

MALUTI WOOD WORX CC (IN LIQUIDATION)
MASTER'S REFERENCE: B35/2023

REPORT OF THE LIQUIDATOR IN TERMS OF SECTION 79 OF THE CLOSE CORPORATION ACT, NUMBER 69 OF 1984, AS AMENDED, TO BE SUBMITTED AT FIRST AND SECOND MEETINGS OF CREDITORS AND MEMBERS TO BE HELD BEFORE THE MASTER OF THE HIGH COURT BLOEMFONTEIN, ON WEDNESDAY, 26th of JULY 2023 at 10H00.

INTRODUCTION

The above Close Corporation was placed in Liquidation on the 29th of March 2023 by way of Court Order issued by the High Court (Free State Division). Our MR. CHAVONNES BADENHORST ST CLAIR COOPER together with SIMON MALEBO RAMPOPORO and LAILA ENVER MOTALA were appointed LIQUIDATORS of the estate on the 06th of APRIL 2023.

The FIRST MEETING OF CREDITORS will be held before the MASTER BLOEMFONTEIN, just prior to this SECOND MEETING.

The CLOSE CORPORATION was incorporated during 2007 under registration number CK 2007/038881/23 with its registered office at: Suite No. 111, Factory 93, Industrial Area No.3 Qwa-Qwa

The Members as at date of liquidation were: Colin Deysel and Marc De Villiers

The Liquidators WERE furnished with the completed CM100, and the status appears as follows according to the Application Documents.

1. <u>ASSETS:</u>		
<u>IMMOVABLE ASSETS</u>		
None	R	0 – 00
<u>MOVABLE ASSETS</u>		
2019 Hino 500 Lorry (Reg: HKJ 979 FS) Subject to Instalment Sale Agreement with Nedbank as per the valuation	R	280 000 – 00
2019 Hino 500 Lorry (Reg: HKJ 983 FS) Subject to Instalment Sale Agreement with Nedbank as per the valuation	R	280 000 – 00
2019 Rapid Bodies Pentech Trailer Subject to Instalment Sale Agreement with Nedbank as per the valuation	R	224 000 – 00
2019 Rapid Bodies Pentech Trailer Subject to Instalment Sale Agreement with Nedbank as per the valuation	R	224 000 – 00

2018 Hino 500 Lorry (Reg: HGD 363 FS) Subject to Instalment Sale Agreement with Wesbank as per the valuation	R	238 000 – 00	
2018 Hino 500 Lorry (Reg: HGD 367 FS) Subject to Instalment Sale Agreement with Wesbank as per the valuation	R	238 000 – 00	
2018 Rapid Bodies Pentech Trailer (Reg: HFY 596 FS) Subject to Instalment Sale Agreement with Wesbank as per the valuation	R	210 000 – 00	
2018 Rapid Bodies Pentech Trailer (Reg: HGC 248 FS) Subject to Instalment Sale Agreement with Wesbank as per the valuation	R	210 000 – 00	
<u>UNENCUMBERED ASSETS</u>			
1980 Toyota Forklift as per the valuation	R	63 000 – 00	
2008 Hino 15-258 8 Ton (Reg: DFN 190 FS) as per the valuation	R	56 000 – 00	
1989 Hendred Fruehauf Trailer (Reg: DMM 243 FS) as per the valuation	R	17 500 – 00	
1992 Opel Astra (Reg: DBN 964 FS) as per the valuation	R	14 000 – 00	
2016 Datsun Go (Reg: FVY 011 FS) as per the valuation	R	31 500 – 00	
2015 Hino 500 Lorry (Reg: FTG 336 FS) as per the valuation	R	136 500 – 00	
2016 Massey Ferguson Tractor (Reg: BTJ 544 FS) as per the valuation	R	56 000 – 00	
2018 Hino 500 Lorry (Reg: HGD 364 FS) as per the valuation	R	238 000 – 00	
Rapid Bodies Pentech Trailer (Reg: HFY 598 FS) as per the valuation	R	210 000 – 00	
WOODWORK MACHINERY, EQUIPMENT & OFFICE FURNITURE as per the valuation	R	3 714 200 – 00	

