

EMERGENT OFFICE SOLUTIONS (PTY) LTD (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER : G579/11

**REPORT OF THE JOINT LIQUIDATORS JOHANNES FREDERIK KLOPPER AND EBRAHIM ASVAT, IN
TERMS OF SECTION 402 OF THE COMPANIES ACT NO 61 OF 1973 AS AMENDED TO BE SUBMITTED
AT A SECOND MEETING OF CREDITORS, MEMBERS & CONTRIBUTORIES TO BE HELD BEFORE THE
MASTER OF THE HIGH COURT, JOHANNESBURG ON FRIDAY, 17 FEBRUARY 2012 AT 10H00**

ORDER OF THE COURT AND MEETINGS

Nature of Liquidation	Application
Date of liquidation	18 March 2011
Date of provisional Order	14 April 2011
Date of Final Order	26 July 2011
Provisional appointees	JF Klopper and E Asvat
Date of 1 st meeting of creditors	24 November 2011
Final appointees	8 December 2011

GENERAL AND STATUTORY INFORMATION

Registrar of Companies

- 1 According to the Registrar of Companies the company was incorporated under registration number 1988/000808/07.

Registered Address

- 2 The registered address of the company is 204 Rivonia Road, Block B, Morningside, 2128 and traded from Unit 3AF, Springbok Park, 11 Springbok Road, Longdale, 2093.

Directors

- 3 It appears from my investigations the following persons consented to serve as directors:

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- 3.1 G Andrews
- 3.2 IN Mkhari
- 3.3 H Odendaal
- 3.4 JJ Scholtz
- 3.5 B Zungu
- 3.6 SH Nomvete (alternate director)

Share Capital

- 4 The authorised share capital of the company is R10 000.00 (Ten thousand Rand) divided into 10 000 ordinary shares par value shares of R1 each.
- 5 The issued shares of the company consist of 8,328 ordinary shares par value shares of R1 each.
- 6 It appears from information on hand that the shareholders as at the date of liquidation were as follows:
 - 6.1 G Andrews
 - 6.2 GommaGomma (Pty) Ltd
 - 6.3 Motseng Strategic Investments (Pty) Ltd

Business of the Company

- 7 The main business of the company was the sale and distribution of office furniture and equipment.

Auditors

- 8 The auditors of the company are LSG integrated. The records at our disposal do not indicate who was appointed as Company Secretary.

STATEMENT OF AFFAIRS

- 9 We 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 but have obtained all the information that would ordinarily be contained in a CM 100.

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SECTION 402(a)

FINANCIAL STATEMENT OF ASSETS AND LIABILITIES

- 10 The following represents the assets and liabilities of the company at date of liquidation. These figures are subject to verification and adjustment. Unless otherwise stated, these figures only represent estimates of the assets and liabilities and will change depending on the amounts of realisation of unsold assets and claims submitted for proof.

ASSETS

IMMOVABLE PROPERTY	NOTES	AMOUNT	AMOUNT
NONE			0-00
MOVABLE ASSETS			
Motor vehicles			
2007 Hyundai LDV	(a)		50 000-00
2009 Fiat Palio Panelvan	(b)		15 000-00
Office furniture, equipment and stock, finished goods, raw materials,	(c)		629 430-00
Debts (collected to date)	(d)		±2 200 000-00
Cash on hand – Nedbank	(e)		±1 350 000-00
TOTAL ASSETS			4 244 430-00
LIABILITIES			
<u>Secured</u>			
Nedbank	(a)	±43 000-00	
<u>Preferent Creditors</u>			
Receiver of Revenue		UNKNOWN	
Salaries		NONE	
<u>Concurrent Creditors</u>			
Trade Creditors	(f)	13 160 570-54	
TOTAL LIABILITIES		13 203 570-54	
DEFICIT			8 959 140-54

NOTES

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

Motor Vehicles

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- (a) The motor vehicle was recovered and has not been as yet been sold. This vehicle is subject to an instalment sale agreement entered into with Nedbank Limited.
- (b) This vehicle has been fully paid for will therefore be dealt with as an unencumbered asset.

The vehicles will be sold by public auction after the closing of the second meeting of creditors and adoption of the resolutions accompanying this report.

