

CALEDONIAN POWER TOOLS (PTY) LTD Incorporating

CALEDONIAN TECHNICAL SERVICES (PTY) LTD



Certificate No: LS 3067

TEL +27 31 902-1455 FAX +27 31 902-1564

LINKHILLS 3652 K7N SOUTH AFRICA Directors : <u>Russell F Iverson</u> Trevor G Trollip

E-Mail : mailto:admin@yokotasa.co.za http://www.yokotasa.co.za Reg. No. : 1997/011779/07

YOKOTA



TOHNICHI



Sales

Calibration Laboratory

Spares

Repairs

COMPANY PROFILE

Caledonian Power Tools was conceived in 1995 by Russell Iverson who had spent a number of years in the power tool business in Johannesburg. On his transfer to Durban it was noted that the level of service, back-up, spares and stock availability of products was particularly poor nationally and in particular in Natal. After two years trying to correct the situation with the company he was employed by, a decision was made to form Caledonian Power Tools to enable him to offer the type of service that he felt the customers deserved.

An approach was made in the first instance to Yokota Industrial Co Ltd, Japanese manufacturers of precision torque impulse wrenches amongst other fine tools. Yokota was being used by Toyota under two different house labels from major manufacturers namely, Ingersol and Desoutter. The latter company was Russell Iverson's employer at that time.

After some negotiation and because of his solid experience in the air tool industry, Caledonian was awarded the sole distribution rights for Southern Africa.

Caledonian had begun its life. As each tool was purchased and brought into South Africa so a back-up tool was brought in to support any possible failure and to ensure no line stoppages were experienced by customers. This philosophy of customer satisfaction and complete concern for the customer's production line continuity has continued to this day.

The philosophy of service comes before profit and concern for production in industry will always remain the principals by which policy Caledonian flames its energy and remains its mission statement.

Subsequent to the line of Yokota products it became apparent that other types of tools were required to fulfil a complete range of pneumatic tooling. The market leaders of quality products were approached and other lines were added namely:

an Italian manufacturer of precision pneumatic screwdrivers and FIAM grinders.

TOHNICHI a Japanese manufacturer of torque wrenches to enable verification of the torque achieved by the various tools supplied enabling Poke Yoke systems to be put in place.

Sole distributorship in Southern Africa was awarded to Caledonian and this seemed to fill the voids and complete the range.

However, there was a requirement for hi tech electronic tools for fastening special applications on cylinder heads with torques and angles etc. Caledonian was approached by **GEORGES RENAULT** (now sold under the CP brand name), a French manufacturer of electronic torque controlled equipment, involving PLC controllers etc. At the same time it was negotiated to incorporate Desoutter Automatic Feed Drills of which our turnover is quite significant. An agreement was reached and sole distributorship awarded for Kwa Zulu Natal.

ENDO We are the sole importer and distributor of Endo balancing and lifting equipment in Southern Africa.

We also import a line of automotive tools from Taiwan to supplement our high quality products. Our range is completed by importing top quality impact sockets, hoses and fittings both from China and Japan dependant upon quality required.

In 1996 we had already established our own repair shop for assurance that our own products were being maintained to satisfactory international standards ensuring our customers had a fast turn around on broken tools and effective workmanship. In 1999 we were approached by Toyota to offer an outsourced repair and maintenance facility and established a subsidiary company, Caledonian Technical Services (Pty) Ltd, 100% owned by Caledonian Power Tools (Pty) Ltd. To ensure the standard of workmanship this facility was immediately tested and awarded ISO9001/2000. Furthermore, it was necessary to ensure compliance with international accreditation standards, "ILAC", who are represented by "SANAS", the South African accreditation facility who are Government affiliated. Again, we achieved the standard required and our Force Laboratory was approved.

The above distributorships, accreditation and facilities required skilled human resources and as such Caledonian increased its staff and improved its facilities. All staff undergo continued training from local and overseas partner Companies and educational facilities to compliment their knowledge base and assist in multi tasking within the Company.

With the advent of special fastening systems, particularly in the electronic and multi spindle operation, Mr Koos Visagie, a veteran in the motor industry, was placed in charge of our technical facilities. He began to build most of the machines supplied in house.

We still were somewhat lacking in electronics and PLC specialities and subsequently acquired the services of two such experts - Nicolas van Zyl and Clive Barrat.

So far as structural work was concerned it was necessary to enlist the support of welding and pipe fitting engineers. For this reason two highly

experienced ex Clyde shipbuilders were employed. One a Coded Welder and the other a Fabrication Engineer.

Our distribution extends country wide using Hyper Pneumatics in Port Elizabeth and Advanced Fastening Systems (previously known as Hyper Equipment) in Pretoria, covering most of the Motor Assembly Plants. We have a very close relationship with both these companies and are virtually partners in name but not in shareholding. We also have several small distributors in other areas including Pneumatic Aid in Isithebe who are one of the better small accounts. Our relationship with them goes back 15 years.

The programme, Solid Works, was purchased and utilised for 3D Cad drawings to enable simple CDs with drawings and components to be exchanged with Toyota as this is the same system used by them and many other manufacturing companies. These 3D drawings can if necessary be taken from the programme and fed into a Z Printer and solids of the drawings can be produced in about four hours for samples.

In November 2006 two employees of Chicago Pneumatic left them to join us. These are highly experienced sales personnel, 1. Allan McNicol who has been the Georges Renault specialist for many years. He is also highly experienced in all types of tooling, electronic and pneumatic, and happens to be a Tool Maker by trade therefore has intricate knowledge of automatic feed drilling systems etc. He is also an expert in electronic angle wrenches and spindles. 2. Desmond Salhab who has great experience in the mining industry and has been selling to the mines in the Johannesburg area both directly and through distributors. His knowledge extends to hand tools and earth breaking machines. This makes up our Johannesburg operation at present. The planned expansion in this area is vast and includes another three junior Reps and a workshop to support the products. However, it will take some time to finalise these goals.

It has been necessary also to hire an Assistant in our Technical Services Division as the workload has increased so much in the engineering side that our present Manager is under severe pressure. To this end we have hired an ex Toyota employee, Louis Scholtz, to assist him. Louis' knowledge and experience of production and maintenance planning is immense and will give us more understanding of the problems inherent in the motor plants therefore enabling us to formulate better solutions for them.

As can be seen, Caledonian Power Tools has changed from a small one man company to become an employer of 26 people of varying disciplines and experience but all allied to the solutions involving fastening with a turnover averaging in excess of R20 million over the last three years. The turnover has increased gradually and steadily and our sights for the 2008 fiscal year is to grow this to R24 million.

We are in partnership with Yokota Europa BV who hold a 30% share in Caledonian Power Tools and they have assisted us greatly over the years. Trevor Trollip joined our organisation as a junior Representative some 6 years ago and has grown to become Sales Director and understudy to the Managing Director. Trevor holds 20% shareholding. Russell Iverson retains the remaining 50%.

It has become necessary to make one of our Companies BEE compliant. We would not address this issue in previous years as we firmly believed that window

dressing which was taking place in general industry was not conducive to our ethics. We therefore delayed this step until such times as the Act had been officially promogulated in Parliament. The time now being right, we split the shareholding of Caledonian Technical Services in a manner that allowed us to officially make that Company compliant with the Act. As such our Financial Manager, Stanley Naidoo, has a 13% shareholding, our Workshop Manager, Vinod Chinthapersad has a 13% holding, Lelah Iverson owns 10%, Koos Visagie a 29% share and Caledonian Power Tools owns the balance of 35%.