

ERF 35 HIGHLANDS (PTY) LTD
(IN LIQUIDATION)

COPY

MASTER'S REFERENCE NUMBER: G 1111/06

REPORT BY THE LIQUIDATOR, C K V TANNA, P G TORRE AND J F KLOPPER IN TERMS OF
SECTION 402
OF THE COMPANIES ACT NO 61, 1973, AS AMENDED,
TO BE SUBMITTED AT THE SECOND MEETING OF CREDITORS
AND CONTRIBUTORIES TO BE HELD BEFORE THE MASTER,
JOHANNESBURG, ON TUESDAY, 1 JULY 2008 AT 10H00.

1. ORDER OF THE COURT AND MEETINGS

- 1.1 The company was placed in liquidation by an order of the High Court on 11 October 2005.
- 1.2 The Master of the High Court appointed C K V Tanna as Provisional Liquidator.
- 1.3 The first meeting of creditors was held before the Master, on 11 December 2006 at which meeting claims were proved.
- 1.4 Voting took place and C K V Tanna, P G Torre and J F Kloppe were appointed as Joint Liquidators by the Master of the High Court on 8 February 2007.

2. HISTORY AND INFORMATION OF THE COMPANY

2.1 Registration of Company

According to the Registrar of Companies, the company was incorporated under Certificate of Registration number 1987/006326/07.

2.2 Registered Address

The registered address of the company was 21 7th Avenue, Parktown North, 2193.

2.3 Directors

The director of the company was Mr A Di Donato.

2.4 Share Capital

Issued Share Capital: 100 Ordinary shares of R1 each
Authorised Share Capital: 1000 Ordinary shares of R1 each



2.5 Business of the Company

The company traded as a property owning company.

2.6 Auditors

The auditors of the company were Tichauer Accounting and Management Services CC.

3. STATEMENT OF AFFAIRS

We have not been placed in possession of a Statement of Affairs by the director of the company in terms of Section 363 of the Companies Act No 61 of 1973, as amended.

4. ASSETS AND LIABILITIES

The following represents the assets and liabilities of the company in liquidation to date. 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

R

Encumbered assets

Section 1 and 2 Black Eagles Nest valued at	580 000.00
Section 3 and 4 Black Eagles Nest valued at	390 000.00
Section 7 Black Eagles Nest valued at	250 000.00

Unencumbered assets

Section 5 and 6 Black Eagles Nest valued at	410 000.00
Erf 61 Highlands value as per financial statement dated 28 February 2006	250 000.00

Liabilities

Secured creditors

First National Bank Mortgage Bond Unit 1 and 2	314 683.00
Nedbank Mortgage Bond Unit 3 and 4	831 766.00
Nedbank Mortgage Bond Unit 7	244 079.00

Preferent creditors

See note 4.2.1

Concurrent creditors

342 889.00

Estimated Shortfall/Surplus

146 583.00

4.2 Notes:

- 4.2.1 The Receiver of Revenue has not lodged a claim as yet. Should he lodge a claim, this will be in preference to concurrent creditors.
- 4.2.2 At this stage there appears to be a danger of contribution.
- 4.2.3 The calculations does not include the costs of the advocates and the attorneys in the eviction application.

5. CAUSES OF THE COMPANY'S FAILURE

The director has not given any co-operation in this matter. We are not able at present to report on this section.

6. REPORT IN TERMS OF SECTION 400 OF THE COMPANIES ACT, AS AMENDED

A report will be submitted to the Master of the High Court in compliance of Section 400(2) of the Companies Act No 61 of 1973, as amended, should this be deemed necessary.

7. PERSONAL LIABILITIES OF DIRECTORS AND/OR OFFICERS

At this stage it is not known whether the director and/or officers of the company can be held personally liable for the debts of the company. This issue is being investigated and if necessary, creditors will be advised accordingly and requested to supply further directions to proceed in terms of Section 424 of the Companies Act. This does, however, not preclude creditors from instituting action against the director and/or officers in terms of Section 424 of the Companies Act.

8. LEGAL PROCEEDINGS

We have instituted a eviction application against Mr Di Donato who is occupying the property belonging to the company in liquidation.

9. ENQUIRY

We do consider it necessary at this stage to conduct an enquiry into the affairs of the company, as the director has not provided any assistance in the liquidation.

10. BOOKS AND RECORDS

We have not been placed in possession of the books and records relating to the company in liquidation.

11. PROGRESS AND PROSPECTS OF WINDING UP

We are in the process of arranging a auction sale to take place after this meeting of creditors.

12. LEASES

We are aware of certain lease agreements in respect of the properties. We are investigating these agreements.

13. ESTIMATED DIVIDEND

We are of the opinion that no dividends will accrue to concurrent creditors.

14. FURTHER MATTERS REQUIRING THE DIRECTIONS OF CREDITORS

Such directions as required of creditors are contained in the draft resolutions numbers 1 - 12 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.

