



MAZARS

RECOVERY AND RESTRUCTURING

18 November 2016

**TO ALL KNOWN CREDITORS AND MEMBERS**

Dear Sir/Madam

**GI COMBAT SUPPLIES CC (IN LIQUIDATION)  
MASTER'S REFERENCE NO. C735/2016**

We refer to previous correspondence and enclose for your information:-

1. Copy of our Report to be submitted at the formal Second Meeting of Creditors and Contributors to be held before the **MASTER OF THE HIGH COURT, CAPE TOWN** on **FRIDAY, the 2<sup>ND</sup> DECEMBER 2016 at 9.00 a.m.**

At this stage it would appear that a danger of a contribution exists and we suggest that only secured and preferent creditors submit their claims to proof. The customary Claim Documents for completion and return are attached hereto.

Be assured of our best services at all times.

Yours faithfully

**C F BESTER  
JOINT LIQUIDATOR**

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MAZARS RECOVERY AND RESTRUCTURING (PTY) LTD • REGISTRATION NUMBER 2011/005282/07  
DIRECTORS: CP VAN ZYL (MANAGING DIRECTOR), CF BESTER, FN MILLER

**Praxity**  
MEMBER  
GLOBAL ALLIANCE OF  
INDEPENDENT FIRMS

**GI COMBAT SUPPLIES CC (IN LIQUIDATION)**

FORMELY WITH PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICES AT  
UNIT 4, MONTAGUE SQUARE, 28 MONTAGUE DRIVE, MONTAGUE GARDENS, CAPE  
TOWN, WESTERN CAPE

**MASTER'S REFERENCE NO. C735/2016**

**LIQUIDATORS' REPORT**

**IN TERMS OF THE PROVISIONS OF SECTION 79 OF THE CLOSE CORPORATIONS ACT, NUMBER 69 OF 1984 (AS AMENDED), TO BE SUBMITTED AT A GENERAL MEETING OF CREDITORS AND MEMBERS TO BE HELD BEFORE THE MASTER OF THE HIGH COURT, CAPE TOWN, ON FRIDAY THE 2<sup>ND</sup> DECEMBER 2016 AT 9.00 A.M.**

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**ORDERS OF COURT AND MEETINGS:**

The Close Corporation was placed in Provisional Liquidation on the 26<sup>th</sup> August 2016 by Order of the High Court of South Africa (Western Cape Division, Cape Town). The return date of the Provisional Order was the 27<sup>th</sup> September 2016, on which date the Order was made final. The undersigned were appointed Joint Liquidators by the Master of the High Court, Cape Town under Certificate of Appointment dated the 8<sup>th</sup> September 2016.

The First Meeting of Creditors was held before the Master of the High Court, Cape Town on the 28<sup>th</sup> October 2016, at which meeting one (1) claim was admitted to proof.

**FINANCIAL POSITION OF THE CORPORATION:**

The member has not lodged the Statement of Affairs ("CM100"), as is required in terms of the provisions of Section 363 of the Companies Act 61 of 1973, as read with Item 9(1) of Schedule 5 of the Companies Act 71 of 2008 and Section 66(1) of the Close Corporations Act, but from information furnished by the sole member and from our own investigations, as well as the Application to Court, the approximate financial position of the corporation as at the date of the Provisional Order appears to be as follows:-

**ASSETS**

1. **FIXTURES, FITTINGS AND OFFICE FURNITURE:**

(Subject to Landlord's Legal Hypothec)  
(Valued at)

R 39 800-00

2. **DEBTORS:**

(Ceded)

R 229 020-00

3. **STOCK:**

(Subject to Landlord's Legal Hypothec)  
(Valued at)

R 50 000-00

TOTAL

R 318 820-00

**LIABILITIES**

1. **SECURED CREDITORS:**

Landlord

R 180 448-00

2. **PREFERENT CREDITORS:**

(a) SARS (Estimate)

R 650 000-00

(b) EMPLOYEES (Estimate)

R 41 000-00

3. **NOTARIAL MORTGAGEE AND CESSIONARY:**

(Chester Finance)

R 967 128-00

3. **CONCURRENT CREDITORS:**

(Estimate)

R 2 500 000-00

TOTAL

R 4 338 616-00

3./...

