

6 July 2023

CIRCULAR 05

THIS DOCUMENT IS A CIRCULAR TO THE AFFECTED PERSONS RELATING TO THE BUSINESS RESCUE PROCESS OF **BULKWISE LOGISTICS (PTY) LTD** IN TERMS OF THE COMPANIES ACT, 71 OF 2008 AS AMENDED (THE ACT).

OUTCOME OF THE 2ND MEETING OF CREDITORS

The business rescue practitioner¹ wishes to advise all the affected parties the outcome of the 2nd meeting of creditors of **Bulkwise Logistics (Pty) Ltd** (Herein after referred to as “Bulkwise” or “The Business”) - held on 28 June 2023.

CONFIRMATION OF REASONS FOR THE FINANCIAL DISTRESS:

1. Multiple incidents involving the vehicles including but not limited to accidents, breakdowns and other unexpected downtime for which provision was not made.
2. The unexpected downtime, coupled with the ongoing commitments to complete the contracts, caused the business to fall behind on payment schedules for the instalment sale agreements on various accounts.
3. The downtime forced the business to resort to short term rental agreements for alternative trucks in order to maintain timelines and on time completion of certain projects and milestones. These short-term rental agreements were however far more costly than originally anticipated and as a result, the business ran at a loss during this period of time and was forced to stop with these rentals.
4. Ongoing litigation matters regarding the outstanding payments due on the secured assets and the final surrender of these assets has caused the business to not be in a position to continue operating at full capacity.

¹ Jaco Durandt, Junior Business Rescue Practitioner.

INFORMATION PROVIDED:

- Liabilities**

Bulkwise Logistics (Pty) Ltd				FINANCE SHEET				
Nr	Creditor	Acronym	Capital Amount	Interest & Admin Fees	Legal Fees	Amount Due	% Voting Interest	
1	SARS VAT	CC	R 805 368,65			R 805 368,65	24,74%	
2	SARS Employee Tax	CC	R 25 020,50			R 25 020,50	0,77%	
5						R -	0,00%	
6	ABSA Account number 940 469 77	CC	R 250 192,30			R 250 192,30	7,68%	
7	ABSA Account Number 942 840 61	SC	R 499 784,53			R 499 784,53	15,35%	
10						R -	0,00%	
11	MAN Financial Services Account Number 94047108	CC	R 420 321,27			R 420 321,27	12,91%	
12	MAN Financial Services Account Number 94065238	CC	R 386 537,04			R 386 537,04	11,87%	
13	MAN Maintenance Account Number 8100 2839	CC	R 88 535,12			R 88 535,12	2,72%	
15						R -	0,00%	
16	Standard Bank (Asset Finance)	SC	R 480 586,38			R 480 586,38	14,76%	
17	Standard Bank (Fleet Facility)	CC	R 70 135,25			R 70 135,25	2,15%	
20						R -	0,00%	
21	SCANIA financial services	CC	R 318 953,00			R 318 953,00	9,80%	
22	SCANIA financial services (Deposit)	CC	R -89 487,00			R -89 487,00	-2,75%	
						R -	0,00%	
TOTAL		11	R 3 255 947,04	R -	R -	R 3 255 947,04	100,00%	

SUMMARY BY CREDITOR ACRONYM		Count	Capital Amount	Interest & Admin Fees	Legal Fees	Amount Due	%
SC	Secured Creditors	2	R 980 370,91	R -	R -	R 980 370,91	30,11%
CC	Concurrent Creditors	9	R 2 275 576,13	R -	R -	R 2 275 576,13	69,89%
PC	Post Commencement Finance	-	R -	R -	R -	R -	0,00%
D-SC	Disputed Secured Creditors	-	R -	R -	R -	R -	0,00%
D-CC	Disputed Concurrent Creditors	-	R -	R -	R -	R -	0,00%
D-PC	Disputed Post Commencement Finance	-	R -	R -	R -	R -	0,00%
TOTAL		11	R 3 255 947,04	R -	R -	R 3 255 947,04	100,00%

- Debtors**

- This information has been requested by the practitioner, and will be provided to him by the business soonest. A further update will again be provided at the follow up meeting.

