

LOYISO INDUSTRIAL SOLUTIONS (PTY) LTD - IN LIQUIDATION  
COMPANY REGISTRATION NUMBER: 2007/006175/07  
MASTER'S REFERENCE NUMBER: T0914/17

REPORT OF THE JOINT LIQUIDATORS IN TERMS OF THE PROVISIONS OF SECTION 402 OF THE COMPANIES ACT NO. 61 OF 1973, AS AMENDED, AT THE SECOND MEETING OF CREDITORS AND CONTRIBUTORIES TO BE HELD BEFORE THE MASTER OF THE HIGH COURT, PRETORIA, ON 17 AUGUST 2017 AT 10H00.

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## INTRODUCTION

1. LOYISO INDUSTRIAL SOLUTIONS (PTY) LTD ("the company") was wound up in terms of a special resolution registered by the Companies and Intellectual Property Commission on 9 March 2017.
2. M COWIN and L.G. MPAKATI were appointed as joint provisional liquidators by the Master of the High Court on 19/05/2017. Following the first statutory meeting of creditors, which took place on 12/07/2017 the provisional liquidators were appointed as joint final liquidators under final certificate of appointment dated 13/07/2017.
3. The company was incorporated in terms of the laws of South Africa, under certificate of incorporation number 2007/006175/07 and was in the business of structural fabrication and engineering. The company was not trading at date of liquidation.
4. The company's registered address is:-  
Cnr Hans Strijdom and Blouhaak 665  
Moreletta Park, 0044
5. The director of the company at the date of liquidation was Victor Loyiso Ngqameni.
6. According to CIPC the auditors of the company at date of liquidation was:-  
VZF Auditors Inc  
Private Bag X 2007  
Menlyn  
Pretoria, 0063

## 1. REPORT

We now report in terms of the provisions of Section 402 of the Companies Act as follows:

### SECTION 402(a) – CAPITAL AND ESTIMATED AMOUNT OF ASSETS AND LIABILITIES

#### a) Capital

The amount of the issued share capital is R1 divided into 100 ordinary shares of R1 each both of which shares are held as follows:-

Lani Investments (Pty) Ltd	51%
Cuvee Holdings (Pty) Ltd	29%
Westie Family Trust	7%
CCM Family Trust	7%
Coniq Trust	<u>6%</u>
	<u>100%</u>

b) Assets and Liabilities

According to the CM100 and our investigations into the affairs of the company, the following appears to be the approximate financial position at date of liquidation:

<u>ASSETS</u>		<u>R</u>	<u>Notes</u>
<b><u>Unencumbered :-</u></b>		3 292 836	
Monies found	3 105 643		1
Insurance Pay out	<u>187 193</u>		2
<b><u>Encumbered:-</u></b>		582 100	3
Movable assets	383 100		
Vehicles	199 000		
Debtors	<u>UNKNOWN</u>		4
		<b><u>R3 874 936</u></b>	
<b><u>LIABILITIES</u></b>			
<b><u>Secured Creditors</u></b>		1 221 068	
Landlord	399 999		3
Macsteel Service Centres SA (Pty) Ltd	<u>821 069</u>		4
<b><u>Preferent Creditors:-</u></b>		521 464	
Statutory creditors	146 027		5
Employees	<u>375 437</u>		6
<b><u>Concurrent Creditors:-</u></b>		8 612 691	7
Sundry creditors			
		<b><u>R10 355 223</u></b>	

Notes

1. The bank account was closed and the above figure reflects the funds received.
2. The insurance paid out on a claim lodged for theft of assets in January 2017 at their rental site.
3. The above amount (Excl VAT) reflects the vehicles and assets sold by auction, by the landlord in terms of Section 83.
4. According to the CM100 there are debtors of R3 800 761. This matter is being investigated. The debtors are encumbered to Macsteel Service Centres SA (Pty) Ltd.
5. This amount is reflected in the CM100 and no claims have been received to date.
6. This amount reflects the preferent portion of the employee's claims received to date.
7. This above amount is reflected in the CM100 and claims totalling R1 640 723 (includes the concurrent portion of the landlord and the employee's claim) have been received to date.
8. The above figures and securities are subject to further verification.

#### SECTION 402(b) – CAUSES OF THE COMPANY’S FAILURE

No formal reasons were provided for the cause of the company’s failure. However as can be seen from the aforementioned statement of assets and liabilities the company’s liabilities far exceed its assets.

#### SECTION 402 (c) – CONTRAVENTIONS AND OFFENCES

Our enquiries into the affairs of the company have at this stage not been completed. If deemed necessary, a supplementary report in terms of the provisions of this section of the Companies Act will be forwarded to the Master of the High Court.

#### SECTION 402(d) – LIABILITY OF DIRECTORS AND OTHERS

As stated above our enquiries into the affairs of the company have not yet been completed. If deemed necessary a supplementary report in terms of the provisions of this section of the Companies Act will be forwarded to the Master of the High Court.

#### SECTION 402(e) – LEGAL PROCEEDINGS

We are not aware of any legal proceedings which may be pending by or against the company as at the date of commencement of the winding up, nor have we initiated or defended any legal actions at this time.

#### SECTION 402(f) – FURTHER ENQUIRY INTO THE FORMATION, PROMOTION OR FAILURE OF THE COMPANY

In view of the above substantial shortfall between the assets and the liabilities it may well be necessary to conduct a further enquiry. Any further enquiry other than the normal enquiries conducted during the course of the winding-up will be subject to the directions of creditors and/or shareholders.