<u>CLAIMS IN FAVOUR OF ESTATE</u>	R	0 – 00	
Non			
2. <u>LIABILITIES</u>			
<u>SECURED</u>			
Nedbank Limited - 2019 Hino 500 Lorry (Reg: HKJ 979 FS) Instalment Sale Agreement (Acc: 2128328 0001)			R 347 766 – 78
Nedbank Limited - 2019 Hino 500 Lorry (Reg: HKJ 983 FS) Instalment Sale Agreement (Acc: 2128395 0001)			R 343 455 – 06
Nedbank Limited - 2019 Rapid Bodies Pentech Trailer Instalment Sale Agreement (Acc: 2128328 0003)			R 144 415 – 93
Nedbank Limited - 2019 Rapid Bodies Pentech Trailer Instalment Sale Agreement (Acc: 2128328 0004)			R 144 364 – 10
Wesbank - 2018 Hino 500 Lorry (Reg: HGD 363 FS) Instalment Sale Agreement (Acc: 85279492220)			R 16 558 – 24
Wesbank - 2018 Hino 500 Lorry (Reg: HGD 367 FS) Instalment Sale Agreement (Acc: 85279492193)			R 16 549 – 08
Wesbank - 2018 Rapid Bodies Pentech Trailer (Reg: HFY 596 FS) Instalment Sale Agreement (Acc: 85279492244)			R 8 043 – 73
Wesbank - 2018 Rapid Bodies Pentech Trailer (HGC 248 FS) Instalment Sale Agreement (Acc: 85279492256)			R 8 028 – 67
FDC (FREE STATE DEVELOPMENT CORPORATION) Landlord Hypothec (outstanding rental)			R 956 283 – 00
<u>PREFERENT</u>			
Daniél Theodorus Van Jaarsveld (BRP) i.t.o Section 135(3) & (4) of the Companies Act read with the Diener Judgement			R 500 223 – 35
281 - Former Employees (i.t.o Section 98A)			R 1 228 471 – 78
Workmans Compensation			R 2 504 614 – 60
Furniture Bargaining Council			R 2 906 258 – 48

Sars (see note 2)		R 5 239 834 – 00
<u>CONCURRENT</u> Various Creditors (see note 3)		R 48 958 614 – 12
SUB - TOTALS	R 6 440 700 – 00	R 63 323 480 – 92
SHORTFALL	R 56 882 780 – 92	R 0 – 00
TOTALS	R 63 323 480 – 92	R 63 323 480 – 92

NOTES

1. At this stage there DOES appear to be a danger of contribution, thus Concurrent Creditors will not be requested to lodge claims at this moment in time, if the status changes All Creditors will be requested to lodge their claims with the Liquidators.
2. The liquidators are currently investigating the indebtedness to SARS and other preferent creditors. A further report will be sent to creditors in this regard if deemed necessary.
3. The position with regard to further concurrent creditors is also still being investigated.

SECTION 79 (b) – CAUSES OF THE FAILURE OF THE CORPORATION

The application was brought by the Business Rescue Practitioner by way of a Court Order due to the Close Corporation being commercially insolvent and its inability to pay back its debts.

SECTION 79 (c) – REPORT IN TERMS OF SECTION 400 (2) OF THE COMPANIES ACT, NUMBER 61 OF 1984, AS AMENDED

At this stage, we do not contemplate lodging a report to the Master in terms of Section 400 (2) of the Companies Act. However, should it be deemed necessary, a confidential report will in due course be submitted to the MASTER OF THE HIGH COURT.

SECTION 79 (d) – PERSONAL LIABILITIES OF THE MEMBER AND /OR MEMBERS OF THE CORPORATION

The Liquidators are not investigating whether the Members are personally liable for the debts of the Close Corporation or not and will report in this regard at a later stage.

