

CALL CORPORATION (PTY) LTD (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER : T4003/01

REPORT OF THE LIQUIDATOR, Mr J F KLOPPER IN TERMS OF SECTION 402 OF THE COMPANIES ACT NO 61 OF 1973 AS AMENDED TO BE SUBMITTED AT A SECOND MEETING OF CREDITORS TO BE HELD BEFORE THE MAGISTRATE OF RANDBURG ON 17 APRIL 2002 AT 09:00

ORDER OF THE COURT AND MEETINGS

- 1 I wish to advise that the Company was liquidated by order of the High Court of South Africa (Witwatersrand Local Division) on 6 August 2001. The Master of the High Court appointed Johannes Frederick Kloppe as liquidator on 5 September 2001.
- 2 The first meeting of creditors and contributories was held before the Magistrate of Randburg on April 2001. At the meeting no claims were proved.
- 3 No voting took place at the first meeting of creditors and Mr J F Kloppe were appointed as final liquidator by the Master of the High Court.

History and information of the Company

- 4 According to the Registrar of Companies the company was incorporated under registration number 97/017276/07.

Registered Address

- 5 The registered address of the company is Hillside House, 17, Empire Road, Parktown, Johannesburg, Gauteng.

Directors

- 6 It appears from my investigations that the following person served as director:
 - 6.1 Monde Mazana

Business of the Company

- 7 The main business of the company is threefold. It operates a call centre on behalf of its clients responding to queries by the general public. The company conducts telesales on behalf of its clients and tends to debt collecting on behalf of several of its clients.

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Auditors

8 The auditors of the company were R W Irish – Alliot Inc, .

STATEMENT OF AFFAIRS

9 I have not 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 79(A) : FINANCIAL STATEMENT OF ASSETS AND LIABILITIES

10 The following represents the assets and liabilities of the company at date of liquidation. Unless otherwise stated, these figures only represent estimates of the assets and liabilities and will change depending on the claims submitted for proof.

ASSETS

IMMOVABLE PROPERTY	Notes	AMOUNT	AMOUNT
Immovable property			None
MOVABLE ASSETS			
Movable assets	(a)		14,670.00
LIABILITIES			
<u>Secured</u>		None	
<u>Preferent</u>	(b)	251,900.84	
<u>Concurrent Creditors</u>			
Approximate		5,369,113.00	
<u>Shortfall</u>			5,606,343.80
Total		5,621,013.80	5,621,013.80

Notes

The statement of assets and liabilities must be read in conjunction with the following notes:

- (a) The movable assets consists of office furniture (as per valuation – R14,670.00).
- (b) Preferent liabilities consist of claims by the former employees for salaries, leave pay and pension fund contributions not paid over.

CAUSES OF THE COMPANY'S FAILURE

The company is, together with a company called Creative Administration (Pty) Ltd (In Liquidation) ("Creative Admin"), a owed subsidiary of Creative Response Group (Pty) Ltd ("Creative Response"). Creative Response's only business is that of a holding company. The company holds 65% of the issued shares in Creative Response.

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The company operates a call centre and attends to queries from the general public on behalf of most of the insurance companies on behalf of whom its subsidiary, Creative Admin receives debit orders.

The company and Creative Admin share the same offices and use the same computer network. The information stored on the computer network is shared by both Call Corporation and Creative Admin. Creative Admin was liquidated by order of the High Court of South Africa (Witwatersrand Local Division) on 13 July 2001. The sub-contractors administering the computer network at the offices of Creative Admin and Call Corporation removed the computer network including the hardware and software. The effect of the removal was to close down the operations of both Call Corp and Creative Admin.

The business activities of the company has been financed by both Cape Empowerment Trust Limited and Creative Administration ("CET"). CET was no longer prepared to fund the respondent's business and in the light of the liquidation of Creative Admin, no further funding will be forthcoming from Creative Admin. The company is unable to pay its debts and to pay all trade creditors.

REPORT TO THE MASTER IN TERMS OF SECTION 400 OF THE COMPANIES ACT

- 11 It is not our intention at this stage to submit a report to the Master of the High Court. However, we are still investigating this aspect and if necessary, a detailed report will be submitted to the Master in due course.

SECTION 402(d) : PERSONAL LIABILITIES OF DIRECTORS OR OFFICERS

- 12 At this stage it is not known 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.

LEGAL PROCEEDINGS

- 13 We have no knowledge of any legal proceedings pending by or against the company.

ENQUIRY

- 14 The liquidators do not intend to hold an enquiry at present.

BOOKS AND RECORDS

- 15 No books and records were found.

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ESTIMATED DIVIDEND

16 It appears at present that there is no prospect of a dividend to concurrent creditors.

SIGNED at Randburg on this 4th day of April 2002.

J F KLOPPER

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RESOLUTIONS SUBMITTED AND ADOPTED AT A SECOND MEETING OF CREDITORS TO BE HELD BEFORE THE MAGISTRATE OF RANDBURG ON 17 APRIL 2002 AT 09:00

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.