P G TORRE
JOINT LIQUIDATOR

C K V TANNA
JOINT LIQUIDATOR



J F KLOPPER
JOINT LIQUIDATOR

ERF 35 HIGHLANDS (PTY) LTD (IN LIQUIDATION)
MASTER'S REFERENCE NUMBER: G 1111/86

**RESOLUTIONS TO BE SUBMITTED AT THE SECOND MEETING
OF CREDITORS AND CONTRIBUTORIES, TO BE HELD BEFORE THE MASTER,
JOHANNESBURG, ON TUESDAY, 1 JULY 2008 AT 10H00.**

RESOLVED:

1. THAT the report of the Liquidator as submitted at this meeting be received and adopted and all his/her actions to date be and are hereby confirmed, ratified and approved.
2. THAT all actions of whatsoever nature heretofore taken by the Provisional Liquidator and/or Liquidator be and are hereby confirmed, ratified and approved.
3. THAT the Liquidator be and is hereby granted authority and shall be vested with all the powers mentioned in Section 386(4) of the Companies Act No 61 of 1973, as amended, applicable to the liquidation of the company unable to pay its debts, such powers to be exercised at his/her sole discretion.
4. THAT the Liquidator be and is hereby authorised to engage the services of Attorneys, Accountants, and/or Counsel, and/or Recording Agents, as he/she may deem necessary for the purpose of: -
 - (a) Taking any legal opinion that may be considered necessary in the interest of the Estate;
 - (b) Instituting or defending on behalf of the company any action or other legal proceedings of a civil nature, and subject to the provisions of any law relating to criminal procedure, any criminal proceedings;
 - (c) Holding enquiries or examinations in terms of the Companies Act No 61 of 1973, as amended, read in conjunction with the Insolvency Act 24 of 1936, as amended;

as he/she in his/her sole and absolute discretion may deem fit. That the Liquidator be duly authorised to agree any tariff and/or scale of rates to be used in determination of legal or other fees, and in his/her sole discretion to agree the quantum of such fees, which legal fees shall be on an Attorney and own client basis. All costs so incurred to be a cost of administration.

5. THAT the Liquidator be and is hereby authorised and empowered to investigate any apparent voidable and/or undue preference and/or any disposition of property, and to take any steps which he/she in his/her absolute discretion may deem necessary, including the institution of legal action and the employment of Attorneys and/or Counsel to have these set aside, and to proceed to the final end or determination of any such legal actions or abandon the same at any time as he/she in his/her sole discretion may deem fit, all costs so incurred to be costs in the liquidation.
6. THAT the Liquidator be and is hereby authorised to collect any outstanding debts due to the company in liquidation, and for the purpose thereof to sell or compound any of these debts for such sum, and on such terms and conditions, as he/she in his/her sole discretion may deem fit, or to abandon any claims which he/she in his/her sole discretion may deem to be irrecoverable, or to institute legal action and/or employ Attorneys and/or Counsel in connection with the recovery of the debts, and to proceed to the final end or determination of any debts, and to proceed to the final end or determination of any such legal action instituted or to abandon the same at any time as he/she in his/her sole discretion may deem fit, all costs so incurred to be costs in the liquidation.
7. THAT the Liquidator be authorised to sequestrate the Estate of any person or liquidate any Company/Close Corporation in order to recover any monies due to the company where he/she considers it necessary and that the costs in relation thereto be costs in the liquidation.
8. THAT the Liquidator be and is hereby authorised to engage the services of a bookkeeper, accountant or auditor to investigate and write up the books of the company as may be required, and if necessary to produce an audited balance sheet 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 as he/she in his/her sole discretion may deem fit, all costs incurred in relation thereto to be costs in the liquidation.
9. THAT the disposal of any immovable or movable assets of the company by public auction, tender or private treaty is hereby authorised, approved and confirmed on such conditions and after such advertisement as he/she in his/her sole discretion deem fit, and that the Liquidator be authorised at his/her discretion to abandon any assets for which he/she can find no purchaser, all costs incurred in relation thereto to be costs in the liquidation.
10. THAT in the event of any asset which is the subject of a Deed of Sale or a mortgage bond, pledge or any other form of security not realising sufficient to pay the claim of the secured creditor plus the prorata share of the costs of administration in full, then the Liquidator be and is hereby authorised in his/her discretion to abandon such asset to the creditor concerned at an agreed valuation, subject to the payment by such creditor of a pro-rata share of the costs of administration in terms of Section 89 of the Insolvency Act, as amended.

11. THAT the Liquidator be and is hereby authorised and empowered in his/her sole discretion to compromise or admit any claim against the company, whether liquidated or unliquidated, arising from any guarantee, damages claim or any other cause whatsoever, as a liquidated claim in terms of Section 78(3) of the Insolvency Act, as amended, at such amount as may be agreed upon by both the creditor concerned and the Liquidator, provided that proof thereof has been tendered at a meeting of Creditors.
12. THAT the further administration of the affairs of the company be left entirely in the hands and at the discretion of the Liquidator.
- Resolutions 1 - 12 adopted*

12. **THAT** the further administration of the affairs of the company be left entirely in the hands and at the discretion of the Liquidator.

Resolutions 1-12 adopted

The Liquidator's report and resolutions for adoption by creditors were presented and approved.

~~Adopted on behalf of creditors~~

PRESIDING OFFICER

2000 -07- 0 1

DATE _____

SH COURT (1)