

JS PETROLEUMS CC **(IN LIQUIDATION) – (“the close corporation”)**

MASTER'S REFERENCE NO : C1277/2010

REPORT OF THE JOINT LIQUIDATORS, MR T P GLAUM OF SANEK TRUST RECOVERY SERVICES (PTY) LIMITED, 3RD FLOOR, 5 ST GEORGE'S MALL, CAPE TOWN, AND MS N CLOETE AND MR M A CHRISTIAN TO BE SUBMITTED AT THE GENERAL MEETING OF CREDITORS AND MEMBERS CONVENED TO BE HELD BEFORE THE MAGISTRATE, STELLENBOSCH, ON WEDNESDAY 23 MARCH 2011 AT 10H00

ORDERS OF COURT AND MEETINGS

The close corporation was placed in Provisional Liquidation by Order of the Western Cape High Court, Cape Town, on 14 September 2010 which Order was made final on 26 October 2010. The undersigned were appointed as Joint Liquidators by the Master of the Western Cape High Court, Cape Town, on 3 December 2010.

No claims were admitted to proof at the First Meeting of Creditors which was held before the Magistrate, Stellenbosch, on 23 February 2011.

REGISTERED OFFICE

The registered office of the close corporation is at 23 Quantum Street, Technopark, Stellenbosch.

PRINCIPAL PLACE OF BUSINESS AND DESCRIPTION OF PRINCIPAL BUSINESS

The close corporation carried on the business of selling and delivering fuel, with its principal place of business situated at MRC Delft, Inez Street, Brentwood Park, Delft.

DATE OF INCORPORATION AND REGISTRATION NUMBER

The close corporation was incorporated on 2 November 2004 under Registration Number 2004/113105/23.

MEMBERS AT DATE OF LIQUIDATION

The Member of the close corporation at date of liquidation was Mr John Steven Haggard.

ASSETS AND LIABILITIES

According to the initial investigations undertaken by the undersigned, the close corporation's assets and liabilities as at the date of Provisional Liquidation were as follows:-

ASSETS

• Office furniture and equipment (at valuation)	1,475.00
• Toyota Dyna 6-104 (at valuation)	50,000.00
• Tata LPT 1518 (at valuation) - See Note 1	74,500.00
• Toyota Landcruiser SWD CX (at valuation) - See Note 1	<u>17,000.00</u>
	<u>R142,975.00</u>

LIABILITIES

Secured Creditors

• Wesbank (a division of First Rand Bank Limited) - See Note 1 (Tata)	Unknown
• Wesbank (a division of First Rand Bank Limited) - See Note 1 (Landcruiser)	47,832.41

Preferent Creditors

• SARS	Unknown
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Concurrent Creditors

• Total SA (Pty) Limited (applicant creditor)	2,842,805.25
• Miller Bosman Le Roux	3,151.88
• Telkom SA Limited	986.45
• Bernard Shaw Auditors	<u>Unknown</u>
	<u>R2,894,775.99</u>

NOTES

- 1. The Tata Dyna truck and the Toyota Landcruiser are both encumbered to Wesbank in terms of instalment sale agreements.**

CAUSES OF THE FAILURE OF THE CLOSE CORPORATION

The close corporation as liquidated at the instance of Total SA (Pty) Limited by order of the Western Cape High Court, Cape Town.

The basis of the close corporation's indebtedness to Total SA (Pty) Limited ("*Total*") was an agreement entered into on 20 March 2009 in terms of which Total sold petroleum products to the close corporation subject to certain terms and conditions.

By the end of November 2009 the outstanding balance in respect of the petroleum products supplied had mounted to R2,842,805.25. On 24 November 2009 Total addressed a letter of demand to the close corporation for payment of the full outstanding balance of the account. The close corporation responded by stating that it was negotiating with a potential investor and hoped to be in a position by the end of November 2009 to give an indication of when its indebtedness would be settled. No further response was ever received.

As a result of the aforementioned Total terminated the sale of petroleum products to the close corporation which only further increased the close corporation's financial difficulties in that it now was obliged to purchase fuel in cash.

On 18 February 2010 a notice in terms of Section 69(1)(a) of the Close Corporations Act was served upon the registered address of the close corporation. No payment of the amount claimed was forthcoming and accordingly total sought a winding-up order against the close corporation.

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

At this stage 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

The close corporation was not a party to any legal proceedings as at the date of the commencement of the winding-up.

FURTHER ENQUIRY

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

ACCOUNTING RECORDS

It is unclear at this stage, whether the close corporation maintained adequate books and records and complied with all statutory requirements. The undersigned have called for and are still awaiting the close corporation's financial records.

PROGRESS AND PROSPECTS OF WINDING-UP

We now report more fully upon the assets and liabilities:-

Assets – Realised to Date

Wesbank have elected to realise their own security in terms of section 83 of the Insolvency Act No 24 of 1936 (as amended). The undersigned are currently waiting for Wesbank to account to them for the nett proceeds of the two vehicles encumbered to Wesbank.

Liabilities – Received to Date

<u>Concurrent Creditors</u>	
• Miller Bosman Le Roux	3,151.88
• Telkom SA Limited	<u>986.45</u>
	<u>R4,138.33</u>

NOTES TO ASSETS AND LIABILITIES:

1. The claims of Wesbank and Total SA (Pty) Limited are currently awaited

FURTHER MATTERS

Whilst it is clear that the secured creditors will receive the nett proceeds of the realisation of assets encumbered to them, it would also appear that there is little danger of a contribution being levied upon concurrent creditors who submit claims to proof.

**DATED AT CAPE TOWN
THIS 18th DAY OF
MARCH 2011**



T P GLAUM
JOINT LIQUIDATOR

**DATED AT CAPE TOWN
THIS 18th DAY OF
MARCH 2011**



N CLOETE
JOINT LIQUIDATOR

**DATED AT CAPE TOWN
THIS 18th DAY OF
MARCH 2011**



M A CHRISTIAN
JOINT LIQUIDATOR