

INTYLE DECOR (PTY) LTD (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER : G255/06

**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 SECOND MEETING
OF CREDITORS AND CONTRIBUTORIES TO BE HELD BEFORE THE MAGISTRATE
RANDBURG ON 14 MARCH 2007 AT 09H00**

Nature of Liquidation	Special Resolution
Date of liquidation	10 March 2006
Date of provisional Order	N/A
Date of Final Order	10 March 2006
Provisional appointees	LDR van der Merwe, E Edwards and BK Mamosebo
Date of 1 st meeting of creditors	13 December 2006
Final appointees	LDR van der Merwe, E Edwards and BK Mamosebo

GENERAL AND STATUTORY INFORMATION

Registrar of Companies

The Company was duly registered with the Registrar of Companies under their reference number 2002/00271/07

Registered Address

The registered address of the company is 134 Rabie Street, Fontainebleau, Randburg

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Directors

It appears from my investigations the following persons were directors:

GD Kennealy

DP Kennealy

Shareholders

Tangram Capital (Pty) Ltd = 1000 shares

Share Capital

Authorised Share Capital = 1000

Issued Share Capital = 1000

Business of the Company

The company traded as designers and manufactures of custom made furnisher.

STATEMENT OF AFFAIRS

We have been place 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 402(a)

Financial Statement Of Assets And Liabilities

As per the CM100 the following would appear to represent the financial position of the Company as at the date of liquidation:

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ASSETS		
Encumbered Assets		0-00
Unencumbered Assets		
Movable Assets - approximately		275 300-00
Debtors - approximately		340 800-00
LIABILITIES		
Secured Creditors		
Durovest – certain debtors	230 000-00	
Preferent Creditors		
SARS – approximately	142 000-00	
Employees - approximately	70 000-00	
Concurrent Creditors - approximately	2 500 000-00	
	2 942 000-00	616 100-00
Deficit		2 325 900-00

SECTION 402(b)

Causes Of The Company's Failure

According to information received the principle causes of the Company's failure are attributable to the following:

1. Clients of the company ran into financial difficulties and were unable to meet their obligations to the company, in turn resulting in the company being unable to meet its obligations.

SECTION 402(c)

Report Under Section 400(2)

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 402(d)

Personal Liabilities Of Directors Or Officers

At this stage we are unable to comment on 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.

SECTION 402(e)

Legal Proceedings

As far as we are aware there are no legal proceedings pending by or against the Company.

SECTION 402(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 company.

SECTION 402(g)

Books And Records

The books and records relating to the affairs of the Company have been handed to us.

SECTION 402(h)

Progress And Prospects Of Liquidation

Upon our appointment as Provisional Liquidators we immediately investigated the affairs of the company and took control over the assets. A letter of demand has been sent to all debtors of the Company, and an accounting will be made in our Liquidation Account to be submitted to the Master of the High Court in due course.

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SECTION 402(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.

GENERAL

Although there does not appear to be any danger of a contribution being levied on Creditors, a nominal dividend will only accrue to the secured and preferent Creditors.

DATED at JOHANNESBURG this _____ day of March 2007

LDR VAN DER MERWE

DATED at PRETORIA this _____ day of March 2007

E M EDWARDS

DATED at PRETORIA this _____ day of March 2007

B K MAMOSEBO

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**RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS
HELD BEFORE THE MAGISTRATE RANDBURG ON 14 MARCH 2007 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 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.

q.q. CREDITORS