

BIZ AFRIKA 1060 CC (IN LIQUIDATION)

MASTER'S REFERENCE NO : C154/2011

REPORT OF THE JOINT LIQUIDATORS, S MOODLIAR AND N GORE, OF SANEK TRUST RECOVERY SERVICES (PTY) LIMITED, 3RD FLOOR, 5 ST GEORGE'S MALL, CAPE TOWN, AND NAM TSHIVHASE OF THANYANI BUSINESS RECOVERIES (PTY) LIMITED TO BE SUBMITTED AT THE GENERAL MEETING OF CREDITORS AND MEMBERS CONVENED TO BE HELD BEFORE THE MASTER OF THE WESTERN CAPE HIGH COURT, CAPE TOWN, ON TUESDAY 2 AUGUST 2011 AT 9H00

ORDERS OF COURT AND MEETINGS

The close corporation was placed in Provisional Liquidation by Order of the Western Cape High Court, Cape Town, on 10 February 2011 which Order was made final on 14 April 2011. The undersigned were appointed as Joint Liquidators by the Master of the Western Cape High Court, Cape Town, on 8 March 2011.

Two claims amounting to R3,178,701.72 were admitted to proof at the First Meeting of Creditors which was held before the Master of the Western Cape High Court, Cape Town, on 3 May 2011.

REGISTERED OFFICE

The registered office of the close corporation is at 21a Western Avenue, Selborne, East London.

PRINCIPAL PLACE OF BUSINESS AND DESCRIPTION OF PRINCIPAL BUSINESS

The close corporation conducted the business of packaging and bottling herbs and spices and related products. It traded under the name African Orange Foods, with its principal place of business situated at Units 21 and 22 Creation Park, Computer Road, Marconi Beam, Cape Town.

DATE OF INCORPORATION AND REGISTRATION NUMBER

The close corporation was incorporated on 23 February 2006 under Registration Number 2006/028755/23.

MEMBERS AT DATE OF LIQUIDATION

The Members of the close corporation at date of liquidation were:

Louie Stephen Cloete, Donald John Avery, Henri Rosenthal and Hilton Gregory Holm.

ASSETS AND LIABILITIES

According to the affidavit filed by Henri Rosenthal in support of the application for the liquidation, the close corporations assets and liabilities as at the winding up date were:

ASSETS

MOVABLE PROPERTIES		NOTE	
• Furniture and Equipment	Realisation Value	1	331,740
• CFC Account	Realisation Value	2	135,000
• Cash at Bank			6,500
• Debtors	Realisation Value	3	83,000
			R556,240

LIABILITIES

<u>Secured Creditors</u>			
• Standard Bank of SA Limited - "Standard Bank"	Instalment Sale Agreement	1	254,000
• H & K.M Rosenthal t/as Norgrow International Europe (cession of book debts and special and general notarial bond		4	3,617,389
<u>Preferent Creditors</u>			
• SARS			Unknown
<u>Concurrent Creditors</u>			
• H Rosenthal			2,923,873
• Trade Creditors			1,000,000
			R7,795,262

NOTES

1. The Furniture and equipment was sold by private treaty on 1 July 2011 for R331,740.00. The majority of the assets sold are subject to an instalment sale agreement in favour of Standard Bank.
2. This amount was standing to the credit of a CFC account at Standard Bank at the date of liquidation. A creditor is alleging that it holds this credit balance as security for his claim. This matter is under investigation.
3. Since date of liquidation, we have recovered approximately R83,000 from debtors.
4. The validity of the security of this creditor is under investigation.

CAUSES OF THE FAILURE OF THE CLOSE CORPORATION

According to the winding up application the one member avers that the close corporation initially traded successfully for a few years and whilst there were some positive developments in which South African companies which required packaging services approached businesses such as the close corporation, the international recession over the past years resulted in the close corporation being unable to trade profitably and unable to make repayments of the various loans used to fund the business. Subsequent to this, the close corporation entered into an agreement with a third party whereby it would take over the operations of the close corporation and in turn, make repayments of some of the debts of the close corporation as well as advance funds. However, irreconcilable differences between the third party's members and some of the close corporation's members ended all hope for the close corporation and resulted in the termination of their agreement.

REPORT TO THE MASTER

To date the undersigned have not been made aware of nor found any reason why a report to the Master in terms of Section 400(2) of the Companies Act need be lodged.

LIABILITY OF MEMBERS OR FORMER MEMBERS

The undersigned are of the opinion that no liability attaches to any member or former member in respect of breach of trust or negligence, repaying the close corporation in terms of Section 72 or 73 or section 71(1) or (2) of the Close Corporations Act and no member or former member appears to be liable to either a creditor of the corporation or the corporation itself by virtue of any provision of part 8 of the Close Corporations Act.

LEGAL PROCEEDINGS

Other than in respect of legal action instituted for the recovery of debt, the close corporation was not a party to any legal proceedings as at the date of the commencement of the winding-up.

FURTHER ENQUIRY

The undersigned are not aware of any matter relating to the promotion, formation or failure of the close corporation or the conduct of its close corporation which requires further enquiry.

ACCOUNTING RECORDS

The close corporation maintained adequate books and records and complied with all statutory requirements.

PROGRESS AND PROSPECTS OF WINDING-UP

The undersigned will investigate the validity of all security and preferences claimed.

ESTIMATED DIVIDEND

The secured creditor, Standard Bank, will receive the nett proceeds arising from the private treaty sale of assets subject to the instalment sale agreement. As already mentioned, the other secured creditor's dividend will largely depend on the results of our investigations into the validity of its security.

It appears unlikely that there will be a dividend payable to preferent and concurrent creditors who prove claims.

FURTHER MATTERS

There is nothing further to report.

DATED AT CAPE TOWN
THIS 26th DAY OF
JULY 2011



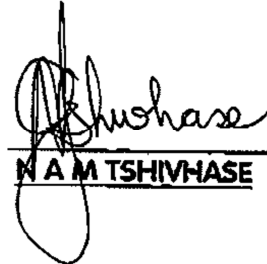
S MOODLIAR

DATED AT CAPE TOWN
THIS 26th DAY OF
JULY 2011



N GORE

DATED AT CAPE TOWN
THIS 26th DAY OF
JULY 2011.



N A M TSHIVHASE