SECTION 79 (e) – LEGAL PROCEEDINGS

We are unaware of any legal proceedings which may have been pending by or against the Corporation as at the date of commencement of the winding up of the Corporation, save and except the normal steps taken by creditors to obtain payment of debts due.

SECTION 79 (f) – ENQUIRY INTO THE PROMOTION, FORMATION OR FAILURE OF THE CORPORATION

At this stage the LIQUIDATORS do not consider that further investigations into the affairs of the Corporation and the conduct of the business should be conducted.

SECTION 79 (g) – BOOKS AND RECORDS

Certain records of the Close Corporation as required by Section 56 of the Close Corporation Act No 69 of 1984, as amended, were furnished to us.

SECTION 79 (h) – PROGRESS AND PROSPECTS OF THE WINDING – UP

Immediately after the conclusion of this meeting, the Liquidators will proceed to sell all assets vesting in the Insolvent Estate, thereafter the liquidation- and distribution account will be drafted and lodged with the Master.

SECTION 79 (i) – MATTERS REQUIRING THE FURTHER DIRECTIONS OF THE CREDITORS

Such directions as we require of creditors, are contained in Resolutions numbered 1 to 30, which are submitted herewith and creditors are requested to adopt such Resolutions.

SIGNED AT BLOEMFONTEIN on this 30th day of JUNE 2023



C COOPER
LIQUIDATOR

SIGNED AT BLOEMFONTEIN on this 29th day of JUNE 2023



SM RAMPOPORO
LIQUIDATOR

SIGNED AT Johannesburg on this 03rd day of JULY 2023



LE MOTALA
LIQUIDATOR

MALUTI WOOD WORX CC (IN LIQUIDATION)
MASTER'S REFERENCE: B35/2023

RESOLUTIONS SUBMITTED AT THE SECOND (GENERAL) MEETING OF CREDITORS AND MEMBERS, IN TERMS OF SECTION 79 OF THE CLOSE CORPORATIONS ACT, ACT 69 OF 1984, AS AMENDED, TO BE HELD BEFORE THE MASTER OF THE HIGH COURT BLOEMFONTEIN ON WEDNESDAY THE 26th OF JULY 2023 AT 10H00.

RESOLVED

1. **THAT** the actions of the Provisional Liquidator / Joint Provisional Liquidators / Joint Liquidators and/or Provisional Trustee / Joint Provisional Trustees / Trustee / Joint Trustees in employing night watchmen to protect the premises and assets of the Company be and are hereby approved and ratified, all costs relating thereto to be costs in the liquidation.
2. **THAT** the actions of the Liquidator / Provisional Liquidator / Joint Provisional Liquidators / Joint Liquidators and/or Trustee / Provisional Trustee / Joint Trustees and/or Joint Provisional Trustees in having disposed of assets, shares and loan accounts, prior to the date of this meeting, be and are hereby approved and ratified, all costs incurred in relation thereto to be costs in the liquidation.
3. **THAT** the Liquidator / Joint Liquidators and/or Trustee / Joint Trustees be and are hereby authorised to collect any outstanding debts due to the Company / Close Corporation in liquidation or Insolvent Estate and for the purpose thereof either to sell or compound any of these debts for such sum and on such terms and conditions as they in their sole discretion may deem fit, or to abandon any claims which they, in their 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 such legal actions instituted or to abandon same at any time as they in their sole discretion may deem fit, all legal costs so incurred to be costs in the liquidation.
4. **THAT** the Liquidator / Joint Liquidators and/or Trustee / Joint Trustees be and are hereby authorised by the creditors in terms of Section 73 of the Judicial Matters Amendment Act 1998, to waive the taxation by the Taxing Master of the High Court of the fees and disbursements of attorneys. The prior written authorisation by creditors is hereby waived and the actions taken by the Liquidator / Joint Liquidators and/or Trustee / Joint Trustee are hereby ratified.
5. **THAT** the Liquidator / Joint Liquidators and/or Trustee / Joint Trustees be and are hereby authorised to employ a Forensic Auditor being a Chartered Accountant, to investigate and write up the books of the Company / Close Corporation or Insolvent Estate to the date of liquidation or sequestration, and to produce an audited Balance Sheet as at that date, all costs, to be charged at Auditor General Rates incurred in relation thereto to be costs in the liquidation.
6. **THAT** the Liquidator / Joint Liquidators and/or Trustee / Joint Trustees are hereby authorised and empowered to –
 - 6.1 engage the services of Attorneys and Counsel in connection with any matter arising out of or related to the affairs of the Company / Close Corporation / Insolvent Estate;