**COMMENTS ON ASSETS AND LIABILITIES:**

We have received an offer of R89 800-00 (plus VAT) for the Fixtures, Fittings, Stock and Office Furniture which was accepted subject to the consent of the Master of the High Court or creditors at a formal creditors' meeting.

The bulk of the debtors are more than 180 days old and the recovery of same appear to be doubtful.

**REASONS FOR LIQUIDATION OF THE CORPORATION:**

The corporation was placed in Business Rescue on the 24<sup>th</sup> June 2016. Such Rescue proceedings were terminated by the Business Rescue Practitioner and a Liquidation Application was launched by him on the 16<sup>th</sup> August 2016. According to the Business Rescue Practitioner the main contributing factor for the liquidation of the corporation was the fact that the corporation sold specialised equipment which was mainly sourced from international suppliers and that the weakening of the Rand had a negative effect on the profitability of the corporation and subsequently its cash flow. During the Business Rescue the company continued trading and disposed of a substantial portion of its stock at discounted prices.

**HISTORY OF THE CORPORATION:**

The corporation was registered under registration number 2008/040653/23 and the sole member of the Close Corporation was Mr M J Schatz.

**CONTRAVENTIONS:**

A Report in terms of Section 400(2) of Chapter 14 of the Companies Act No. 61 of 1973 as read with Item 9(1) of Schedule 5 of the Companies Act 71 of 2008 and Section 66 of the Close Corporations Act, No. 69 of 1984 will be submitted to the Master of the High Court, Cape Town.

**PERSONAL LIABILITY OF MEMBERS:**

At present we are still investigating whether the member may be liable to make payment pursuant to the Provisions of Sections 70 and 71 of the Close Corporations Act, No. 69 of 1984.

**PENDING LEGAL PROCEEDINGS:**

Your Liquidators are not aware of any legal proceedings that were suspended by the granting of the Provisional Order of Liquidation other than in respect of the normal recovery of outstanding debts and accordingly no such proceedings are threatened or pending.

**FURTHER INVESTIGATIONS:**

Your Liquidators are of the opinion that enquiries may be desirable with regard to the formation, promotion and failure of the corporation or the conduct of its affairs. One of the corporation's creditors has requested that today's meeting be adjourned for purposes of an Enquiry.

**ACCOUNTING RECORDS:**

The Joint Liquidators are still awaiting receipt of certain books and records whereafter a further report as to the compliance with the requirements of Section 56 of the Act, will be lodged.

**DIVIDEND PROSPECTS:**

At this stage it would appear that a danger of a contribution exists and we suggest that only Secured and Preferent Creditors submit their claims to proof.



.....  
C F BESTER  
JOINT LIQUIDATOR

.....  
P T T MFOLOE  
JOINT LIQUIDATOR

C/o MAZARS RECOVERY AND RESTRUCTURING  
MAZARS HOUSE  
RIALTO ROAD  
GRAND MOORINGS PRECINCT  
CENTURY CITY  
7441

**GI COMBAT SUPPLIES CC (IN LIQUIDATION)**

**MASTER'S REFERENCE NO. C735/2916**

**RESOLUTIONS SUBMITTED FOR ADOPTION AT THE SECOND MEETINGS OF CREDITORS AND MEMBERS TO BE HELD BEFORE THE MASTER OF THE HIGH COURT, CAPE TOWN, ON FRIDAY, THE 2<sup>ND</sup> DECEMBER 2016 AT 9.00 A.M.**