Office Furniture & Equipment

- (c) The assets were sold by public auction on 2 February 2012 pursuant to an extension of the joint liquidator's powers in terms of the provisions of the Act, the date of finalising this report. The value attributed to these assets is therefore according to the valuation of the assets obtained at date of liquidation and subject to change based upon the actual realisation of the assets by public auction.

Debts collected

- (d) The amount reflects a conservative view as to the extent of the collectable debts. The process of debt collection is on-going.

Cash on Hand

- (e) The cash on hand reflected in this report are from the accounts held at the Nedbank as at the date of liquidation. These funds have been paid over to the Liquidators and the Nedbank accounts have been closed.

Concurrent Creditors

- (f) The amount is according to the claims lodged by creditors. This amount is subject to change upon receipt of further claims from creditors.

SECTION 402 (b)

CAUSES OF THE COMPANY'S FAILURE

- 11 The Company decided to discontinue its operations due to the lack of return on investment to shareholders. Before the Company could completely cease with its affairs a dispute arose between the

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Directors and one of the employees. The employee applied for the Company to be placed in liquidation, which order was subsequently granted.

SECTION 402(c)

REPORT TO THE MASTER IN TERMS OF SECTION 400(2) OF THE COMPANIES ACT

- 12 It is not our intention at this stage to submit a report to the Master of the High Court. However, we are still investigating the affairs of the company and a detailed report will be submitted to the Master in due course should it become necessary,.

SECTION 402(d)

PERSONAL LIABILITIES OF DIRECTORS OR OFFICERS

- 13 At this stage it is not known whether any 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

- 14 We have no knowledge of any legal proceedings pending by or against the company other than the proceedings which eventually led to the company's liquidation.

SECTION 402(f)

ENQUIRY

- 15 The liquidators do not intend convening an enquiry based in the facts known at present. Creditors will be informed should the liquidators decide to proceed with an enquiry into the affairs of the company.

SECTION 402(g)

BOOKS AND RECORDS

- 16 The books and records found at the offices of the company and its auditors were taken into our possession and would appear to have complied with the provisions of the Act.

SECTION 402 (h)

PROGRESS AND PROSPECTS OF WINDING UP

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- 17 The joint liquidators successfully applied to the Master of the High Court to sell the the movable assets of the company by public auction which was referred to above and which was held on 2nd February 2012.

The joint liquidators will continue to with the collection of outstanding book debts.

ESTIMATED DIVIDEND

- 18 There is no danger of a contribution being levied upon concurrent creditors who submit their claims for proof and creditors who have not lodged their claims as requested are to do so as soon as possible.

SECTION 402(i)

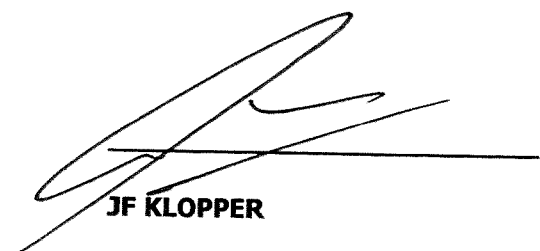
MATTERS REQUIRING THE FURTHER DIRECTIONS OF CREDITORS

- 19 Such directions as are required of creditors are contained in the draft resolutions numbers 1 – 13 which are submitted for consideration and adoption by the 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.

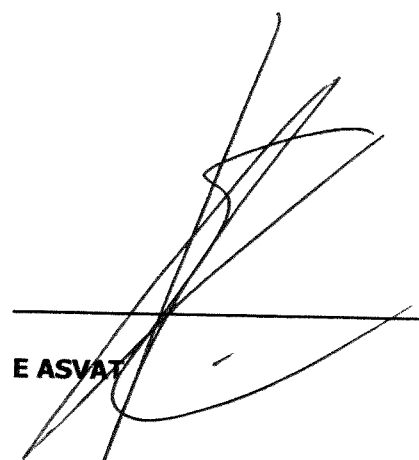
LEASES

- 20 The Provisional Liquidators obtained an extension of their powers from the Master of the High Court to cancel various lease agreements that were entered into. All these lease agreements have been cancelled.

SIGNED at SANDTON on this 3rd day of February 2012


JF KLOPPER

JOINT LIQUIDATORS


E ASVAT

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RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS HELD BEFORE MASTER OF THE HIGH COURT, JOHANNESBURG ON 17 FEBRUARY 2012 at 10H00

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.