- 6.2 agree with such Attorney on the tariff and/or scale of fees to be charged by and paid to the Attorney for the rendering of the services to the Company / Close Corporation / Insolvent Estate;
- 6.3 pay to the Attorney; provided that there is at all times a sufficiency of funds in the Free Residue, the agreed costs and the disbursements made by the Attorney as and when the services are rendered and the disbursements are made subject to -

- 6.3.1 the taxation of such costs and disbursements by the Master of the High Court when the Attorney has performed his Mandate;
- 6.3.2 the repayment by the Attorney to the Liquidator / Joint Liquidators and/or Trustee / Joint Trustees of any payment made by the Liquidator / Joint Liquidators and/or Trustee / Joint Trustees to the Attorney in respect of the latter's costs and disbursements which exceeded the amount determined by the taxation, or in the event of the Attorney becoming disentitled to such payment, or any portion thereof, if it should be excluded from the confirmed Liquidators' / Trustees' Account pursuant to any objection under Section 111 of the Insolvency Act, 1936; and
- 6.3.3 that the Liquidator / Joint Liquidator and/or Trustee / Joint Trustees are/is hereby authorised to engage whatever further legal assistance the former may require in the interests of the estate and that the costs thereof are paid out of the funds of the estate as part of the costs of administration.

7. **THAT** the Liquidator / Provisional Liquidator / Joint Provisional Liquidators and/or Joint Liquidators and/or Trustee / Provisional Trustee / Joint Trustee and/or Joint Provisional Trustee be and are hereby authorised and empowered in their discretion to contest or defend any legal proceedings by or against the Company / Close Corporation and/or Insolvent Estate and, should they deem it necessary, to employ Attorneys and/or Counsel to assist and all costs incurred in terms thereof to be costs in the liquidation.
8. **THAT** the Liquidator / Joint Liquidator be and is/are hereby authorised to institute or defend legal action and/or employ the services of a tracing agent or debtor collector in order to collect debts owing to the estate or in respect of any other matter affecting the estate including the holding of Enquiries or examinations in terms of Closed Corporation Act of 1984, read together with the Companies Act of 1973 and the Insolvency Act, 1973, as amended, as he/ they may deem fit, as he/ they may deem fit, and for such purposes to employ the services of attorneys and/or counsel of his / their choice and to pay the cost out of the funds of the estate as part of the costs of administration which accounts do not have to be taxed but a fee approved by the Liquidator / Joint Liquidators will be payable.
9. **THAT** the Liquidator / Joint Liquidators and/or Trustee / Joint Trustees be and are hereby authorised to dispose of the immovable and movable assets of the Company / Close Corporation and/or Insolvent Estate by either Public Auction or Public Tender or Private Treaty. The mode of sale for any one or more of the assets to be at the discretion of the Liquidator / Joint Liquidators and/or Trustee / Joint Trustees, and all costs incurred in relation thereto to be costs in the liquidation.
10. **THAT** the Liquidator / Joint Liquidators and/or Trustee / Joint Trustees be and are hereby authorised and empowered in their discretion to hold an Enquiry into the formation and affairs of the Company / Close Corporation and/or Insolvent Estate, and/or any matters relating thereto, should they deem it to be in the best interests of Creditors, and to employ Attorneys and/or Counsel and/or Recording Agents to assist in the said Enquiry, and to summons any persons who they should deem necessary, to be present at the Enquiry, all costs so incurred to be costs in the liquidation, and that should costs

be incurred for the use of a tape recorder where the State does not supply the service free of charge, the costs thereof and the cost for obtaining copies of the Court Records will be deemed part of the administration costs of the estate.

