

GENEVAN MANAGEMENT SERVICES CC (IN LIQUIDATION)
("the Close Corporation")
MASTER'S REFERENCE NUMBER : T74/03

REPORT OF THE LIQUIDATOR, JOHANNES FREDERICK KLOPPER IN TERMS OF SECTION 79 OF THE CLOSE CORPORATION'S ACT NO 69 OF 1984 ("THE ACT") TO BE SUBMITTED AT A FIRST MEETING OF CREDITORS TO BE HELD BEFORE THE MAGISTRATE, RANDBURG ON WEDNESDAY, 7 JUNE 2006 AT 09:00

1. ORDER OF THE COURT AND MEETINGS

Genevan Management Services CC ("the Close Corporation") was liquidated by way of a Special Resolution on 13 August 2006. I was appointed as liquidator by the Master of the High Court, Pretoria on 27 January 2003.

2. History and information of the Company

According to the Registrar of Companies the close corporation was incorporated under registration number 1993/027954/23.

The registered address of the close corporation is 1st Floor, West Block, 367 Oak Avenue, Randburg, 2194.

According to the records in my possession the member of the close corporation, as at the date of liquidation, was:

- Tjaard Nicolaas Botha

3. REPORT IN TERMS OF SECTION 79 OF THE ACT

SECTION 79(a) : ASSETS AND LIABILITIES

The following represents the assets and liabilities of the close corporation at date of liquidation based on the application for liquidation and information provided by the member.

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4. ASSETS

IMMOVABLE PROPERTY	Notes	AMOUNT	AMOUNT
None			0.00
MOVABLE ASSETS			
None			0.00
TOTAL ASSETS			
LIABILITIES			
Secured			
None		0.00	
Preferent			
Receiver of Revenue - Approximate		568,285.68	
Concurrent Creditors			
Approximate		10,500.00	
TOTAL LIABILITIES		578,785.68	
DEFICIT			578,785.68

NOTES

With regard to the above we comment as follows:

1. The above figures are subject to adjustment and verification;
2. The CM100 was submitted by the company;
3. No books and records were provided to the joint liquidators;

5. SECTION 79(b) : CAUSES OF THE CORPORATIONS FAILURE

The member attributes the company's failure to the following. Genevan Management Services was subcontracted to oversee Saambou's Property Portfolio. Due to unbalanced compensation structures large taxes and penalties became payable to the Receiver of Revenue. The property market weakened to such an extent that tax provisions were utilised to secure the companies future trading. Payments in respect of interest and taxes decreased dramatically and the company were forced to cease trading.

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6. SECTION 79(c) : REPORT UNDER SECTION 400(2) OF THE COMPANIES ACT READ WITH SECTION 66 OF THE ACT

It is at this point not possible to comment as to whether the member is personally liable:

1. To the corporation on the ground of breach of trust or negligence;
2. To make repayments to the corporation in terms of Section 70(2) or (3) or Section 71(1) or (2) of the Act;
3. To either a creditor of the corporation or to the corporation itself.

A report will be submitted in this regard should it become necessary.

7. SECTION 79(e) : LEGAL PROCEEDINGS

To the best knowledge and belief there were no legal proceedings pending by or against the corporation at the date of liquidation.

8. SECTION 79(g) : BOOKS AND RECORDS

The close corporation's books and records have not been provided to me.


9. SECTION 79(h) : PROGRESS AND PROSPECTS OF WINDING UP

There is no prospect of a dividend to concurrent creditors.

SECTION 79(i) : MATTERS REQUIRING FURTHER DIRECTIONS OF CREDITORS

Such directions as required of creditors are contained in the draft resolutions, which are submitted for consideration and adoption by the 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 close corporation to be finalised.

SIGNED at Johannesburg on this 31st day of May 2006.



J F KLOPPER

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RESOLUTIONS SUBMITTED AND ADOPTED AT THE FIRST MEETING OF CREDITORS HELD BEFORE THE MAGISTRATE, RANDBURG ON WEDNESDAY, 7 JUNE 2006 at 09:00

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 hereto before 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 Act No 24 of 1936 as amended, read with Section 339 of the Companies Act No 61 of 1973, as amended, at such

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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 creditors hereby consent to the liquidator's remuneration ("the remuneration") being taxed by The Master of High Court in terms of section 384 of the Act **at the higher figure** of:
 - 14.1. the prescribed tariff as is contained in Annexure CM 104 to the Winding Up regulations to the Act
 - 14.2. the increased amount of work done by the liquidator in terms of the actual time spent by him or her and his or her staff in the discharge of their duties in the winding-up as is reflected on properly kept timesheets at the charge out tariff of the respective professional and

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administrative staff and which will be deemed to be good cause for the increase of such remuneration.

15. The remuneration referred to in 14 above may further be increased based on aspects such as:

- 15.1. the complexity of the estate in question,
- 15.2. the degree of difficulty encountered by the liquidator in the administration of the estate ,and
- 15.3. particular difficulties experienced by the liquidator because of the nature of the assets or some other similar feature connected with the winding-up,

16. The further administration of the affairs of the company be left entirely in the hands and at the discretion of the Liquidator.

q.q. CREDITORS