Piketberg (51 Petunia Street, Bitterwater) (Unencumbered) – valued at		R 20 000.00
Erf 3492 Piketberg (vacant erf) (Unencumbered) – valued at		R 110 000.00
<u>Other</u>		
Book Debts – estimated at (Ceded to Amplitude in the amount of ±R1.2M) (Validity of cession under investigation)		R 5 000 000.00
<u>Vehicles</u>		
No.3 Top Trailer 2004 (DGC319 EC) – valued at (Subject to an Instalment Sale Agreement ifo Std Bank)		R 150 000.00
No.4 Homebuild Superlink '94 (DGD293EC)– valued at (Subject to an Instalment Sale Agreement ifa Std Bank)		R 100 000.00
P6 Scania Truck 2003 (DJM518EC)– valued at (Subject to an Instalment Sale Agreement ifo Std Bank)		R 223 200.00
P16 International Truck 2007 (DWM326EC) valued at (Subject to an Instalment Sale Agreement ifo Std Bank)		R 332 750.00
P17 International Truck 2007 (DWM322EC) valued at (Subject to an Instalment Sale Agreement ifo Std Bank)		R 332 750.00
John Deer Generator 2007 – valued at (Subject to an Instalment Sale Agreement ifo Std Bank)		R 75 000.00
No.16 Top Trailers 2007 (DSV368EC) –valued at (Subject to an Instalment Sale Agreement ifo Absa)		R 170 000.00

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No.18 Top Trailers 2007 (DWF514EC-DWF513EC) – valued at (Subject to an Instalment Sale Agreement ifo Absa)		R 170 000.00
No.19 SA Truck Bodies 2007 (DXB394EC- DXB402EC) – valued at (Subject to an Instalment Sale Agreement ifo Absa)		R 170 000.00
No.20 Top Trailer 2007 (DXJ295EC - DXJ298EC)- valued at (Subject to an Instalment Sale Agreement ifo Absa)		R 150 000.00
No.23 Top Trailer 2007 (DXJ299EC – DXJ312EC) – valued at (Subject to an Instalment Sale Agreement ifo Absa)		R 150 000.00
No.24 Top Trailer 2008 (DYY721EC – DYY719EC) – valued at (Subject to an Instalment Sale Agreement ifo Absa)		R 180 000.00
No.26 Top Trailer Tautliner 2008 (FBK759EC – FBK760EC) – valued at (Subject to an Instalment Sale Agreement ifo Absa)		R 230 000.00
No.27 Top Trailer Tautliner 2008 (FBN955EC – FBN958EC) – valued at (Subject to an Instalment Sale Agreement ifo Absa)		R 230 000.00
No.28 Top Trailer Tautliner 2008 (FBS607EC- FBS594EC) – valued at (Subject to an Instalment Sale Agreement ifo Absa)		R 230 000.00
Toyota Forklift 2.5 2007 – valued at (Subject to an Instalment Sale Agreement ifo Absa)		R 80 000.00
John Deere Baler 359 2007 – valued at (Subject to an Instalment Sale Agreement ifo Absa)		R 120 000.00
No.29 Top Trailer 2008 (FCL892EC – FCL891EC) – valued at (Subject to an Instalment Sale Agreement ifo Absa)		R 180 000.00
P15 International Truck 2007 (DSJ869EC) –valued at (Subject to an Instalment Sale Agreement ifa Wesbank)		R 332 750.00

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Ford Montana 2.5 Super Cab – valued at (Subject to an Instalment Sale Agreement ifo Wesbank)		R 105 000.00
Ford Ranger 3.0 Single Cab – valued at (Subject to an Instalment Sale Agreement ifo Absa/ Ford Credit)		R 130 000.00
Ford Bantam 1.3 XL 2007 – valued at (Subject to an Instalment Sale Agreement ifo Absa / Ford Credit)		R 60 000.00
TOTAL		R9 031 450.00
LIABILITIES		
<u>Secured Creditors'</u> Estimated at	R7 430 000.00	
<u>Preferent Creditors:</u> SARS – estimated	R1 100 000.00	
Workers – to be determined		
<u>Concurrent Creditors</u> Estimated at	R13 300 000.00	
Deficit		R12 798 550.00
Sub Total	R21 830 000.00	R21 830 000.00

Notes:

The assets and liabilities reflected above are subject to change and verification, depending on the claims submitted for proof.

COMMENT ON THE ASSETS

We have applied to The High Court of South Africa to extend our powers as Joint Liquidators to sell the assets and cancelled all lease and rental agreements.

We have requested banks who hold movable assets as security to take such security into their possession.

We are in the process of collecting the outstanding book debts. According to Amplitude Business Finance (Pty) Ltd these book debts have been ceded to them as security for monies owing to them.

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The Liquidators are currently investigating whether the book debts in the amount of ± R1.2 Million have been validly ceded to Amplitude Business Finance (Pty) Ltd.

A number of vehicles which were used by the above corporation in its business operations did not belong to the close corporation and were subject to Lease Agreements.

COMMENT ON THE LIABILITIES

The liabilities relate in the main to monies owing to Absa Bank, Standard Bank, Scania Finance and Wesbank in respect of their loan to the Close Corporation secured by Instalment Sale Agreements registered over their vehicles (secured creditors).

The extent of monies owing (if any) to the South African Revenue Services are unknown at this stage as we have not as yet received notification of any claims.

The balance of the liabilities relates to monies owing in respect of loan agreements, an overdraft facility as well as monies owing to various trade creditors in respect of services rendered and goods supplied and delivered (concurrent creditors).

SECTION 79(b)

Causes Of The Close Corporation's Failure

According to information at our disposal the principle causes of the Close Corporation's failure are attributable to the following:

- 1 Cash flow problems;
- 2 Slow payment of debtors.

As a result of the above, and when it became clear that the Close Corporation was not in a financial position to pay its creditors in the ordinary course of business, an application for the liquidation of the Close Corporation was consequently applied for by one of its creditors, Cape Beronda Freight CC.

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, 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.

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SECTION 79(d)

Personal Liabilities Of Members Or Officers

At this stage we are unable to comment on whether the former members 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

As far as we are aware there are no legal proceedings pending by or against the Close Corporation except for actions by creditors for debt recovery.

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

Not all books and records of the Close Corporation have been handed to us.

SECTION 79(h)

Progress And Prospects Of Dividend

Based on asset realisations and known claims, at this stage there would appear to be no danger of a contribution in the estate.

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.

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DATED AT STELLENBOSCH ON THIS 2nd DAY OF MARCH 2010.



RYNETTE PIETERS
JOINT LIQUIDATOR

DATED AT STELLENBOSCH ON THIS 2nd DAY OF MARCH 2010.



J F KLOPPER
JOINT LIQUIDATOR

DATED AT CAPE TOWN ON THIS 2nd DAY OF MARCH 2010.



X E DAKU
JOINT LIQUIDATOR

C/O INDEPENDENT TRUSTEES (PTY) LIMITED
P O BOX 820
STELLENBOSCH
7599

TELEPHONE: 021 - 880 5400
TELEFAX: 021 - 880 5430

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RESOLUTIONS SUBMITTED AND ADOPTED AT THE FIRST MEETING OF CREDITORS HELD
BEFORE THE MAGISTRATE PIKETBERG ON 25 MARCH 2010 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;
 - 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

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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.
- 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

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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.
- 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

PRECIDING OFFICER: