

10 August 2023

CIRCULAR 07

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 3RD MEETING OF CREDITORS

The business rescue practitioner¹ wishes to advise all the affected parties the outcome of the 3rd meeting of creditors of **Bulkwise Logistics (Pty) Ltd** (Herein after referred to as “Bulkwise” or “The Business”) - held on 7 August 2023.

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%

¹ Jaco Durandt, Junior Business Rescue Practitioner.

- **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.
- The practitioner did confirm that these contracts are still in place and as soon as the business gets vehicles back on the road, they will be able to continue with the work.
- 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.
- This has of course not yet realised as we are still awaiting truck financing or investment. The projections included in the plan will of course be amended to include the repayment of pre-commencement debts to a degree based on affordability.

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	318,501	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	3,750	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	4,500	5,100	5,100	4,500	4,080	4,335	4,500	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	16,000	0	16,000	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 // long-term rental**

- The practitioner has already approached multiple potential investors for the business and discussions are ongoing. The investor who had shown interest previously has since withdrawn and will no longer be pursuing the investment opportunity.
- The practitioner and the management of Bulkwise had a meeting with Value Logistics regarding potential long-term rentals of trucks as an alternative to purchasing trucks. This option was evaluated and a quote was received. However, this option simply is not feasible for the business as it is simply unaffordable due to current cashflow constraints.

RESCUE PROCESS GOING FORWARD

1. The practitioner confirmed that the only viable option would be for the business to purchase vehicles on a financing option. The monthly instalments have already been calculated and will fit into the current cashflow projections and will allow the business to service the outstanding debts to a degree.
2. The business has approached shareholders and family members to raise capital for a deposit for the purchase of vehicles but there is still a balance that is due. This balance will need to come from an investor or from a personal loan from the director or shareholder.
3. We will communicate the finality of this option during the drafting of the business rescue plan.

REQUEST FOR AN EXTENSION

1. Based on the discussions had in this meeting, it is proposed that a final extension be granted for the publication date. It was proposed that the plan be prepared and published by the 22nd of September 2023.
2. A unanimous vote was achieved in this regard and therefore the plan will be due on the 22nd of September 2023.

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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