11. **THAT** the Liquidator / Joint Liquidators and/or Trustee / Joint Trustees be and are hereby authorised and empowered to investigate any apparent voidable and/or undue preference and/or any dispositions of property, and to take any steps which they in their discretion may deem necessary, including the instituting 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 to abandon same at any time as they in their sole discretion may deem fit, all costs incurred in terms thereof to be costs in the liquidation.
12. **THAT** in the event of any asset which is subject to a Mortgage Bond, Pledge or other form of security not realising sufficient to pay the claim of the secured creditor plus the pro-rata share of the costs of administration in full, then the Liquidator / Joint Liquidators and/or Trustee / Joint Trustees be and are hereby authorised, in their 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.
13. **THAT** the Liquidator / Joint Liquidators and/or Trustee / Joint Trustees be and are hereby authorised and empowered in their discretion, to compromise or admit any claim against the Company / Close Corporation and/or Insolvent Estate, whether liquidated or un-liquidated, as a liquidated claim in terms of Section 78(3) of the Insolvency Act, as amended, provided that proof thereof has been tendered at a meeting of creditors.
14. **THAT** the actions of the Provisional Liquidator / Liquidator / Joint Provisional Liquidators / Joint Liquidators and or Provisional Trustee / Joint Provisional Trustee / Trustee in advertising, calling for tenders for the purchase of the business and/or assets of the Company / Close Corporation or Insolvent Estate be and are hereby approved and ratified, all costs so incurred to be costs in the liquidation.
15. **THAT** the Liquidator / Joint Liquidators and/or Trustee / Joint Trustees be and are hereby authorised and empowered to sign all the necessary documents as may be required to effect transfer of the ownership of the assets, including immovable property, to the purchasers thereof.
16. **THAT** the actions of the Liquidator / Joint Provisional Liquidators and/or Joint Liquidators and/or Trustee / Joint Provisional Trustees and/or Joint Trustees in continuing the business of the Company / Close Corporation and retaining staff be and are hereby approved and ratified, all costs so incurred to be costs in the liquidation.
17. **THAT** the actions of the Liquidator / Provisional Liquidator / Joint Provisional Liquidators and/or Joint Liquidators in employing salesmen and administrative personnel and generally to protect the interests of creditors be and are hereby approved and ratified and the fees of such personnel to be costs in the liquidation.
18. **THAT** the Liquidators / Joint Liquidators be and are hereby authorised and empowered to continue the business of the Company / Close Corporation from the date of liquidation until such time as creditors instruct them to the contrary or until such time as the assets are realised and to do all things which

they in their sole discretion may deem necessary for the successful continuation of the business (all costs so incurred to be costs in the liquidation) and without restricting the generalities of their powers they are hereby specifically authorised:

- (i) To discharge and engage employees and to fix their remuneration.
- (ii) To continue the lease of the Company's premises until such time as it is decided to determine the lease.
- (iii) To employ persons to undertake the physical count and valuation of stock in trade at the beginning and end of any trading period subsequent to the date of liquidation of the Company.
- (iv) To employ persons to prepare an inventory or inventories of all movable assets of the Company.
- (v) Generally to do all things which they in their discretion may deem to be necessary to determine the lease.

