

1Time's liquidators appointed

Provisional liquidators for the budget airline 1Time have been appointed after the North Gauteng High Court granted the company a provisional liquidation order.



The granting of the order brought an end to the business rescue process. The provisional liquidators are Hannes Muller and Aviwe Ndyamara from Tshwane Trustees and they will take over the airline's affairs from business rescue practitioner Gerhard Holtzhausen.

1Time chief executive Blacky Komani said yesterday that 1Time's creditors had an "overall negative attitude" towards the business rescue plan.

He blamed Airports Company South Africa (Acsa), which was the largest creditor with a claim of about R147m, saying it was only interested in recovering all its money without considering the ripple effect that this might have on South Africa airline industry, travellers or tourists.

A change in the payment policy at Acsa put constraints on 1Time's cash flow. To make matters worse, the reconciliation done by Acsa offset current payments received against historic debts, despite the fact that the historic claims were ring-fenced.

The matter will be investigated by the liquidators.

One of the major obstacles in successful business rescue processes so far had been the inability of companies to obtain bridging finance to keep them operating.

More than 750 business rescue resolutions had been filed with the Companies and Intellectual Properties Commission since May last year. Only 94 businesses of the almost 170 rescues completed were successful.

Komani said as a result of the cash flow problems, shareholders were reluctant to take up a rights issue in 1Time, which could have boosted the struggling airline by about R80m.

A major international aviation company initially expressed interest in acquiring the airline but backed out because of the cash requirements in the short-term.

Source: *Business Day* via I-Net Bridge

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