

Supreme Court of Appeal of South Africa

**MEDIA SUMMARY – JUDGMENT DELIVERED IN SUPREME COURT OF APPEAL**

From: The Registrar, Supreme Court of Appeal

Date: 23 February 2006

Status: Immediate

**NATIONAL SORGHUM BREWERIES LTD v CORPCAPITAL BANK LTD**

*Please note that the media summary is intended for the benefit of the media and does not form part of the judgment of the Supreme Court of Appeal*

In a judgment delivered today, the Supreme Court of Appeal (the SCA) has dismissed the appeal by National Sorghum Breweries (NSB) against the judgment of the Johannesburg High Court.

Corpcapital Bank sued NSB in the high court for damages arising out of breach of various lease agreements. In terms of these agreements NSB had leased 18 vehicles from a company called Afinta Financial Services. The latter company later transferred its rights in the agreements to another company which ceded them to the bank as security for loans the bank had granted it.

NSB challenged the bank's right to sue, arguing that there had not been a proper cession of rights. The high court ruled that NSB could not raise such a defence.

Dissatisfied with the ruling NSB appealed to the SCA which held that the rights in all affected lease agreements had been ceded to the bank. As a result the bank was entitled to sue NSB.