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ISO 9001: 2008



Certificate Number: 9432

14 May 2018

RE: Fire Raiders Proprietary Limited (In Business Rescue) Registration number 2000/031783/07
("The Company") – Update report in Terms of Section 132 (3)

The company has continued to operate with staff in Roodepoort on a full-time basis and the workload has improved. An exercise of re-invoicing of billings previously raised had to be undertaken again as the SLA stated VAT was included in the rates and this was not noticed by the management. This exercise is almost completed and has had the effect that no payments have been received from COJ for the Roodepoort workshop work for the past 8 weeks. A concerted effort has been made to get all the re-invoicing complete by mid May 2018. Improved cashflow should be noticed thereafter.

The staff at the Boksburg manufacturing facility have been working more full weeks to complete the two refurb vehicles and the two new vehicles for COJ. The delivery was scheduled for the end of April 2018 however a discussion with COJ saw them requesting to receive the refurb vehicles in the third week of May 2018 as they want the aerial certifications completed for the two refurb vehicles which is scheduled for 16 May 2018.

COJ met management on Thursday 10 May 2018 to review the progress on the two new vehicles which are complete from a build point but still require the specialized and Holmatro equipment, they stated they did not want to take delivery without the equipment. This has delayed the billings for the new vehicles into June 2018 which is a setback again, but management is considering all options to expedite the sourcing of the equipment for these two vehicles, so they can be delivered asap complete as requested.

This will push back the billing of the new vehicles into June 2018 and management made a special request to the COJ officials to once again help chase though payment for the 2 new vehicles and they confirmed they will assist again.

The cashflow from these billings will allow for the payment of the bulk of the creditors to be made which we will facilitate as speedily as practicable thereafter, however we are now expecting this to happen at the end of June 2018 – some 8 weeks behind what was expected.

Maintenance work has picked up in the Boksburg facility and Ekurhuleni have met with management and the potential investors and they were given assurances that the company can now attend to their vehicles.

The imported Bronto- Skylift has been delivered and payment has been received for the balance of the billing and we were able to secure favorable foreign exchange rates for the funds needed to settle Bronto. Training was undertaken and a successful hand over was made during April 2018.

Substantial progress has been made on the last two prime mover vehicles for Ekurhuleni and payment has been received and a balance is owed to Palfinger for the work on the second vehicle. After the 4 COJ vehicles are delivered work will start on the North West and Tlokwe vehicles.

During this week we were verbally advised four vehicles being awarded to the company from Wesbank Fleet as financier for King Sabata Dalinyebo Municipality. Orders for two vehicles for R 4 35 919 were received and we await orders for a further 2 vehicles. One a Warrior R4,5M and a Bronto Skylift R 12,0m.

This is most pleasing and is clear confirmation that there is still a good deal of goodwill for the company from its customers and the reputation it has for delivering quality vehicles and equipment.

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Heads of agreement was signed on 13 April 2018 with Raco Holdings Proprietary Limited, after some negotiations with the potential investors and their attorney, and a final agreement will be presented to me shortly.

The potential investors have concluded their due diligence successfully and both directors of Raco Holdings Proprietary Limited have been actively participating in the decision-making decisions with myself and are interfacing with the various line managers on almost a daily basis. Based on this positive contribution from them I am confident we will have a signed deal on the table by mid-June 2018.

A further two potential investors have contacted me, and I am keeping their details should the deal not be successful.

A strategic planning meeting was held on Saturday 21 April 2018 for all line staff and the potential investors and a robust and fruitful meeting saw the direction, ethos and structure of the company going forward being debated and confirmed.

Exco meetings have been held for the past 4 Mondays (excluding the 30 April 2018 which the company closed its facilities for the long weekend) and again these were very productive.

These meetings have proved very insightful as to the reasons for the dilemma the company was faced with causing the need for it to implement business rescue. Lessons are being discussed and remedial action is being implemented, albeit painful and difficult to change from old habits. The management style of the two potential investors is a hands-on but enabling one, holding management responsible but taking no prisoners. This is what seems to have been sorely lacking previously.

The new GM-Finance Manager has been actively fulfilling her responsibilities and she is an asset to the company and is taking control of the finances and assists me greatly in the day to day function and responsibilities.

Two of the directors have resigned both as employees and directors - namely Ms Neo Mothala and Mr Trevor Fiford – their resignations have been processed with the CIPC. Mr Trevor Fiford has a wealth of knowledge of the customers the products and suppliers and a consulting arrangement is being discussed with the potential investors.

In addition, I have been advised that certain of the creditors and suppliers have or are intending instituting legal action against them.

Yours faithfully



J.C Henning
Appointed Senior Business Rescue Practitioner