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**IT IS RESOLVED THAT:**

1. THAT the action/s of the Liquidator/s to date is/are hereby approved, confirmed and ratified. Any reference to a Liquidator/s in all Resolutions includes or refers to Provisional Liquidator/s, where applicable and a reference to a male includes a reference to a female.
2. THAT the Report of the Liquidator/s be and is/are hereby approved and adopted.
3. THAT the Liquidator/s be and is/are hereby authorised and empowered to take legal opinion or to institute or defend any action or application in respect of any matter affecting the corporation in any competent Court of Law and for those purposes he/they be and is/are hereby authorised and empowered to engage the services of Attorneys and/or Counsel; such legal costs as may be incurred to be costs in the winding-up of the corporation.
4. THAT the Liquidator/s be and is/are hereby authorised and empowered to dispose of the assets of the corporation by public auction and/or public tender and/or private treaty as he/they in his/their discretion may deem fit.
5. THAT the Liquidator/s be and is/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 fixed property, to the purchaser thereof.
6. THAT the Liquidator/s be and is/are hereby authorised and empowered to compromise any claim against the corporation, provided that proof thereof has been tendered at a meeting of creditors.
7. THAT the Liquidator/s be authorised to pursue the collection of the outstanding debts, if any, and for this purpose to engage whatever legal assistance he/they may require as costs of the administration and paid accordingly. Provided further that the Liquidator/s be authorised to dispose of the outstanding debts, if any, by public auction, public tender or private treaty on such terms and conditions as he/they in his/their discretion deem/s fit, provided that in a sale by private treaty the minimum amount to be obtained be not less than R2,00. Further that the Liquidator/s be authorised to abandon the outstanding debts should he/they deem these to be bad and irrecoverable and the costs so incurred to be treated as costs in the winding-up of the corporation.
8. THAT the Liquidator/s be and is/are hereby authorised to abandon any assets which are the subject of hire-purchase agreements or other right of security, to the creditor concerned in full settlement of that creditor's claim or at an agreed valuation as the case may be, provided that the Liquidator/s is/are satisfied that no benefit could accrue to the concurrent creditors of the corporation were the assets in question to be realised in the ordinary course, subject to the secured creditor concerned paying the costs of the realisation attributable to his security in terms of Section 89(1) of the Insolvency Act .

2./....

9. THAT the action/s of the Liquidator/s in having continued trading operationS be and is/are hereby ratified and confirmed and any losses that may have been sustained during such trading period be treated as costs of liquidation.
10. THAT the Liquidator/s be and is/are hereby authorised to make application for the destruction of the books and records of the corporation six (6) months after confirmation of the final Liquidation Account.
11. THAT any excess in premiums and stamp duty on Security Bonds or asset insurance which is more than prescribed by the Master of the High Court be and is hereby authorised as an administration expense to be borne by the corporation.
12. THAT the Liquidator/s be and is/are hereby authorised to employ auditors/accountants to investigate and write up the books of the estate and to produce an audited balance sheet as at that date, and to complete any necessary Income Tax and other Government Returns and that all costs so incurred shall be costs in the liquidation of the corporation.
13. THAT the Liquidator/s be and is/are hereby authorised and empowered in his/their discretion to hold an enquiry into the formation and affairs of the estate and/or any matter relating hereto, should he/they deem it to be in the interests of creditors and to employ Attorneys and/or Counsel and/or Recording Agents to assist in the said enquiry, and to summons any person who he/they should deem necessary to be present at the enquiry, all costs so incurred to be costs of administration.
14. THAT the action/s of the Liquidator/s in utilising the services of former officials of the corporation and/or representatives for the purpose of tracing assets, compiling an inventory of stock and taking possession of the assets, be and is/are hereby confirmed, that his/their remuneration plus travelling expenses to be paid by the corporation as costs of administration.
15. THAT the further administration of the liquidation be left in the hands of the Liquidator/s who is/are hereby authorised and empowered, in his/their discretion, for the purposes hereof and for the purposes of the abovementioned Resolutions, to employ such individuals, organisations or other entities to assist them for whatever purposes he/they may deem fit to give effect to and carry out his/their duties and obligations as set out herein and as abovementioned and to settle the fees and charges of such individuals, organisations and other entities, in his/their sole discretion and to pay same as a cost of administration in the winding-up.

q.q. PROVED CREDITORS NO'S:

PRESIDING OFFICER:

MEMBER

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**NOTES FOR THE COMPLETION OF CLAIM FORMS****1. AFFIDAVIT**

- 1.1 The Commissioner of Oaths must print his full names and business address below his signature and state his designation and the area for which he holds his appointment or the office held by him, if he holds his appointment ex officio.
- 1.2 Alterations must be initialled by the Deponent and the Commissioner of Oaths.
- 1.3 If security is claimed, then the amount at which the Creditor values such security must be inserted, i.e. Mortgage Bond, Cession, lien, hypothec, etc.
- 1.4 A secured creditor who relies upon his security should state that fact on the Affidavit above the signature of the Deponent and the insertion should be initialled.

