

**C HAMMAN RESTAURANTS CC (IN LIQUIDATION)**  
**f/t/a THE GOLDEN BAY SPUR – BLOUBERG STRND**

**REGISTRATION NUMBER CK 2005/070499/23**

**MASTER'S REFERENCE NUMBER: C547/2009**

REPORT OF THE LIQUIDATORS, MICHAEL JOHN LANE, JOHANNES FREDERICK KLOPPER AND MELWYN PATRICK NASH OF CAPE TOWN TO BE SUBMITTED TO CREDITORS AT THE SECOND (GENERAL) MEETING OF CREDITORS AND MEMBERS TO BE HELD BEFORE THE MAGISTRATE, BELLVILLE ON FRIDAY, 18 DECEMBER 2009 AT 09H00 AM.

**ORDERS OF COURT AND MEETINGS**

The corporation was wound up by means of a special resolution passed by the member which was registered by the Registrar of Companies on 21 May 2009.

The first meeting of creditors was held at the Magistrate, Bellville, on 28 August 2009. No claims were proved at this meeting but the resolutions were adopted by the member.

**STATUTORY INFORMATION**

Name of Corporation	C Hamman Restaurants CC
Trading Name	Golden Bay Spur, Blouberg
Place of business	Shop 45 Seaside Village, Big Bay, Blouberg Strand
Registered No.	CK 2005/070499/23
Date of Incorporation	16 April 2005
Registered office	3 Sybrand Road, Sybrand Park, Rondebosch
Sole Member	Charles Von Willigh Hamman

**HISTORY OF THE CORPORATION'S BUSINESS AND REASONS FOR IT'S FAILURE**

The corporation traded as a Spur franchise from rented premises situated at Shop 45, Sea Side Village, Big bay, Blouberg Strand. The member confirmed that the dispute between the close corporation and the landlord was the primary reason for the demise of the close corporation.

In addition it appears that trading conditions were not ideal in that the turnover of the business was insufficient to service fixed monthly overheads, in particular, rental of the premises which amounted to approximately R85,000 per month.

The member then elected to pass a resolution to wind-up the corporation on the basis that its liabilities exceeded its assets by at least R2,092,000.

## **SECTION 79(A) ASSETS AND LIABILITIES**

From the Statement of Affairs filed by the corporation and on subsequent investigations the following appears to be the approximate financial position of the Close Corporation as at the date of liquidation :

### **ASSETS**

Restaurant equipment, office furniture and effects valued at R171,635 and sold by private treaty for	R 300,000 (Plus VAT)
Stock on hand as at date of liquidation	R 4,382
Cash on hand	<u>R 22,000</u>
<b><u>Total Assets</u></b>	<b><u>R 326,382</u></b>

### **LIABILITIES**

#### **Secured Creditors**

Notarial Bond and Instalment Sale Agreements in favour of Nedbank Ltd	R 990,000
Landlord	R1,724,000

#### **Preferent Creditors**

**to be established**

#### **Concurrent Creditors**

Trade and Loan Creditors	<u>R 818,700</u>
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#### **Total Liabilities**

**R3,532,700**

### **COMMENT ON ASSETS AND LIABILITIES**

The Statement of Affairs sets out the financial position of the corporation as at 4 May 2009.

As at that date, the member declared under oath that the corporation had the following assets :

1. Cash at Bank	R175,000
2. Cash in hand	R 40,000
3. Stock-in-trade	<u>R100,000</u>
Total	<u>R315,000</u>

We were appointed as liquidators by the Master of the High Court on 12 June 2009. Our investigations at that time revealed that the financial position as at 21 May 2009 (the date the special resolutions was registered by the registrar of Close Corporation) was as follows :

1. Cash at Bank	R 21,000
2. Cash in hand	R NIL
3. Stock –in-trade (at cost)	<u>R 4,283</u>
Total	<u>R24,283</u>

The Corporation's financial position deteriorated significantly to the detriment of the general body of creditors from the date on which the member signed the statement of affairs and the date on which the liquidators took charge of the corporation. (The member advised us that his attorney advised him that there was no reason for him to suspend trading operations until such time as the resolution to wind-up the corporation was registered.) Our investigations in this regard are continuing and a further report in this regard will be lodged the Master of the High Court once our investigations in this regard have been completed.

The member has indicated that the Corporation has a counter-claim against the landlord for an amount of approximately R1,200,000.

With the consent of the majority of creditors and pursuant to an extension of our powers the Master of the High Court, the restaurant equipment, furnishings and effects valued at R171,635 were sold by private treaty for the amount of R300,000 plus VAT.

#### **SECTION 79(B) CAUSE OF THE CORPORATION'S FAILURE**

Reasons for the Company's failure have been set out above.

#### **SECTION 79 (C) CONTRAVENTIONS AND OFFENCES**

We are still conducting our investigations in this regard. A Section 79(C) report will be lodged with the Master of the High Court as soon as our investigations in this regard have been completed.

#### **SECTION 79 (D) PERSONAL LIABILITY OF MEMBERS**

At this stage it appears that the member may be liable to the corporation on the ground of breach of trust or negligence, or to make repayments to the corporation in terms of Section 70(2) or (3) or Section 71(1) or (2).

#### **SECTION 79 (E) LEGAL PROCEEDINGS**

There were no legal proceedings threatened by or against the corporation at the date of liquidation other than for the normal recovery of debt.

#### **SECTION 79 (F) FURTHER ENQUIRY**

At this stage we are not aware of any matter relating to the promotion, formation and failure of the business which requires further investigation, but further enquiry is necessary with regard to the conduct of its business.

#### **SECTION 79 (G) BOOKS AND RECORDS**

Books and records have not been placed at our disposal. A further report in this regard will be lodged in due course.

#### **SECTION 79 (H) DIVIDEND PROSPECTS AND FURTHER ADMINISTRATION**

There does not appear to be a danger of a contribution, but a dividend to concurrent creditors is not expected to be paid.

**SECTION 79 (I) DIRECTIONS OF CREDITORS**

Creditors are urged to adopt the report and to leave the future and final winding up of the corporation in our hands.

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