- Future work / Current work and projects**

- The business currently has projects awarded – on a subcontract basis – which have termination dates early next year. These contracts can however be extended rather easily by mutual agreement of the parties.

- Currently, the business has projects/work from the following entities:

- Imperial KWS
- Diraro Group Transport
- Zen Holdings

- Cashflow projections**

- The director and general manager have provided the practitioner with a projected cash flow statement for the following 12 months – based on having 2 working trucks and being in a position to complete the projects already awarded.

12 months Cashflow Forecast - Bulkwise Logistics (Pty) Ltd														
Month:	Pre-Start	June	July	August	September	October	November	December	January	February	March	April	May	Totals
Receipts														
Revenue excl VAT before diesel deduction	0	798,000	798,000	718,200	798,000	798,000	718,200	638,400	678,300	718,200	798,000	798,000	798,000	9,057,300
Total Receipts	0	798,000	798,000	718,200	798,000	798,000	718,200	638,400	678,300	718,200	798,000	798,000	798,000	9,057,300
Payments														
Fleet Financing Costs/ Repayments	0	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000	1,116,000
Fleet Rental costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Diesel purchases	0	359,100	375,060	337,554	375,060	375,060	337,554	300,048	318,801	337,554	375,060	375,060	375,060	4,240,971
Salaries and wages	0	76,500	76,500	76,500	76,500	76,500	76,500	76,500	76,500	76,500	76,500	76,500	76,500	918,000
Employee benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payroll taxes	0	6,885	6,885	6,885	6,885	6,885	6,885	6,885	6,885	6,885	6,885	6,885	6,885	82,620
Rent for Offices	0	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000
Tryes Provision	0	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
Repairs and maintenance	0	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	480,000
Insurance related costs	0	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000
Travel	0	0	0	3,000	0	0	0	3,000	0	0	0	3,000	0	9,000
Tool fees	0	0	0	3,750	3,750	0	3,750	0	3,750	0	0	0	0	18,750
Fines	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subsistence Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Truck Wash	0	5,100	5,100	4,590	5,100	5,100	4,590	4,080	4,335	4,590	5,100	5,100	5,100	57,885
Consultancy fees	0	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
Licensing and Registration	0	26,000	0	0	0	0	0	18,000	0	18,000	0	0	0	58,000
Truck Stop costs	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Office supplies and branding	0	0	0	0	1,000	0	0	1,000	0	0	1,000	0	1,000	4,000
Staff Training and development	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank charges	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Payments	0	670,585	660,545	629,279	665,295	660,545	626,279	604,513	607,271	638,529	661,545	663,545	665,295	7,753,226
Cashflow Surplus/Deficit (-)	0	127,415	137,455	88,921	132,705	137,455	91,921	33,887	71,029	79,671	136,455	134,455	132,705	1,304,074
Opening Cash Balance	30,000	30,000	157,415	294,870	383,791	516,496	653,951	745,872	779,759	850,788	930,459	1,066,914	1,201,369	7,641,684
Closing Cash Balance	30,000	157,415	294,870	383,791	516,496	653,951	745,872	779,759	850,788	930,459	1,066,914	1,201,369	1,334,074	8,945,758

• Potential Investors

- The practitioner has already approached multiple potential investors for the business and discussions are ongoing. One investor has shown a real interest and has requested 15 days to complete a due diligence. The investor was out of town for a few days and will return on Monday the 13th of July. Once he is back communications will resume and the affected persons will be kept informed of any progress here.

REQUEST FOR AN EXTENSION

1. Based on the discussions had in this meeting, it is proposed that another meeting similar to this one is held on the 26th of July 2023 so that the practitioner can provide further feedback to the creditors. At this meeting, the practitioner will request a further extension if required and should this not be granted, the plan will be due within 10 business days.
2. A unanimous vote was achieved in this regard and therefore the next meeting will be on the 26th of July 2023 where a further update will be given, and further extensions be given should it be necessary.

PROOF OF CLAIMS

1. The practitioner confirmed that he has sent out the proof of claim forms and these proof of claim forms must be completed and returned to him on the prescribed document. Same is also available – along with all other documentation relating to the business rescue – on the website of the practitioner at <https://pattinson.biz/> under the “Business Rescue” tab at the top right of the page.

Kind Regards

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