**2. BANK ACCOUNT DETAILS**

The creditor's bank account details to be inserted where indicated on the Affidavit. This information is requested to facilitate the payment of dividends. Should the bank account details change, the onus is on the creditor to advise the Liquidator/Trustee of such amendment.

**3. SUPPORTING DOCUMENTATION**

- 3.1 Goods supplied on open account: Complete the statement annexed to the Affidavit in respect of the twelve months up to date of the provisional order. A brief description of the goods should be given and copies of invoices annexed. See also 3.4 below.
- 3.2 Services rendered: Complete the statement annexed to the Affidavit in respect of the twelve months up to the date of the provisional order. A brief description of the type of service rendered should be given and copies of invoices annexed. See also 3.4 below.
- 3.3 Monies lent: Annex a detailed statement of account and copies of an Acknowledgement of Debt or receipts or paid cheques.
- 3.4 Interest: Can only be claimed if a written agreement thereto by the debtor is annexed. It must be calculated to the date of the provisional order and rates must be shown.
- 3.5 Legal charges: Annex the attorney's taxed bill of costs, which must reflect dates for the items listed therein.
- 3.6 Mortgage bonds, instalment sale agreements and cessions: Annex the original documents and detailed statements. See also 1.3 and 1.4 above.
- 3.7 Rental: Annex the original lease agreement or certified copy and an itemised statement up to the date of the provisional order.
- 3.8 Suretyships: Annex original documents or certified copies and a detailed statement of the claim against the principal debtor.

**4. POWER OF ATTORNEY**

- 4.1 If the creditor or authorised representative of the creditor is unable to attend the meeting please leave name of appointee blank #
- 4.2 A Manager, Secretary or Employee may only sign if his/her authority has been registered with the Master of the High Court or if a certified copy of a resolution of the Board of Directors of the Company authorising such Manager, Secretary or Employee to sign is lodged with the claim.
- 4.3 A private individual requires no authority to sign the Power of Attorney.



**RECOVERY AND RESTRUCTURING**

|   |                |  |
|---|----------------|--|
| IN THE MATTER OF:<br>IN DIE SAAK VAN:                       |                |  |
| NAME IN FULL OF CREDITOR:<br>VOLLEDIGE NAAM VAN SKULDEISER: |                |  |
| ADDRESS IN FULL:<br>VOLLEDIGE ADRES:                        |                |  |
| P O BOX:<br>POSBUS:   | CODE:<br>KODE: | TOTAL AMOUNT OF CLAIM: R<br>TOTALE BEDRAG VAN EIS: |

I, \_\_\_\_\_ do hereby make oath and say:  
Ek, \_\_\_\_\_ verklaar hiermee onder eed en sê:

(1) That I am \_\_\_\_\_ of \_\_\_\_\_  
Dat ek die \_\_\_\_\_ is van \_\_\_\_\_  
(capacity / kapasiteit) (hereinafter referred to as the said Creditor)  
(hierin voortaan na verwys as genoemde Skuldeiser)

Bank Account Details / Bank Besonderhede:

| Name of Account Holder<br>Naam van Rekeninghouer | Name of Bank<br>Naam van Bank | Account Number<br>Rekeningnommer | Branch Code<br>Takkode |
|--|-------------------------------|----------------------------------|------------------------|
|  |                               |                                  |                        |

(2) That I have personal knowledge of the facts hereinafter stated / Dat ek persoonlik kennis dra van die feite hierin uiteengesit

