

INSOLVENT ESTATE : J T FLANAGAN ("the Insolvent")
MASTER'S REFERENCE NUMBER : T2792/02

REPORT by the JOINT TRUSTEES, JOHANNES FREDERICK KLOPPER AND SAKHILE DELANI CYRIL MASUKU, in terms of SECTION 81 of the INSOLVENCY ACT NO 24 OF 1936, as amended, ("the Act"), to be submitted at the SECOND MEETING of CREDITORS to be held before the MASTER OF THE HIGH COURT, PRETORIA, on THURSDAY, 21 NOVEMBER 2002 at 10:00

INTRODUCTION

The estate of John Thomas Flanagan was provisionally sequestered by an order of the High Court of South Africa (Transvaal Provincial Division) on 19 June 2002. The order was made final on 14 August 2002. The Master of the High Court appointed us as provisional trustees on 24 July 2002. We were appointed final Trustees after the first meeting of creditors was held before the Master of the High Court, Pretoria, on 26 September 2002.

SECTION 81(1)(a) : ASSETS AND LIABILITIES

- 1 On completion of our investigations into the affairs of the estate the financial position of the estate as at the date of sequestration would appear to be as follows:

ASSETS	AMOUNT	AMOUNT
<u>Immovable Property</u>		
Albertstreet 362, Waterkloof, Pretoria (Per Valuation)		1,000,000.00
<u>Movable Property</u>		
Furniture (Per valuation)		23,120.00
<u>LIABILITIES:</u>		
Secured Creditor	900,000.00	
Concurrent Creditors (approximate)	10,949,383.35	
<u>SHORTFALL</u>		10,826,263.3
<u>TOTAL</u>		

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2 These figures are subject to change and verification.

2.1 The immovable property is subject to a mortgage bond in favour of the ACS Trust.

2.2 The proceeds from the realisation of the movable assets will be available for distribution to concurrent creditors.

MARITAL STATUS

The insolvent is not married.

SECTION 81(1)(b) : CAUSES OF INSOLVENCY

We have not had the opportunity to consult with the insolvent. He is not a South African citizen and is currently residing in Australia. Although we have forwarded e-mails to the insolvent, he has not replied and has not provided us with any information whatsoever. From our investigations, it appears that the insolvent was involved in various business activities in the IT industry. These businesses were liquidated and as a result the insolvent could not pay a debt to PSG Bank Limited which ultimately led to the sequestration of his estate.

SECTION 81(1)(c) : BOOKS AND RECORDS

We have not been placed in possession of any books and records. It is uncertain whether the insolvent kept any records in his personal capacity.

SECTION (81)(1)(d) : CONTRAVENTIONS AND OFFENCES

Upon information available to us, the insolvent has contravened the provisions of the Act as he did not keep his trustees informed of his residential and postal addresses as he is required to do in terms of the Act. He did not provide his trustees with a completed statement of affairs, and he did not attend the first meeting of creditors.

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SECTION 81(1)(e) : ALLOWANCES TO THE INSOLVENTS

No allowances have been made to the insolvent.

SECTION 81(1)(f) : TRADING

There is nothing to report under this heading.

SECTION 81(1)(g) : LEGAL PROCEEDINGS

According to our investigation into the affairs of the estate there does not appear to be any legal actions, which were pending by or against the estate as at the date of sequestration.

SECTION 81(1)(h) : UNCOMPLETED CONTRACTS

To the best of our knowledge and belief there is nothing to report under this heading.

SECTION 81(1)(i) : FURTHER ADMINISTRATION

We have reported above on the administration of the estate to date and appropriate resolutions will be submitted to this meeting to enable us to wind up the administration of the estate.

DIVIDEND PROSPECTS

A very small dividend will be payable to concurrent creditors from the proceeds of the realisation of the movable assets.

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SIGNED at RANDBURG on this 4TH day of November 2002.



J F KLOPPER

S D C MASUKU

JOINT TRUSTEES

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**RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS HELD
BEFORE THE MASTER OF THE HIGH COURT, PRETORIA ON THURSDAY, 21 NOVEMBER 2002
AT 10:00**

RESOLVED THAT:

- 1 The report of the Trustee, as the case may be, hereinafter referred to as ("the Trustee"), 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 Trustee and/or Trustee be and are hereby confirmed, ratified and approved.
- 3 The Trustee be and is hereby authorised in his sole and absolute discretion to:
 - 3.1 Take legal advice on any question of law affecting the administration and distribution of the estate;
 - 3.2 Institute or defend on behalf of the estate any action or other legal proceedings of a civil nature for the recovery of monies due to the corporation or otherwise and subject to the provisions of any law relating to criminal procedure, institute any criminal proceedings;
 - 3.3 Hold any enquiry into the affairs of the insolvent and/or any matter relating thereto;
 - 3.4 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;
 - 3.5 Write up the books of the insolvent as may be required, and if necessary, to produce a balance sheet, audited or not, as at the date of sequestration, either for the purpose of investigating the affairs of the insolvent, establishing the claims of creditors, or any other purpose.
- 4 The Trustee 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

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- bookkeepers and/or any employee of the insolvent and/or recording agents and/or any other person who in the sole discretion of the Trustee may be of assistance in the winding-up of the estate in relation to any matter referred to in 3 above and further to pay all the costs thereof of whatsoever nature out of the estate as costs incurred in the sequestration.
- 5 The Trustee be and is hereby authorised to collection any debts due to the estate 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.
- 6 The Trustee be and is hereby authorised to dispose of any movable and immovable property of the estate, 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 Trustee 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.
- 7 The Trustee be and is hereby authorised and empowered in his sole discretion to compromise and admit any claim against the corporation 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, at such amount as may be agreed upon by the Trustee provided that proof thereof has been tendered at a meeting of creditors.
- 8 The Trustee 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 account.
- 9 The Trustee be and is hereby authorised to submit to the determination of arbitrators any dispute concerning the estate or any claim or demand by or upon the estate.

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- 10 The Trustee be and is hereby authorised to carry on or discontinue any part of the business of the estate insofar as may be necessary for the beneficial winding-up thereof
- 11 The Trustee be and is hereby authorised to exercise *mutatis mutandis* the powers conferred upon a Trustee by Section 35 (uncompleted acquisition of immovable property before sequestration) and 37 (effect of sequestration upon a lease) of the Insolvency Act No 24 of 1936, as amended ("the Act").
- 12 The Trustee be and is hereby authorised to allow the insolvent to retain for his/her own use the whole or such part of his household furniture and tools and other essential means of subsistence as he may determine.
- 13 The Trustee be and is hereby authorised to release, as he in his absolute discretion decides, any assets belonging to the solvent spouse which is proved to have acquired or safeguarded as provided for in Section 21(2) of the Insolvency Act No 24 of 1936, as amended.
- 14 The Trustee be and is hereby authorised to make any allowance out of the estate to the insolvent which he in his sole discretion may deem to be necessary for the support of the insolvent and his/her dependants.
- 15 The Trustee be and is hereby authorised to perform any act or exercise which he is not expressly empowered to perform in terms of the provisions of the Act.
- 16 The further administration of the affairs of the estate be left entirely in the hands of and at the discretion of the Trustee.