

GROUND CARE (PTY) LTD (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER : T3226/02

REPORT OF THE LIQUIDATOR, MR JOHANNES FREDERICK KLOPPER, IN TERMS OF SECTION 402 OF THE COMPANIES ACT NO 61 OF 1973 AS AMENDED TO BE SUBMITTED AT A SECOND MEETING OF CREDITORS AND CONTRIBUTORIES TO BE HELD BEFORE THE MAGISTRATE, BENONI ON WEDNESDAY, 19 FEBRUARY 2003 AT 10:00

ORDER OF THE COURT AND MEETINGS

- 1 Upon an application by Corporate Health Care Consultants (Pty) Ltd, the Company was liquidated by Order of the High Court of South Africa (Transvaal Provincial Division) on 16 July 2002. I was appointed by The Master of the High Court as provisional Liquidator on 1 August 2002, and my appointment was made final on 6 November 2002.
- 2 The first meeting of creditors and contributories was held before the Magistrate, Benoni on 11 September 2002. At the meeting no claims were proved.

History and information of the Company

- 3 According to the Registrar of Companies the company was incorporated under registration number 2000/004570/07.

Registered Address

- 4 The registered address of the company is 4 Ensign Avenue, Airfield, Benoni.

Directors

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

- 5.1 Stephen Murphy
- 5.2 Constantine Nomfundo Phkathi
- 5.3 Mark McNamara Smith
- 5.4 Valerie Joan Hayter
- 5.5 Dennis Jacobus Bishop

Business of the Company

- 6 The principal business of the company was exterior grounds and garden maintenance and landscaping.

STATEMENT OF AFFAIRS

- 8 We have not received the statutory statement of affairs from the former directors of the company.

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SECTION 79(A): FINANCIAL STATEMENT OF ASSETS AND LIABILITIES

- 8 The following represents the assets and liabilities of the company at date of liquidation. 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
MOVABLE ASSETS			
As per valuation	(a)		200,000.00
Franchise Agreements	(b)		1,767,533.00
TOTAL ASSETS			1,967,533.00
LIABILITIES			
Secured			
None			0
Preferent Creditors (unknown)			
None			0
Concurrent creditors (estimate)		1,985,000.37	
TOTAL LIABILITIES		1,985,000.37	
DEFICIT			17,467.37

NOTES

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

- (a) The depreciation of the assets caused by constant use in the garden maintenance business has to be taken into account.
- (b) The value of the Franchise Agreements has to be reconsidered due to the effect of liquidation on the contracts.
- (c) The value of the assets is subject to adjustment and verification.

CAUSES OF THE COMPANY'S FAILURE

The causes of the company's failure according to the directors are as follows. Anchorprops 132 (Pty) Ltd purchased Plants @ Work (Pty) Ltd as a going concern during April 2000. The purchase was made possible due to a loan received from one of the major creditors. The Agreement of Sale made provision for a cession and delegation of all leases in respect of motor vehicles that was leased from Wesbank by Plants @ Work at the time of the sale. Anchorprops were however unable to obtain the necessary credit clearance for purposes of the aforementioned cession. An Agreement was entered into between

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Anchorprops and the Plants @ Work in terms of which Anchorprops would pay monthly premiums to Plants @ Work in respect of all assets leased from Wesbank. The company developed major cash flow problems leading to a major strike with further cash flow implications for the company. As a result of the cash flow problems, Anchorprops 132 (Pty) Ltd failed to make monthly payments to Plants @ Work. During April 2001 Anchorprops 132 (Pty) Ltd changed its name to Groundcare (Pty) Ltd ("the company in liquidation"). Further negotiations between the major creditor and Groundcare (Pty) Ltd to resolve the cash flow problems failed. After the failed negotiations various Franchise Agreements were entered in to between franchisees, trading on behalf of a newly formed company named Groundcare Maintenance (Pty) Ltd and Groundcare (Pty) Ltd. From date of liquidation to date of this report numerous maintenance agreements were either concluded or cancelled. The cash flow problems persisted and the company became over extended and unable to pay its creditors.

REPORT TO THE MASTER IN TERMS OF SECTION 400 OF THE COMPANIES ACT

- 10 We will submit a report in terms of Section 400(2) of the Companies Act, No 61 of 1973 as amended should it become necessary.

SECTION 402(d) : PERSONAL LIABILITIES OF DIRECTORS OR OFFICERS

- 11 We will submit a report in terms of Section 400(2) of the Companies Act, No 61 of 1973 as amended should it become necessary

LEGAL PROCEEDINGS

- 12 We are not aware of any legal proceedings.

ENQUIRY

- 13 We do not at present intend holding an enquiry in this matter.

BOOKS AND RECORDS

- 14 We have received books and records, although incomplete.

PROGRESS AND PROSPECTS OF WINDING UP

- 15 The assets and / or franchise agreements have not been realised to date. Negotiations in this regard will continue.

LEASES

- 16 The company entered in to a lease agreement with Technical Solutions (Pty) Ltd. The lease in respect of the business premises is currently still in existence.

ESTIMATED DIVIDEND

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17 We confirm that there is a prospect of a dividend to concurrent creditors. We are however at present unable to comment on the nature of such dividend.

SIGNED at Randburg on this 14th day of January 2003.



J F KLOPPER

LIQUIDATOR

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**RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS HELD BEFORE THE
MAGISTRATE, BENONI ON WEDNESDAY, 19 FEBRUARY 2003 at 10:00**

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 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.

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- 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 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.

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- 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.

q.q. CREDITORS

* * * Transmission Result Report(Immediate TX) (14.Mar. 2003 10:52) * * *

1) HANS KLOPPER 011 285 2319
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M : Memory
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