(3) That \_\_\_\_\_  
Dat \_\_\_\_\_  
(hereinafter referred to as the said Estate) / (hierin voortaan na verwys as genoemde Boedel)

which estate has been sequestrated / liquidated, was at the date of sequestration / liquidation and still is indebted to  
welke boedel in sekwestrasie / likwidasie geplaas is, op die dag van sekwestrasie/likwidasie en nou nog verskuldig is aan  
the said Creditor in the sum of (words)  
die genoemde skuldeiser in die som van (woorde) \_\_\_\_\_

for \_\_\_\_\_  
vir \_\_\_\_\_

(4) That the said debt arose in the manner and at the time set forth in the account hereunto annexed.  
Dat genoemde skuld ontstaan het op die wyse en op die datum soos op hierby aangehegte rekening uiteengesit.

(5) That no other person besides the said estate is liable (otherwise than as surety) for the said debt or any part thereof.  
Dat geen ander persoon buiten die genoemde boedel vir die genoemde skuld of enige deel daarvan aanspreeklik is nie (behalwe as borg).

(6) That the said Creditor has not, nor has any other person, in my knowledge on the said Creditor's behalf received any  
Dat nog die genoemde Skuldeiser, nog volgens my wete, enige ander persoon namens die genoemde Skuldeiser enige

security for the said debt or any part thereof save and except,  
sekuriteite vir die genoemde skuld of enige deel daarvan ontvang het nie, buiten en behalwe,

which security I value at \_\_\_\_\_  
welke sekuriteit ek waardeer teen \_\_\_\_\_

(7) That this claim was not acquired by cession after the institution of the proceedings by which the estate was sequestrated / liquidated.  
Dat die vordering nie verkry is deur sessie na die instelling van die proses van die sekwestrasie/likwidasie van die boedel nie.

Signature of Deponent / Handtekening van Deponent \_\_\_\_\_

I hereby certify that the deponent has acknowledged that he knows and understands the contents of this affidavit, which was signed and sworn before me at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, the regulations contained in the Government Notice No. R1258 of 21 July 1972, as amended and Government Notice No. R1648 of 19 August 1977, as amended, having been compiled with.

Commissioner of Oaths / Kommissaris van Ede: \_\_\_\_\_

FULL NAME: \_\_\_\_\_

DESIGNATION / OFFICE: \_\_\_\_\_

**STATEMENT OF ACCOUNT**  
(In terms of Section 44(6) of the Insolvency Act, as amended)

In the case of the claim being in respect of goods sold and delivered on an open account, this statement must be completed in every respect and attached to your claim documents.

|                                      |  |
|--------------------------------------|--|
| Name & Address of Creditor:          |  |
| Name of Estate:                      |  |
| Brief Description of Goods Supplied: |  |

| "A" monthly totals of goods supplied for 12 (twelve) months prior to Liquidation/Sequestration |               |       | "B" Total monthly payments received 12 (twelve) months prior to Liquidation/Sequestration |              |       |
|--|---------------|-------|---|--------------|-------|
| Mnth before Liq/Seq  | Month & Year  | Total | Repayments Received   | Month & Year | Total |
| 13 <sup>th</sup> month   | Bal if any 20 | R -   | 12 <sup>th</sup> month  | / /          | R -   |
| 12 <sup>th</sup> month   | 20            | R -   | 11 <sup>th</sup> month  | / /          | R -   |
| 11 <sup>th</sup> month   | 20            | R -   | 10 <sup>th</sup> month  | / /          | R -   |
| 10 <sup>th</sup> month   | 20            | R -   | 9 <sup>th</sup> month   | / /          | R -   |
| 9 <sup>th</sup> month  | 20            | R -   | 8 <sup>th</sup> month   | / /          | R -   |
| 8 <sup>th</sup> month  | 20            | R -   | 7 <sup>th</sup> month   | / /          | R -   |
| 7 <sup>th</sup> month  | 20            | R -   | 6 <sup>th</sup> month   | / /          | R -   |
| 6 <sup>th</sup> month  | 20            | R -   | 5 <sup>th</sup> month   | / /          | R -   |
| 5 <sup>th</sup> month  | 20            | R -   | 4 <sup>th</sup> month   | / /          | R -   |
| 4 <sup>th</sup> month  | 20            | R -   | 3 <sup>th</sup> month   | / /          | R -   |
| 3 <sup>th</sup> month  | 20            | R -   | 2nd month   | / /          | R -   |
| 2nd month  | 20            | R -   | 1st month   | / /          | R -   |
| Exact date in Liq/Seq month  | 20            | R -   | Exact date in Liq/Seq month   | / /          | R -   |
| <b>TOTALS "A"</b>  |               | R -   | <b>TOTALS "B"</b>   |              | R -   |