#### SECTION 402(g) – ACCOUNTING RECORDS

We have been provided with the company’s accounting and statutory records.


#### SECTION 402(h) – PROGRESS AND PROSPECTS OF THE LIQUIDATION

In view of the financial position as stated above it presently appears the secured creditors, will receive an award from the net proceeds of their securities, the quantum, of which will be reflected in the liquidation and distribution account. It presently appears that preferent creditors and concurrent creditors will receive any dividend. It presently appears unlikely that there will be a danger of a contribution.

SECTION 402(i) – OTHER MATTERS

There are no further matters for which we require directions save those more conveniently dealt with in the resolutions attached hereto, which will be submitted for consideration at this meeting.

DATED at JOHANNESBURG this 8<sup>th</sup> day of AUGUST 2017

  
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MONICA COWIN  
Joint Liquidator

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DATED at Rooдеpoort..... this 14..... day of AUGUST 2017



L.G. MPAKATI  
Joint Liquidator



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RESOLVED :

1. That the report of the Liquidator in terms of Section 402 of the Companies Act be and is hereby approved of, ratified and confirmed, and that the actions of the Provisional Liquidator to date be and are hereby approved of, ratified and confirmed.
2. The liquidator be and is hereby granted the authority and shall be vested with all the powers contemplated in any of the Close Corporations Act, Companies Act and Insolvency Act, whether or not any special authorisation would otherwise be required. The specific authorisations set out herein are merely examples of the general authority hereby given and are not to be interpreted as if any restriction is intended thereby.
3. The liquidator may in his/her discretion exercise the following powers:
  - compromise or admit any claim, of whatever kind and from whatever cause, and to accept payment of any claims due to the estate
  - sell or in any other way dispose of any immovable or movable assets of the estate, whether as going concerns, or otherwise, in such manner and on such terms and conditions as they may deem fit
  - abandon any assets for which they can find no purchaser or which is not practical or worth while to sell
  - agree to any offer of composition made to the estate by any debtor and to accept payment of any part of a debt due to the estate in settlement thereof or to grant extension of time for the payment of such debt.
4. In the event of any asset which is the subject of a mortgage bond, pledge or any 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, the liquidator is authorised, in their sole discretion to sell such asset 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.

5. In regard to any enquiry in terms of the Companies Act, the liquidator is authorised and directed to in their sole and absolute discretion to engage the services of attorneys and/or counsel and/or shorthand writers and/or subscribing services, and to arrange for digital document imaging and information management and analysis of estate documents and all other documents which they are advised to consider for purpose of the enquiry.
6. The liquidator is authorised, at the cost of the estate, and in their sole and absolute discretion:- to investigate further avenues of recovery; take any legal opinion that may be considered necessary; institute or defend on behalf of the estate any action or other legal proceedings (including sequestration proceedings) and to proceed to the final end or determination of any such proceedings, or abandon the same at any time; hold enquiries and examinations and conduct investigations; investigate any apparent or suspected voidable and/or undue preference and/or any disposition of property, and to take steps to have these set aside; investigate and collect any debts due to the estate from any cause arising; trace assets, make inventories and take possession of assets. For purposes of the above or any other purpose, the liquidator is authorised to appoint service providers (including for example accountants, auditors, attorneys, counsel, consultants, auctioneers, investigators or other persons - including service providers who may be nominated by creditors or who may have rendered estate related services to creditors) and to pay their estate related costs and fees as costs of administration as and when the services are rendered. Provided that such costs and fees be limited to those for work done after commencement of the winding up, and that any work done before winding up only be allowed if taxed and approved by the Master or authorised by specific resolution of creditors or proved in the normal way as a claim against the estate.
7. In the case of legal fees: such fees shall be on an attorney and own client basis and which shall apply to all legal services referred to or contemplated in these resolutions; The liquidator may at any time call for a detailed bill of costs prepared as if for taxation; Legal fees are to be taxed by the Master in the event that the liquidator is not satisfied; Subject to availability of funds the agreed fees and charges may be paid as and when the services are rendered, subject to the obligation of the attorneys to repay to the estate any amounts disallowed upon taxation or excluded from a confirmed liquidation and distribution account.
8. The liquidator is authorised to agree to any offer of composition made to the estate by any debtor and to accept payment of any part of a debt due to the estate in settlement thereof or to grant extension of time for the payment of such debt.
9. The further administration of the estate be left in the hands and at the discretion of the liquidator.

10. That the Liquidator be and is hereby authorized to dispose of immovable property of the estate by public auction, private treaty or public tender. That the mode of sale shall be determined by the Liquidator. That the Liquidator's choice of auctioneer or agent (where applicable) plus conveyancer be and are hereby ratified and confirmed. That the Liquidator be and is hereby authorized to sign all transfer documents relative to the sale of the immovable property. That any costs incurred by the Liquidator in relation hereto shall be treated as administration costs payable by the estate.
11. The Liquidator be and are hereby authorized to make application to the Master of the High Court for the destruction of the books and records of the company after confirmation of the Final Liquidation and Distribution/Contribution Account subject to such directions as the Master may give.

THE LIQUIDATOR REPORT AND RESOLUTIONS FOR ADOPTION BY CREDITORS WERE  
PRESENTED AND APPROVED

ADOPTED ON BEHALF OF CREDITORS \_\_\_\_\_

PRESIDING OFFICER \_\_\_\_\_

DATE \_\_\_\_\_

ADOPTED ON BEHALF OF  
CONTRIBUTORIES \_\_\_\_\_

PRESIDING  
OFFICER \_\_\_\_\_

DATE \_\_\_\_\_