

EXCALIBUR MANUFACTURING CC (IN LIQUIDATION)
("the Close Corporation")

MASTER'S REFERENCE NUMBER : C299/2009

**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 WYNBERG
ON 11 JUNE 2009 AT 09H00**

Nature of Liquidation	Application to the High Court of SA (Western Cape High Court, Cape Town)
Date of liquidation	17 March 2009
Date of provisional Order	17 March 2009
Date of Final Order	21 April 2009
Provisional appointees	J F Klopper & C M Hendricks
Date of 1 st meeting of creditors	11 June 2009

GENERAL AND STATUTORY INFORMATION

Registrar of Companies

The Close Corporation was duly registered with the Registrar of Companies under their reference number 2000/073612/23.

Registered Address

The registered address of the Close Corporation is MD House, Greenford Office Estate, Off Punters Way, Kenilworth.

Members

It appears from my investigations the following person was a member:

Mr. David Hugh Brown

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Business of the Close Corporation

The Close Corporation carried on business of precision manufacturing, CNC turning and CNC milling and that it essentially engineers and manufactures metal components of a general nature.

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		
Fanuc Robodrill - sold at (subject to an instalment sale agreement in favour of Standard Bank)		R125 827.00
Gonow X Space 2.21 – valued at (subject to an instalment sale agreement in favour of Standard Bank)		R 35 000.00
Puma 240C – sold at (subject to an instalment sale agreement in favour of Standard Bank)		R393 211.00
Leadwell T6 Turning Centre – sold at (subject to an instalment sale agreement in favour in GBS Mutual Bank)		R 94 370.00
Ford Bantam – estimated at (subject to an instalment sale agreement in favour of Ford Credit)		R 45 000.00
Balance of all Movables(Office equipment & furniture) – sold at (subject to a Landlord lien)		R386 589.00
Debtors – estimated at		R140 000.00
		R1 219 997.00
LIABILITIES		
Secured Creditors'		
Standard Bank- Instalment Sale Agreement	±R 885 000.00	
GBS Mutual Bank- Instalment Sale Agreement	±R 65 000.00	
Ford Credit- Instalment Sale Agreement	±R 100 000.00	

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Landlord's Lien	±R 45 000.00	
Preferent Creditors Sars - estimated Workers - estimated	UNKNOWN R76 237.30	
Concurrent Creditors – estimated	R202 353.00	
Sub Total	R1 373 590.30	R1 373 590.30
Deficit		R 153 593.30

SECTION 79(b)

Causes Of The Close Corporation's Failure

According to the Notice of Motion the principle causes of the Close Corporation's failure are attributable to the following:

1. The Close corporation traded at a huge loss during March 2008.
2. The Close Corporation was in a position in which it was unable to pay its debts.
3. The Close Corporation was unable to meet its current demands and could not met its day to day liabilities in the ordinary course of business.
4. Due to the fact that all suppliers insisted that the Close Corporation pay cash, there were no means to purchase any raw materials.
5. During 2008 the Close Corporation had difficulty in meeting payment deadlines.
6. The Close Corporation had only limited amount of stock on hand and when all stock was sold the Close Corporation was unable to continue its business, nor was it able to pay those creditors outstanding.

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.

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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 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

We have no knowledge of any legal proceedings pending or threatened by or against the Close Corporation as at date of liquidation save for the actions relating to the recovery of debt caused by the liquidation.

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 position.

SECTION 79(h)

Progress And Prospects Of Dividend

The liquidator received an offer in the amount of R1 000 000.00 for all the assets vesting in the estate and await Master's Approval thereof.

There appear to be no danger of contribution being levied on Creditors and Secured as well as Concurrent Creditors will be awarded a dividend.

SECTION 79(i)

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There appear to be no danger of contribution being levied on Creditors and Secured as well as Concurrent Creditors will be awarded a dividend.

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 June 2009

J F Klopper

DATED at Cape Town this 4th day of June 2009


C M Hendricks

**c/o Independent Trustees
Po Box 820
Stellenbosch**

Directors:

JF Klopper B Com B Proc R Pieters B Econ LDR Van der Merwe B Com LLB
MJ Maseko B Juris LLB HA Ploaques B Juris LLB

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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 8th day of June 2009


J F Klopper

DATED at Cape Town this _____ day of June 2009

C M Hendricks

c/o Independent Trustees
Po Box 820
Stellenbosch

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RESOLUTIONS SUBMITTED AND ADOPTED AT THE FIRST MEETING OF CREDITORS HELD BEFORE
THE MAGISTRATE WYNBERG ON 11 June 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;
 - 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.

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- 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 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.

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- 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/ MEMBER

MAGISTRATE, WYNBERG