AMOUNT OF CLAIM - TOTAL "A" MINUS TOTAL "B" EQUALS

R -

Notes:

1. A brief description of the goods sold or services rendered must be given i.e. groceries, hardware, confectionery, clothing, etc.
2. "A" & "B" must reflect full period of trading or for a period of twelve months before date of Sequestration/Liquidation.
3. If no payments were received or credits given state "Nil" under "B".

**EXTRACT OF THE MINUTES OF A BOARD MEETING OF:**

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HELD AT \_\_\_\_\_ ON \_\_\_\_\_ 20\_\_\_\_

**RESOLVED:** In the matter of \_\_\_\_\_ that  
(NAME OF THE ESTATE)

\_\_\_\_\_ be authorized to sign all documents on behalf of  
(NAME OF REPRESENTATIVE OF CREDITOR)

the company, to prove claims on behalf of the company and to sign powers of attorney in favour of

\_\_\_\_\_ with power of substitution to act on behalf of the  
(REPRESENTATIVE ATTENDING MEETING)

company at any meeting of creditors convened in terms of the Companies or Insolvency Acts.

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**SIGNED ON BEHALF OF THE BOARD**

**POWER OF ATTORNEY**

**TO PROVE CLAIMS AND VOTE FOR LIQUIDATOR/TRUSTEE  
AND GENERALLY TO ACT IN THE MATTER OF**

\_\_\_\_\_  
NAME OF ESTATE

I/We, the undersigned \_\_\_\_\_  
(REPRESENTATIVE OF CREDITOR)

in my/our capacity as \* \_\_\_\_\_ of \*\* \_\_\_\_\_

do hereby nominate, constitute and appoint # \_\_\_\_\_

\_\_\_\_\_

INITIAL HERE →

Jointly and severally, with Power of Substitution to be my/our lawful Attorney/s and Agent/s, in my/our name, place and stead, to appear before the Master of the High Court, or before any Magistrate, or before any Presiding Officer, at his or their office, likewise before any Commissioner, and to appear at all Meetings of Creditors to be held in the above matter and then and there as my/our agent in act and deed to prove and file my/our claim or claims against the Estate or the Company in liquidation, as the case may be; to vote for the election of a Trustee or to vote for the election of a Liquidator, as the case may be, to administer the Estate or the Company in Liquidation, as the case may be; to give the Trustee/s or the Liquidator/s directions as to the management thereof; on my/our behalf to examine any person or persons, and further to represent me/us in all matters or things relating to the Estate or Company in Liquidation or Company, as the case may be, including the right to vote on an Offer of Compromise, Scheme of Arrangement or Composition, and generally for effecting the purposes aforesaid to do or cause to be done whatsoever shall be requisite, as fully and effectually to all intents and purposes as I/we might or could do if personally present and acting herein, hereby ratifying, allowing and confirming and promising and agreeing to ratify, allow and confirm all and whatsoever my/our said Attorney/s and Agent/s shall lawfully do or cause to be done in the premises by virtue of these presents.

GIVEN under my/our hand at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ in the presence of the undersigned witnesses.

**AS WITNESSES:**

1. \_\_\_\_\_

SIGNATURE

2. \_\_\_\_\_

SIGNATURE

\* Here insert whether Director, Owner or Partner

\*\* Name of Firm or Company

# See Note 4.1

NB – A Manager, Secretary or Employee may only sign if his authority has been registered with the Master of the High Court, or if a certified copy of a resolution of the Board of Directors of the Company authorizing such Manager, Secretary or Employee to sign, is lodged with the claim.