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BLACK STEER FOOD FRANCHISES (PTY) LTD (IN LIQUIDATION)

("THE COMPANY")

MASTER'S REFERENCE NUMBER : T724/97

REPORT BY THE LIQUIDATOR, JOHANNES FREDERICK KLOPPER, IN TERMS OF SECTION 402 OF THE COMPANIES ACT NO 61 OF 1973, AS AMENDED, ("THE ACT"), TO BE SUBMITTED AT THE GENERAL (SECOND) MEETING OF CREDITORS TO BE HELD BEFORE THE MAGISTRATE, JOHANNESBURG ON THURSDAY, 28 AUGUST 1997 AT 09H00.

INTRODUCTION

The Company was placed in liquidation on 25 February 1997. I was appointed provisional liquidator by the Master of the High Court Pretoria under his Certificate of Appointment dated 13 March 1997. I was appointed final liquidator by the Master on 17 June 1997. The first meeting of creditors was held on 22 April 1997.

HISTORY OF THE COMPANY

The Company's registration number is 92/03115/07. The registered office of the Company is situate at 5th Floor, 89 Grayston Drive, Sandown, Sandton.

According to a company register obtained by me the directors of the Company as at the date of liquidation were S Brasg, C Boruchowitz, B Michael and L Druion.

REPORT IN TERMS OF SECTION 402 OF THE ACT

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

From the information obtained from the directors and investigations by me the assets and liabilities of the Company as at the date of provisional liquidation were as follows:

<u>ASSETS</u>		
Units 15, 37, 58 and 55, Balfour Court, Highlands North Ext.3, Erf 1932	125 000,00	

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Movables	1 010,00	
<u>LIABILITIES</u>		
<u>SECURED CREDITORS</u>		
Secured by Mortgage bond		134 000,00
<u>PREFERENT CREDITORS</u>		
(estimate)		29 819,98
<u>CONCURRENT CREDITORS</u>		
Trade Creditors (approximate)		638 917,55
SHORTFALL	676 727,53	
<u>TOTAL</u>	802 737,53	802 737,53

COMMENTS

- 1 With regard to the above I comment as follows:
 - 1.1 The above figures are subject to verification and adjustment.
- 2 The company's assets will be sold by public action after the second meeting.

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

The company disposed of its business approximately three years ago, and never paid creditors. One of the creditors instituted action and applied for the liquidation of the company.

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SECTION 402(c) : REPORT IN TERMS OF SECTION 400(2) OF THE ACT

It does not at this stage appear to be necessary to submit a report in terms of Section 400(2) to the Master of the High Court. Investigations will continue.

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

It does not presently appear to be necessary to report as to whether directors and/or other officers of the Company are liable to be declared personally liable for the debts of the Company under Section 424 of the Act. A report in this regard will be submitted should it become necessary.

SECTION 402(e) : LEGAL PROCEEDINGS

I am not aware of any legal proceedings pending by or against the Company as at the date of provisional liquidation other than for the normal recovery of debt.

SECTION 402(f) : FURTHER ENQUIRIES INTO THE HISTORY AND AFFAIRS OF THE COMPANY

A report in this regard will be submitted if necessary.

SECTION 402(g) : BOOKS AND RECORDS

No records have been provided to me.

SECTION 402(h) : PROGRESS AND PROSPECTS OF LIQUIDATION

It should be clear from the above that there is a strong likelihood of no dividend accruing to concurrent creditors as the proceeds of the immovable property will not be sufficient to cover the claim of the secured creditor.

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

Such directions as I require of creditors are contained in the draft resolutions which are submitted for consideration and adoption by creditors at this meeting in conjunction with this report. Creditors are requested to adopt these resolutions to enable the administration of the affairs of the Company to be finalised.

Signed at JOHANNESBURG this 4th day of AUGUST 1997.



J.F. KLOPPER
LIQUIDATOR

BLACK STEER FOOD FRANCHISES (PTY) LTD (IN LIQUIDATION)

MASTER'S REFERENCE NUMBER : T724/97

RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS HELD BEFORE THE MAGISTRATE JOHANNESBURG ON THURSDAY, 28 AUGUST 1997 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 heretofore 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;
 - 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 collect 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 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.

CREDITORS