



JJS Administrators (Pty) Ltd
1st Floor, Tijger Park 5 Building
Off Willie Van Schoor Drive
Tygervalley, 7530

Telephone: (021) 271 0415
email: jur@jjsadmin.co.za

5 November 2020

TO ALL KNOWN CREDITORS

Our ref JSteenkamp/ndt

Dear Sir/Madam

STA Travel (Pty) Ltd (In Liquidation)
Masters Reference : G961/20

STA Travel (Pty) Ltd was placed in liquidation in terms of a Special Resolution registered with CIPC on 30 September 2020. JJ Steenkamp and CA Jones have been appointed as Joint Provisional Liquidators by the Master of the High Court on 28 October 2020.

1. COMPANY PARTICULARS

| | |
|-------------------------------|---|
| Directors : | R Kotzaurek NA Osterdag |
| Principal Business : | Travel agency |
| Principal Place of Business : | 19, 17 th Avenue, Parktown North, Johannesburg |
| Registration No : | 1994/006821/07 |
| Registered Address : | 19, 17 th Avenue, Parktown North, Johannesburg |

Director: JJ Steenkamp & RB Bailey
Registration No: 2018/409887/07
Members of SARIPA



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2. FINANCIAL POSITION OF THE COMPANY AT DATE OF LIQUIDATION

From the information obtained from the Statement of Affairs, consultation with the directors, as well as our preliminary investigations undertaken it would appear that the financial position of the company as at date of provisional liquidation was as follows :

| <u>ASSETS</u> | <u>Notes</u> | <u>R</u> |
|--|--------------|-------------------------|
| • Cash in bank accounts | 1 | 3 228 074 |
| • Trade fixtures, fittings, furnishings and equipment | 2 | 500 000 |
| • Debtors | 3 | <u>Nil</u> |
| TOTAL ASSETS | | <u>3 728 074</u> |

LIABILITIES

| | | |
|------------------------------|---|---------------------------|
| Secured Creditors | 4 | Unknown |
| Preferent Creditors : | | |
| • Employees | 5 | 2 075 750 |
| • SARS | 6 | Unknown |
| Concurrent Creditors | 7 | <u>211 418 220</u> |
| TOTAL LIABILITIES | | <u>213 493 970</u> |

NOTES :

1. The amount reflected appears on the Statement of Affairs and the provisional liquidators arranged for a hold to be placed on these accounts.
2. The trade fixtures, fittings, furnishings and equipment, according to the Statement of Affairs, has a nett book value of R4 888 879.00. The majority of the cost according to the asset register relates to the fitting of various stores. The company traded from 22 premises situated in and around Johannesburg, Pretoria, Cape Town, Bloemfontein, and Durban. The amount reflected is an estimate what is likely to be realised from the saleable assets.

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NOTES (CONT)

3. The Statement of Affairs discloses doubtful and irrecoverable debt of R116 343 486.00. The provisional liquidators will obtain all relevant detail in respect of the debtors and investigate whether in fact any part can be recovered.
4. Included in the Statement of Affairs under "unsecured claims" are various claims from Landlords. In terms of the insolvency legislation Landlords have a statutory hypothec over the assets on the premises for any claim for arrear rent. It may very well be that some of the office furniture and equipment are encumbered to one or more of the Landlords. Furthermore, the funds in the FNB money market account may have been ceded to Rand Merchant Bank who issued a guarantee to IATA in respect of potential claims by any airline against the company. Further investigations are required.
5. The amount due to employees appears on the Statement of Affairs.
6. According to the Statement of Affairs the company is not indebted to SA Revenue Service. The provisional liquidators will establish whether all returns in respect of the various taxes were submitted.
7. The amount reflected appears from the Statement of Affairs and includes a claim of R115 581 198.00 by STA Travel International Ltd and an amount of approximately R91 000 000.00 in respect of potential claims from approximately 27 000 customers.

3. THE IMMEDIATE FUTURE

The next step in the liquidation process is for the Master of the High Court to convene a first meeting of creditors and of shareholders. The purpose of the first meeting of creditors is for the proof of claims and those creditors who's claims are admitted can nominate and vote for the appointment of final liquidators.

From the little information available at this point it is clear that it would be in the interest of creditors to terminate the various leases and rentals immediately to prevent unnecessary cost from accruing.

It would also be in the interest if the assets are sold to prevent unnecessary storage cost which will negatively impact the likely dividend to creditors. As such the provisional liquidators will approach the Master of the High Court alternatively the High Court for an extension of powers to enable them to attend to the termination of leases and sale of assets.

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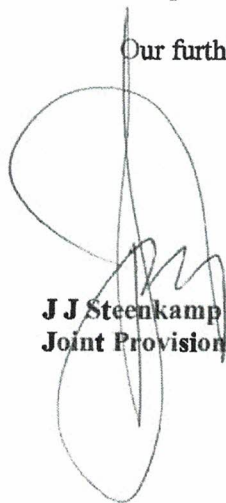
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At this stage there appears to be no danger of a contribution and a claim document is attached for completion by those creditors who wish to submit their claim at this stage.

Our further reports to follow in due course.



J J Steenkamp
Joint Provisional Liquidator



CA Jones
Joint Provisional Liquidator