

**MARKETING FEDERATION OF SOUTHERN AFRICA (A SECTION 21  
COMPANY (IN LIQUIDATION)  
("the Company")**

**MASTER'S REFERENCE NUMBER : G1199/05**

**REPORT OF THE JOINT LIQUIDATORS JOHANNES FREDERICK KLOPPER, HANNELIE COETZEE AND  
JUANITO MARTIN DAMONS, IN TERMS OF SECTION 402 OF THE COMPANIES ACT NO 61 OF 1973  
AS AMENDED TO BE SUBMITTED AT A SECOND MEETING OF CREDITORS, MEMBERS &  
CONTRIBUTORIES TO BE HELD BEFORE THE MASTER OF THE HIGH COURT, JOHANNESBURG ON  
FRIDAY, 4<sup>th</sup> .DAY OF MAY. 2007. AT 10H00**

**ORDER OF THE COURT AND MEETINGS**

Nature of Liquidation	A Creditors voluntary winding up in terms of Sections 349 & 351 of the Companies Act
Date of liquidation	12 October 2005
Date of provisional Order	N/A
Date of Final Order	N/A
Provisional appointees	JF Kloppe, H Coetzee & J M Damons
Date of 1 <sup>st</sup> meeting of creditors	13 September 2006
Final appointees	JF Kloppe, H Coetzee & JM Damons

**GENERAL AND STATUTORY INFORMATION**

**Registrar of Companies**

- 1 According to the Registrar of Companies the company was incorporated under registration number 2002/023792/08.

**Registered Address**

- 2 The registered address of the company is Marketing House No 2 Hermitage Terrace, Randburg.

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**Directors**

3 It appears from my investigations the following persons consented to serve as directors:

- 3.1 Bailie DA
- 3.2 Botha S
- 3.3 Duval C Y
- 3.4 Esterhuysen MRA
- 3.5 Fasedemi AV
- 3.6 Ikalafeng T
- 3.7 Judin JM
- 3.8 Mabuza JA
- 3.9 Makanjee M
- 3.10 Mashishi MR
- 3.11 Mthembu KS
- 3.12 Pretorius SG
- 3.13 Rollason JD
- 3.14 Van Zyl JJ
- 3.15 Vundla BP

4 The list above is as per the records of the Registrar of Companies and does not take into consideration any resignations, not registered.

**Share Capital**

5 The company does not have an authorised share capital as it is incorporated in terms of Section 21 of the Companies Act for the benefit of its members.

**Business of the Company**

6 The main business of the company was to act as the umbrella body for the marketing industry of South Africa.

**Auditors**

7 The auditors of the company are Chartfords Inc.

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**STATEMENT OF AFFAIRS**

8 We have not been place in possession of a Statement of Affairs as required in terms of Section 363 of the Companies Act No 61 of 1973 as amended.

**SECTION 402(a)**

**FINANCIAL STATEMENT OF ASSETS AND LIABILITIES**

9 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**

<b>MOVABLE ASSETS</b>	<b>NOTES</b>	<b>AMOUNT</b>	<b>AMOUNT</b>
Office furniture and Equipment	(a)		115,000.00
Debts (collected to date)	(b)		340,000.00
<b>TOTAL ASSETS</b>			<b>455,000.00</b>
<b>LIABILITIES</b>			
<b><u>Secured (none)</u></b>			
<b><u>Preferent Creditors</u></b>			
Salaries		240,000.00	
Receiver of Revenue (Unknown)			
<b><u>Concurrent Creditors</u></b>			
Trade Creditors (approximate)		1,600,000.00	
<b>TOTAL LIABILITIES</b>		1,840,000.00	
<b>DEFICIT</b>			<b>1,385,000.00</b>

**NOTES**

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

**Office Furniture & Equipment**

(a) The amount reflected is as per the valuation of the assets.

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OFFICE	DATE OF SALE	PROCEEDS	LANDLORD
Durban		15,000.00	None
Cape Town		5,000.00	None
Johannesburg		95,000.00	None
<b>TOTAL</b>		<b>115,000.00</b>	

**Debts collected**

(b) Debts collected to date total R 340,000.00.

There has been some allegations that monies are still due to the company from the sale of its shareholding of the Institute of marketing management graduate school of marketing (Pty) Ltd. The liquidators are still investigating this aspect.

*These figures do not take into account any costs of administration and are  
subject to change and/or modification.*

**SECTION 402 (b)**

**CAUSES OF THE COMPANY'S FAILURE**

- 10 The acting CEO, Brendan O Donnell attributes the failure of the company to the fact that the model for operation was in the long term not sustainable.
- 11 The operations of the company had for some time been financed via a loan account with its subsidiary the IMM school of marketing, referred to above, but that such funding had reached a level that could no longer be sustained, prompting the board of directors to liquidate the company.

**SECTION 402(c)**

**REPORT TO THE MASTER IN TERMS OF SECTION 400(2) OF THE COMPANIES ACT**

- 12 It is not our intention at this stage to submit a report to the Master of the High Court. However, we are still investigating this aspect and if necessary, a detailed report will be submitted to the Master in due course.

**SECTION 402(d)**

**PERSONAL LIABILITIES OF DIRECTORS OR OFFICERS**

- 13 At this stage it is not known whether the former director or officer of the company can be held personally liable for the debts of the company. A report will be submitted, should it become necessary.

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**SECTION 402 (e)**

**LEGAL PROCEEDINGS**

14 We have no knowledge of any legal proceedings pending by or against the company.

**SECTION 402(f)**

**ENQUIRY**

15 The liquidators do not intend to hold an enquiry at present. Creditors will be informed if the liquidators decide to proceed with an enquiry into the affairs of the company.

**SECTION 402(g)**

**BOOKS AND RECORDS**

16 We have taken control of the books and records found at the offices of the company.

**SECTION 402 (h)**

**PROGRESS AND PROSPECTS OF WINDING UP**

17 The joint liquidators have sold all the movable assets of the company and debts collected. The liquidators will continue to investigate the sale of the IMM school of marketing.

**ESTIMATED DIVIDEND**

18 It appears at present that preferent creditors are to receive the full portion of their claim and concurrent creditors are advised to submit their claims as there is a likelihood of a concurrent dividend.

**SECTION 402(i)**

**MATTERS REQUIRING THE FURTHER DIRECTIONS OF CREDITORS**

19 Such directions as required of creditors are contained in the draft resolutions numbers 1 – 14 which are submitted for consideration and adoption by the 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.

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**LEASES**

20 It appears that various lease agreements were entered into. All these lease agreements have been cancelled

SIGNED at \_\_\_\_\_ on this \_\_\_\_\_ day of April 2007

\_\_\_\_\_  
**J F KLOPPER**

\_\_\_\_\_  
**H Coetzee**

\_\_\_\_\_  
**JM DAMONS**

**JOINT LIQUIDATORS**

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**RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS HELD BEFORE THE MASTER OF THE HIGH COURT, JOHANNESBURG, ON FRIDAY, 04<sup>th</sup> MAY 2007. at 10H00**

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**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 heretobefore taken by the Provisional Liquidator and/or Liquidator be and are hereby confirmed, ratified and approved in particular the decision of the provisional liquidators to sell the movable assets, prior to the second meeting of creditors, which was necessitated by the fact that the file of the Master of the High Court was misplaced at the time.
- 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;

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- 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 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.



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- 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.

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**q.q. CREDITORS**