

**Basis of preparation**

- Weekly short term cash flow forecast presented below. (Management was unable to prepare a daily short term cash flow forecast due to limitations in information)
- Assumptions underpinning the forecast included in Column AE
- Forecast includes secured revenue from completed and ongoing engagements (green ink), and unsecured revenue (orange and green ink). Detailed calculations and assumptions included in hidden rows.

**Schmidhauser Electrical Holdings - Weekly short term cash flow forecast**

Week									1	2	3	4	5	6
ZAR	4 Mar - 5 Mar	7 Mar - 11 Mar	14 Mar - 18 Mar	21 Mar - 26 Mar	28 Mar - 2 Apr	4 Apr - 9 Apr	11 Apr - 13 Apr	13 Apr - 16 Apr	18 Apr - 23 Apr	25 Apr - 29 Apr	2 May - 6 May	9 May - 13 May	16 May - 20 May	23 May - 27 May
<b>RECEIPTS</b>														
<b>A Unwinding of the debtors balance</b>	<b>18 797</b>	<b>645 151</b>	<b>113 734</b>	<b>463 088</b>	<b>177 510</b>	<b>143 765</b>	<b>203 354</b>	<b>134 517</b>	<b>184 861</b>	<b>698 530</b>	<b>184 560</b>	<b>327 887</b>	<b>184 560</b>	<b>289 234</b>
Receipts in Bidvest account	16 299	571 704	101 138	420 473	102 641	86 133	84 397	103 307	106 779	386 670	184 560	184 560	184 560	184 560
Receipts in Standard Bank account	2 498	73 447	12 083	42 614	74 869	57 632	118 958	31 210	78 082	19 000	-	-	-	-
Receipt in Nedbank account	-	-	512	-	-	-	-	-	-	-	-	-	-	-
Other: Currently incomplete job - Earl Peters	-	-	-	-	-	-	-	-	-	-	-	-	-	104 674
Other: Currently incomplete job - UCT	-	-	-	-	-	-	-	-	-	129 088	-	-	-	-
Other: Currently incomplete job - Melpos	-	-	-	-	-	-	-	-	-	-	-	143 327	-	-
Recovery of debtors handed over (25%)	-	-	-	-	-	-	-	-	-	163 772	-	-	-	-
<b>B Forecast sales</b>														
B.1 Secured revenue: Ongoing - WIP	-	-	-	-	-	-	-	-	350 000	20 000	30 000	80 000	-	10 000
B.2 Unsecured: Current quotes deposit (30% success rate) (70% on acceptance)	-	-	-	-	-	-	-	-	-	284 550	284 550	284 550	284 550	284 550
B.2 Unsecured: Current quotes residual 30%	-	-	-	-	-	-	-	-	-	-	-	85 365	85 365	85 365
B.3 Blue sky: Other (new sales rep and additional advertising)	-	-	-	-	-	-	-	-	-	-	-	147 425	194 850	303 250
C Supplier summons payment	-	12 000	-	-	-	-	-	-	-	-	-	-	-	-
<b>PAYMENTS</b>	<b>(128 850)</b>	<b>(470 231)</b>	<b>(199 558)</b>	<b>(465 168)</b>	<b>(62 496)</b>	<b>(151 472)</b>	<b>(45 372)</b>	<b>(40 818)</b>	<b>(60 588)</b>	<b>(975 443)</b>	<b>(556 295)</b>	<b>(64 649)</b>	<b>(41 679)</b>	<b>(693 255)</b>
D Suppliers - Post commencement	(20 236)	(71 320)	(72 185)	(62 639)	(36 699)	(120 037)	(45 158)	(37 688)	(35 000)	(36 728)	(15 728)	(29 867)	(28 238)	(34 158)
E Standard Bank repayment for vehicles	-	-	-	-	-	-	-	-	-	(500 000)	-	-	-	-
F Salary payments	(63 414)	(19 259)	(17 198)	(305 045)	(22 889)	(21 893)	-	(3 000)	-	(385 595)	-	-	-	(435 595)
