

PARADIGM RENTALS GAUTENG (PTY) LIMITED
(IN LIQUIDATION)

(“THE COMPANY”)

MASTER’S REFERENCE NUMBER : C671/2001

REPORT OF THE LIQUIDATOR, JOHANNES FREDERICK KLOPPER, IN TERMS OF SECTION 402 OF THE COMPANIES ACT, ACT NO. 61 OF 1973, AS AMENDED, (“THE ACT”), TO BE SUBMITTED TO CREDITORS AT THE SECOND MEETING OF CREDITORS TO BE HELD BEFORE THE MAGISTRATE’S COURT, WYNBERG, ON THURSDAY, 14 FEBRUARY 2002 AT 09H00

ORDER OF COURT AND MEETINGS

The company was placed under provisional liquidation by an Order in the High Court of South Africa (Cape of Good Hope Provincial Division) dated 20 June 2001 pursuant to an application by Nedcor Bank Limited under Case Number 5619/2001.

Johannes Frederick Klopper has been appointed as Provisional Liquidator by the Master of the High Court, Cape Town, as per Certificate of Appointment dated 25 June 2001.

The Provisional Order of Liquidation was made Final on 30 July 2001.

The First Meeting of Creditors was held before the Magistrate’s Court, Wynberg, on 27 September 2001. No claims were submitted and proved at this meeting.

Johannes Frederick Klopper has been appointed as Liquidator by the Master of the High Court, Cape Town, as per Certificate of Appointment dated 13 December 2001.

FORMATION AND HISTORY OF THE COMPANY

The company was duly registered and incorporated with limited liability in accordance with the provisions of the Companies Act, Act No. 61 of 1973.

Former Names:

Enutrof Investments (Pty) Limited;

Converted to public company and changed name to GFR Capital Limited;

Paradigm Capital Limited converted to a private company Paradigm Capital Limited;

Paradigm Rentals (Pty) Limited.

Date of Incorporation:

10 November 1995.

Registered Office:

2nd Floor, Paradigm House, River Park, River Lane, Mowbray, 7700.

Main Object:

To provide rental finance of general merchandise and investment.

Year End:

June.

Share Capital:

Authorised: 1 000 000 ordinary shares with par value of 1 cent each;

Issued: 450 000 ordinary shares with par value of 1 cent each.

Share Holders:

According to the share register the shares are held as follows:

149 900	:	Peter Mills Rymer Trust
149 900	:	Havenga Family Trust
149 900	:	Forster Family Trust
100 MT	:	Forster
100	:	SD Rymer
50	:	M Havenga
50	:	BJ Havenga

According to the audited accounts and a Directors Resolution dated 07 October 1997 Paradigm Capital Holdings Limited (In Liquidation) is the sole shareholder.

Auditors:

These are still reflected as Fisher Hoffman Sithole.

Details of Directors:

Bridget Karen Price: 152A Aitken Road, Edenglen, 1615;
Clyde Kasril Herman: 103 Avon Road, Viewcrest, 2192.

CAUSES OF THE FAILURE OF THE COMPANY

The Directors have not handed me a Statement of Affairs, 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 as well as the company binding itself as surety for the indebtedness of the group and the holding company, the company was unable to continue with its day to day running of its business.

Subsequent to the winding up of the group and the holding company, the company was unable to meet any of its monthly financial commitments and the Applicant creditor, Nedcor Bank Limited, applied for the liquidation of the company.

SECTION 402(a) : ASSETS AND LIABILITIES

According to documentation based on the application for liquidation and investigations conducted, the financial position of the company as at date of liquidation appears to be as follows:

ASSETS

Claim against Aerial Empire (Pty) Ltd (In Liquidation) <i>(Amount of claim – R2 618 827,88 – ceded as security to COGHB)</i>	Unknown
Book debts ceded in favour of Cashbank approx.	R2 000 000,00
Netstar Book approximately	R 600 000,00
Proceeds transferred from Nedbank Limited	R 85 216,90
Office furniture and equipment approximately	<u>R 80 000,00</u>

TOTAL ASSETS**R2 765 216,19****LIABILITIES****Secured Creditors:**

Cape of Good Hope Bank (claim to be investigated)	Unknown
Cashbank (claim to be investigated)	

Preferent Creditors:

Unknown	Unknown
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Concurrent Creditors:

Estimated at	<u>R127 277 599,00</u>
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TOTAL LIABILITIES**R127 277 599,00****COMMENT ON THE ASSETS**

The collection of outstanding debts continue and the security held by creditors is being investigated.

SECTION 402(b) : REASON FOR THE COMPANY'S FAILURE

This section has been dealt with earlier in the report.

SECTION 402(c) : CONTRAVENTIONS AND OFFENCES

It does not appear as if the Directors have contravened provisions of the Companies Act or committed any other offence other than the failure to furnish me with a Statement of Affairs and all the books and records of the company.

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

SECTION 402(d) : LIABILITIES OF DIRECTORS & PUBLIC OFFICERS

Based on information available to me to date there does not appear to be any grounds on which the Directors can be held personally liable for any debts of the company.

SECTION 402(e) : LEGAL PROCEEDINGS

I have no knowledge of any other legal proceedings pending or threatened by or against the company as at date of liquidation.

SECTION 402(f) : ENQUIRY INTO FORMATION & FAILURE

In my opinion a further enquiry will not be necessary with regard to matters relating to the history and affairs of the company. An enquiry into the affairs of its holding company is, however, being conducted at present.

SECTION 402(g) : BOOKS AND RECORDS

Not all the books and records as required in terms of Section 284 of the Company's Act have been handed to me.

SECTION 402(h) : DIVIDEND PROSPECTS AND FURTHER ADMINISTRATION

It should be clear from the above that there is no danger of a contribution in this estate based on the figures available to me at this stage.

SECTION 402(i) : DIRECTIONS OF CREDITORS

Resolutions are submitted with this report and creditors are urged to adopt these Resolutions and to leave the further and final winding up of the company in the hands of the Liquidator.

SIGNED AT STELLENBOSCH ON THIS 11th DAY OF FEBRUARY 2002.

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**JOHANNES FREDERICK KLOPPER
LIQUIDATOR**

**HANS KLOPPER TRUSTEES (PTY) LIMITED
P O BOX 820
STELLENBOSCH
7599
TELEPHONE: 021 - 8879992
TELEFAX: 021 - 8879993**

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RESOLUTIONS

RESOLUTIONS TO BE SUBMITTED AT THE SECOND MEETING OF CREDITORS TO BE HELD BEFORE THE MAGISTRATE, WYNBERG, ON THURSDAY, 14 FEBRUARY 2002 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 heretofore 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;
 - 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 collect 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 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.

CREDITORS