19. **THAT** the action of the Liquidator / Provisional Liquidator / Joint Provisional Liquidators and/or Joint Liquidators in terminating any of the leases of the Company's / Close Corporation's offices, be and are hereby ratified, all costs so incurred to be costs in the liquidation.
20. **THAT** the Liquidator / Provisional Liquidator / Joint Provisional Liquidators and/or Joint Liquidators be and are hereby indemnified against any losses and/or claims for damages resulting from the continuation of the Company's / Close Corporation's business, all such losses and damages to be costs in the liquidation.
21. **THAT** the Liquidator / Provisional Liquidator / Joint Provisional Liquidators and/or Joint Liquidators / Trustee / Provisional Trustee / Joint Trustee / Joint Provisional Trustee be and are hereby authorised to abandon any asset if it is, in their opinion, of no value to the estate or if the realisation thereof would not, in their opinion, result in any benefit to the estate.
22. **THAT** the payment of reasonable expenses incurred by the Liquidator / Joint Liquidator and/or Trustee / Joint Trustee for his / their personal or his / their employee's transportation and accommodation in carrying out any statutory duty or in the performance of his / their duty as Liquidator / Joint Liquidator and/or Trustee / Joint Trustee be paid as administration costs additional to the Liquidator / Joint Liquidator and/or Trustee / Joint Trustees remuneration, immediately or as soon as the estate receives sufficient funds to meet such expenses. Such expenses include all reasonable hotel accommodation, necessary air travel, car rental and fuel calculated in accordance with AA-Tariffs.
23. **THAT** the payment of reasonable expenses incurred by the Liquidator / Joint Liquidator and/or Trustee / Joint Trustee in carrying out any statutory duty or in the performance of his / their duty as Liquidator / Joint Liquidator and/or Trustee / Joint Trustee, be paid as administration costs additional to the Liquidator / Joint Liquidators and / or Trustee / Joint Trustees' remuneration immediately or as soon as the estate receives sufficient funds to meet such expenses. Such expenses include, but are not limited to, the expenses incurred for countrywide deeds office searches, credit inform enquiries, ITC Enquiries, Deed Search Enquiries, obtaining copies of Title Deeds, Bond documents, Court Orders and any other documents required, postages, including courier costs, and petties and attendance at the Registrar of Deeds for the noting of Court Orders.

24. **THAT** the Liquidator / Joint Liquidator and/or Trustee / Joint Trustees are / is hereby authorised to charge as an administration expense against the estate, the costs of circularizing creditors, which circulars shall include but not necessarily be limited to:

- The provisional and interim circular to creditors;
- Applications for extensions; and
- Progress reports.

In each case the actual expenditure relating to the postage and photocopying of documentation for the circular. Such expenses of obtaining photocopies, shall include the costs of photocopying bundles for the purposes of creditors' reports, circulars and in particular interrogations, which costs shall also include the costs of plastic binding covers and metal binders. The production of a certificate of the Provisional Liquidator / Liquidator / Trustee of such expenditure will be accepted by the creditors and will be sufficient proof of the disbursements.

25. **THAT** the Liquidator / Provisional Liquidator / Joint Liquidator / Joint Provisional Liquidator and/or Trustee / Provisional Trustee / Joint Trustee and/or Joint Provisional Trustee in his / their sole discretion be authorised to make advance awards to creditors. He / they are furthermore entitled in cases where he / they have made advance awards, to take his / their fee on the assets, where an award has been made in his / their sole discretion.

26. **THAT** the advances to the Company / Close Corporation / Insolvent Estate must be re-imbursed to either the Financial Institution or Honey Attorneys at a rate of prime plus 2% for the period of such advance, and that this is regarded as a cost of administration.

27. **THAT** the Liquidator / Joint Liquidators and/or Trustee / Joint Trustees be and are hereby authorised to make application for the destruction of the books and records of the Company / Close Corporation six months after the confirmation of the final account.

28. **THAT** the Report submitted by the Liquidator / Joint Liquidators and/or Trustee / Joint Trustees, be and is hereby approved and adopted.

29. **THAT** the further administration of the affairs of the Company / Close Corporation / Insolvent Estate be left in the hands of the Liquidator / Joint Liquidators and or Trustee / Joint Trustees at his/their sole discretion.

30. **THAT** all actions of the Liquidator / Joint Liquidators and/or Trustee / Joint Trustees to date be and are hereby approved and ratified.

q.q. CREDITORS

PRESIDING OFFICER

DATE