F Provident fund	-	-	(8 769)	-	-	-	-	-	-	-	(57 082)	-	-	-
F PAYE	-	-	-	-	-	-	-	-	-	-	(3 840)	-	-	-
F UIF	-	-	-	-	-	-	-	-	-	-	(4 960)	-	-	-
F SDL	-	-	-	-	-	-	-	-	-	-	-	-	-	-
F JHB employee perks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G Bank fees	(200)	(352)	(706)	(2 404)	(288)	(654)	(214)	(129)	(618)	(678)	(716)	(712)	(471)	(532)
G Staff welfare	-	-	-	-	(1 000)	-	-	-	(1 700)	(1 700)	(1 700)	(1 700)	(1 700)	(1 700)
G Overtime meals	-	-	-	-	(1 620)	-	-	-	(1 000)	(1 000)	(1 000)	(1 000)	(1 000)	(1 000)
G Medical reports	-	-	(700)	-	-	-	-	-	-	-	-	-	-	-
G Consultancy	(15 000)	-	-	(10 080)	-	-	-	-	-	-	-	-	-	-
G Travel and accomodation (staff)	-	-	-	(5 000)	-	(5 000)	-	-	-	-	-	-	-	-
G Generator costs	-	-	-	-	-	-	-	-	(4 000)	(4 000)	-	-	-	(9 000)
G Motor vehicle expenses - Fuel	-	-	-	-	-	-	-	-	(9 000)	(9 000)	(9 000)	(9 000)	(9 000)	(9 000)
G Travel and accomodation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G Cleaning expenses / overheads	-	-	-	-	-	-	-	-	-	(1 000)	-	(1 000)	-	(1 000)
G Computer expenses - Macrolan	-	-	-	-	-	-	-	-	-	(4 000)	-	-	-	-
G Telephone hard lines - Occulus	-	-	-	-	-	-	-	-	-	(4 500)	-	-	-	-
G Cell phones	-	-	-	-	-	-	-	-	-	(10 000)	-	-	-	-
G Website - FGX	-	-	-	-	-	-	-	-	-	(3 000)	-	-	-	-
G Entertainment	-	-	-	-	-	-	-	-	(1 000)	(1 000)	(1 000)	(1 000)	(1 000)	(1 000)
G Insurance	-	-	-	-	-	-	-	-	-	(6 382)	-	(14 500)	-	-
G Levies	-	-	-	-	-	-	-	-	-	(6 000)	-	-	-	-
G Printing and stationery	-	-	-	-	-	-	-	-	(270)	(270)	(10 270)	(270)	(270)	(270)
G Small tools	-	-	-	-	-	-	-	-	-	-	(1 000)	-	-	-
G Security	-	-	-	-	-	-	-	-	-	(590)	-	-	-	-
G Staff training	-	-	-	-	-	-	-	-	(8 000)	-	-	(5 600)	-	-
H Business rescue fees - ENS	-	-	(100 000)	-	-	-	-	-	-	-	(138 000)	-	-	(100 000)
H Business rescue fees (Deloitte; ENS)	-	-	-	-	-	-	-	-	-	-	(312 000)	-	-	(100 000)
J Daniel Schmidhauser (Payments made on behalf of business, and other)	(30 000)	(379 300)	-	(80 000)	-	(3 888)	-	-	-	-	-	-	-	-
<b>NET WEEKLY CASH FLOW FORECAST</b>	<b>(110 054)</b>	<b>186 920</b>	<b>(85 824)</b>	<b>(2 080)</b>	<b>115 014</b>	<b>(7 707)</b>	<b>157 983</b>	<b>93 699</b>	<b>474 273</b>	<b>27 637</b>	<b>(57 186)</b>	<b>860 577</b>	<b>707 645</b>	<b>279 143</b>
<b>OPENING BIDVEST CASH BALANCE PER BANK STATEMENTS (3 MARCH 2016 COB)</b>	<b>168 686</b>	<b>58 632</b>	<b>245 552</b>	<b>45 069</b>	<b>42 989</b>	<b>158 003</b>	<b>158 003</b>	<b>150 295</b>	<b>243 994</b>	<b>718 267</b>	<b>745 903</b>	<b>688 718</b>	<b>1 549 295</b>	<b>2 256 940</b>
<b>CLOSING CASH BALANCE</b>	<b>58 632</b>	<b>245 552</b>	<b>159 728</b>	<b>42 989</b>	<b>158 003</b>	<b>150 295</b>	<b>315 985</b>	<b>243 994</b>	<b>718 267</b>	<b>745 903</b>	<b>688 718</b>	<b>1 549 295</b>	<b>2 256 940</b>	<b>2 536 084</b>

