

Busby emerges from business rescue rebranded as FrontierCo

The New House of Busby received approval from 91% of its creditors in support of its business rescue plan, scripted and executed by Hans Klopper and Dawie van der Merwe of BDO Business Restructuring. The company will now be rebranded to FrontierCo and its head office has relocated from Germiston to George in the Southern Cape.



New House of Busby was placed under voluntary business rescue on 29 July this year. Post commencement funding for the transaction was made available by the company's shareholders, lenders and creditors of the company who remain supportive of the company's continued operations.

The company holds the exclusive distribution rights to a number of international brands including Guess Inc, Aldo, Call It Spring, Delsey and Kipling. It also is a joint venture partner with Madden International in Steve Madden South Africa Pty Ltd.

Busby was a once iconic South African company that suffered financial damage after many years of mismanagement. Its precarious financial status was further compromised by the economic devastation dealt by the Covid-19 pandemic.

"In order to enable a fresh start and shed the negative corporate connotations with the Busby name we have elected to rebrand to FrontierCo," said CEO Bernard Mostert.



Partnership with Cavico, AJVH Holdings

Mostert added, "The company's successful business rescue was the result of the quick execution by Hans and Dawie and their zealous focus to ensure that the business will not be stuck in the business rescue process during its upcoming peak trading period in November and December.

"We are grateful for the many parties who considered and pledged their support for the future strategy of the group. Foremost among these were our licensors and our landlords, as well as lenders to the company. It was good to see all these parties work in concert to ensure success. Going forward the company will be a partnership between Cavico, AJVH Holdings and management."

"In the process, we were able to save 800 jobs in the company, continue to support our local suppliers and enable our licensors not to lose their footprint and market share in South Africa."

He continued, "Furthermore it would not have been possible for us to address a number of questionable contracts entered into by the company over many years if we did not have the legal mechanism of the business rescue process available to us," said Mostert.



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FrontierCo/Busby's head office and distribution centres have been relocated to George on the Garden Route where it will share services with Mr Tekkie, the footwear chain launched by AJVH chairman and former South African Entrepreneur of the Year Braam van Huyssteen and his long-time executive team.

"We are grateful that we can bring this multi-faceted business to our community in George. At this stage, we do not envisage that we will merge Busby and Mr Tekkie. We will, however, share certain generic retail services and disciplines between the two companies," said Mostert.

"As a part of the implementation of the business rescue plan, we first have to complete the legal restructuring of FrontierCo's individual business units. This will be done by CAFriedlander, who act as legal advisors to the company, and PKF George, AJVH's long-time group auditors," Mostert concluded.