

**ICSA TELECOMMUNICATIONS (PTY) LTD (IN LIQUIDATION) ('the Company')
MASTER'S REFERENCE NO. G1213/2012**

REPORT OF THE JOINT LIQUIDATORS, LEOGANG MICHAEL MOLOTO & JOHANNES FREDERICK KLOPPER IN TERMS OF SECTION 402 OF THE COMPANIES ACT NO. 61 OF 1973, AS AMENDED, TO BE SUBMITTED AT THE SECOND MEETING OF CREDITORS TO BE HELD BEFORE THE MAGISTRATE, RANDBURG ON WEDNESDAY, 9 OCTOBER 2013 AT 09H00

ORDERS OF COURT AND MEETINGS

Upon an ex-parte application, the Company was placed in provisional liquidation on 31 October 2012 by order of the South Gauteng High Court of South Africa. This order was made final on 4 December 2013.

Lebogang Michael Moloto was appointed Provisional Liquidator by the Master of the High Court, Johannesburg, in terms of our Certificate of Appointment No. G1213/2013 dated 9 November 2012.

Subsequent to the First Meeting of Creditors held before the Magistrate, Randburg on 5 June 2013, Messrs Lebogang Michael Moloto and Johannes Frederick Kloppe were finally appointed Joint Liquidators of the Company by the Master of the High Court, Johannesburg on 26 August 2013.

SECTION 402(a) : SHARE CAPITAL, ASSETS AND LIABILITIES

Formation of the Company

The Company was incorporated in accordance with the company laws of the Republic of South Africa under registration number 1999/010436/07.

Registered Office and Principal Place of Business

The Company had its registered office and principal place of business at 6 Duff Road, Craigavon, Fourways.

Directors and Auditors

According to information at our disposal, the directors as reflected at date of liquidation was:

- Christine Maria Bauer
- Peter Bauer

Share Capital

The shareholders of the company as at date of provisional liquidation was:

- KHE Schroder of the firm Werth Schroder Attorneys

Nature of the Company's Operations

The Company traded as a re-seller of discounted bulk telephone talk-time.

ESTIMATED ASSETS AND LIABILITIES

A Statement of Affairs (Form CM 100) has not yet been lodged by the former Directors of the Company.

ASSETS

Unencumbered Assets:

2006 Renault Kangoo 1.4 Panel van	18,000
Office Furniture & Equipment	72,960
ICASA licence	100,000
Debtors	505,300
Cash in bank	3,713,555

R4,408,815

LIABILITIES:

Secured Creditors	Unknown
<u>Preferent Creditors:</u>	
Employees	21,635
SARS	Unknown
WCA	Unknown
Concurrent Creditors	10,623,053

R10,644,688

Apparent deficiency in excess of **R6,235,873.00**

NOTES

The amounts reflected on the assets above are according to a valuation obtained by Park Village Auctions.

We have successfully collected the debtors.

The company held an individual electronic communications service licence issued by ICASA in terms of the Electronic Communications Act 36 of 2005. We have received an offer in the amount of R100,000.00 for said licence.

The liabilities reflected above do not include legal costs of liquidation i.e Attorneys taxed bill of costs re liquidation application, liquidators' remuneration, legal costs, advertising, valuation costs, etc.

The liabilities are according to the application for liquidation and our investigations into the affairs of the company.

The amounts are estimates and subject to change.

DIVIDEND PROSPECTS

From the above it would appear that there will be no danger of a contribution being levied against creditors proving their claims.

From the above it would appear that a dividend could accrue to creditors in this matter. I therefore enclose claim documents for completion and return to these offices.

SECTION 402(b) : CAUSES OF THE FAILURE OF THE COMPANY

According to the application for liquidation, an ex-employee of the company defrauded the company of an amount in excess of R6 million. Her *modus operandi* was to open internet banking beneficiaries on the company's account, using her personal account details, but with the references of established trading creditors of the company.

The amount is effectively irrecoverable as she spent the money and has no assets.

SECTION 402(c) : REPORT IN TERMS OF SECTION 400(2) OF THE COMPANIES ACT NO. 61 OF 1973, AS AMENDED

Certain requirements in terms of this section are outstanding at this stage. In the event of the necessary requirements not being complied with, a confidential report will be lodged with the Master of the High Court.

SECTION 402(d) : PERSONAL LIABILITIES OF THE DIRECTOR AND/OR FORMER DIRECTOR AND/OR OFFICERS AND/OR FORMER OFFICERS OF THE COMPANY

From our investigations into the affairs of the Company, at this stage it would not appear that the Directors and/or former Directors or Officers and/or former Officers of the Company could be held personally liable for damages of compensation to the Company for its debts or liabilities.

SECTION 402(e) : LEGAL PROCEEDINGS

We are unaware of any legal proceedings which may have been pending by or against the Company as at the date of commencement of the winding up of the Company, save and except the normal steps taken by creditors to obtain payment of debts due.

SECTION 402(f) : ENQUIRY INTO THE PROMOTION, FORMATION OR FAILURE OF THE COMPANY

It would appear that further enquiries into the affairs of the company or into the conduct of its business are unnecessary at this stage.

SECTION 402(g) : BOOKS AND RECORDS

Books and Records relating to the Company were not made available to us.

SECTION 402(h) : PROGRESS AND PROSPECTS OF WINDING UP

It is our intention to dispose of the assets as soon as possible after this meeting. A Liquidation and Distribution Account will be submitted to the Master of the High Court, Johannesburg, in due course.

SECTION 402(i) : MATTERS REQUIRING THE FURTHER DIRECTION OF CREDITORS

Such directions as we require of creditors are contained in the draft Resolutions, Nos. 1 to 24, which are submitted for consideration and adoption by creditors at the Second Meeting of Creditors, in conjunction with this Report. Creditors are requested to adopt these Resolutions to enable the administration of the Company in liquidation to continue.

SIGNED at JOHANNESBURG on this 27th day of September 2013

LEBOGANG MICHEL MOLOTO
JOINT LIQUIDATOR



JOHANNES FREDERICK KLOPPER
JOINT LIQUIDATOR