Source: Bidvest, Standard Bank and Nedbank statements; and Discussions with management

7 30 May - 3 Jun	8 6 Jun - 10 Jun	9 13 Jun - 17 Jun	10 20 Jun - 24 Jun	11 27 Jun - 1 Jul	12 4 Jul - 8 Jul	13 11 Jul - 15 Jul
261 888	261 888	261 888	261 888	208 732	208 732	208 732
261 888	261 888	261 888	261 888	208 732	208 731.7	208 731.7
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	37 000	-	-	-	-
284 550	284 550	284 550	284 550	284 550	284 550	284 550
85 365	85 365	85 365	85 365	85 365	85 365	85 365
303 250	303 250	303 250	303 250	303 250	303 250	303 250
-	-	-	-	-	-	-
(581 606)	(123 604)	(65 433)	(492 821)	(781 697)	(49 215)	(61 700)
(33 658)	(33 658)	(37 358)	(33 658)	(33 658)	(33 658)	(33 658)
(500 000)	-	-	-	(500 000)	-	-
-	-	-	(435 595)	-	-	-
-	(64 484)	-	-	-	-	-
-	(4 338)	-	-	-	-	-
-	(5 603)	-	-	-	-	-
(506)	(551)	(605)	(598)	(596)	(586)	(571)
(1 700)	(1 700)	(1 700)	(1 700)	(1 700)	(1 700)	(1 700)
(1 000)	(1 000)	(1 000)	(1 000)	(1 000)	(1 000)	(1 000)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(9 000)	(9 000)	(9 000)	(9 000)	(9 000)	(9 000)	(9 000)
-	(1 000)	-	(1 000)	-	(1 000)	-
(4 000)	-	-	-	(4 000)	-	-
(4 500)	-	-	-	(4 500)	-	-
(10 000)	-	-	-	(10 000)	-	-
(3 000)	-	-	-	(3 000)	-	-
(1 000)	(1 000)	(1 000)	(1 000)	(1 000)	(1 000)	(1 000)
(6 382)	-	(14 500)	-	(6 382)	-	(14 500)
(6 000)	-	-	-	(6 000)	-	-
(270)	(270)	(270)	(270)	(270)	(270)	(270)
-	(1 000)	-	-	-	(1 000)	-
(590)	-	-	-	(590)	-	-
-	-	-	-	-	-	-
-	-	-	-	(100 000)	-	-
-	-	-	-	(100 000)	-	-
-	-	-	-	-	-	-
353 447	811 449	906 620	442 231	100 200	832 682	820 197
2 536 084	2 889 531	3 700 980	4 607 600	5 049 831	5 150 031	5 982 713
2 889 531	3 700 980	4 607 600	5 049 831	5 150 031	5 982 713	6 802 910

#### Management assumptions

Based on debtors ageing analysis and management representation

Based on payments committed to by clients as at respective dates; all receipts post Apr 25, assumed monthly collected evenly over the month (i.e. total relevant receivable / 4)

Amdec, post finalisation of the itemised billing query

Completion unknown but expected by end of April (cash on invoice)

Completion unknown but expected by end of April (cash on invoice)

Completion unknown but expected by end of April (cash on invoice)

Handed over R655086.37 of debtors. Historically, company has recovered approximately 25% of total amounts handed over. Recovery expected at the end of April

WIP breakdown included in Appendix 2

Revised to a strike rate of 30%; 70% upfront; spread evenly over the remaining period; monthly sales taken and spread evenly over 2 weeks; best estimate given historical experience (Charmaine Coraizon)

Revised to unwind after one month, as is the expected completion time of one job.

Revised to include new sales rep: assume full potential is half of Daniel's historical ability; expect first week as training and thereafter even build-up over 3 weeks to full potential - in addition to this, normal marketing activities are resuming, expected increases of 100k minimum per week (cold calling and pamphlets)

This is historically approximately 20% of the overall sales costs, main costing sits in the labour component

R3m Standard Bank VAF debt (incl. interest) repaid over a 6 month period+AE25

Based on payroll costs for employees currently on the system, payable on the 25th of each month. Added in an additional 50k, due to anticipated sales rep and financial manager being added to the workforce; this excludes any possible downsizing - also, the current workforce will not require expansion based on managements assessment of available capacity (approx. operating at 80% of practical capacity as at current date)

Same percentages as per historical data, applied to the revised salary figures

Average bank charges based on first 6 weeks of BR proceedings

R1200 weekly drinks and R2000 for monthly office supplies

Average of R1000 per week. Ad hoc

n/a

n/a

n/a

Per Daniel, this will drop to 9000 (CT: 3000 & DBN: 6000) per month given that the Johannesburg operation has closed down; confirmed by scanning the PY TB

R600 per car per week for 15 cars (10 in CT and 5 in DBN)

R2000 monthly cost for cleaning expenses

Negotiated and reduced to 4k, by virtue of downsizing

Negotiated and reduced to 4.5k, all-inclusive

Management representation

Original 14.5k related to search engine optimization, subsequent costs reduce to approximately 3k for site upkeep

Average monthly costs of R4000 for clients / potential clients (ad hoc)

Payable to Santam (R14500 payable mid-month per the policy as well as R4256.57 and R2125.62 at the beginning of the month)

R6000 for DBN property. CT has no levies. JHB not operational

6 boxes of paper per month at R180 each. Include an additional 10k for moving to new offices (ad hoc expenses)

Average monthly cost of R1000 usu. Paid on 7th

ADT costs for CT

Required for certifications for engagements. Average of R8,000 per month over a year cycle. Ad hoc in nature

Business rescue fees

Business rescue fees