

INFORMATION FOR DUE DILIGENCE PURPOSES

FINANCIALS

- Latest available management accounts and last two years of signed audited AFS.
- Analysis of costs of sales per the AFS and management accounts.
- Leases and hire purchase agreements:
 - Current interest rate
 - Current payment
 - Capital balance outstanding at interim
- Copies of all other long term agreements (please include information on the existing securities registered by other financial institutions).
- Debtors age analyses at previous year end and interim.
- Creditors age analyses at previous year end and interim.
- Stock report at previous year-end and interim giving a split between Raw materials, work-in-progress and finished goods.
- Confirmation of bank facilities, securities held and applicable interest rates.
- Fixed assets
- Latest tax assessments
- Details on incentives

MARKETING

- Marketing information including (but not limited to) products descriptions, marketing strategy, competitive advantage and target market).
- **Monthly** historical sales of your existing products (Rand and units), per major product categories, for the past financial year and year to date, as well as **annual** historical sales (Rand and units), per major product categories, for the preceding two years. Exports, if any, should be shown separately.
- **Annual** budgeted sales (Rand and units) per major product categories (including new products), for the next three years. Exports, if any, should be shown separately.
- List of major customers and sales to these customers (Rand and units) for the past financial year, if possible for the past three years.
- List of contact persons at major customers (with telephone numbers).
- Number of customers.

- Details of possible future customers and expected sales to them, per major product categories.
- Outstanding orders to date and firm orders/contracts in hand. Exports, if any, should be shown separately.
- List of major competitors (local and international), with past, current and estimated future market share to each.
- Details of price determination, as well as historical and future price increases (normal customer price, special customer price, agent price, wholesale price, retail price, cash discount price etc).
- Details of distribution channels (i.e. agents, wholesale, retail, ex factory etc.).
- Product brochures, pamphlets, advertisements and price lists (own and that of competitors, if possible)
- Any additional information on your market, inter alia seasonality, size, average price levels, growth rates, control measures (price, tariffs, quality and statutory), new technology and cultural/political influences.
- A recent organogram of marketing management (indicate relevant changes).
- Details of selling expenses anticipated, such as advertising costs, discounts, commission, travelling and entertainment, bad debts, transport costs, etc.

TECHNICAL

- A description of manufacturing process including (but not limited to) the following information:
 - Bottle neck.
 - Information on sub-contracting, if any

Plant & Equipment

- Give details of suppliers of all new equipment (local and/or foreign).
- Details of any work to be done on the property for this expansion, if there is any.
- Supply formal quotations for any plant and equipment to be purchased for this expansion, including transport and installation costs.
- Indicate whether new or refurbished (in case of the latter give more details on refurbishing company & the agreement).
- Give all specifications of plant and equipment to be purchased, i.e. power supply, capacity of each machine, etc.

Raw Materials & Related Costs

- Supply prices and terms of purchase of all these input materials, including escalations, order cycles, minimum order quantities, supply volumes, etc. wherever applicable.
- Provide all the details of current and all future raw material suppliers (supply details).

Overhead Costs

- Overheads (supply information on a R/month basis)
- Electricity (also indicate the supply arrangements e.g. with municipality or Eskom and at what rates).
- Water tariffs. (Municipal rates)
- Consumables.
- Transportation.
- Insurance.(Quotations)
- Security services. (Estimates)
- Rental agreements (equipment, buildings, etc.)
- Repairs and maintenance.
- Transportation costs.
- Effluent treatment. & Waste handling

Premises/Site

- Give details of premises owned or rented with rental costs/lease agreement if any.
- Details of supply of services to the premises (transformer availability and ratings, water supply, waste handling and disposal, etc.)

Labour (Including Salary, Wage & Benefits Costs)

Give details of historical and future employment with respect to the following:

(All historical Information to be supplied on a month on month basis for the past two years)

- Number of salaried staff.(Past, Present & Future)
- Number of permanent labour force. (Past, Present & Future)
- Supply all details of salaries and wages.
- Indicate how many hours do each labourer work, all the details of the shifts and agreements thereof.
- Supply information on Labour Councils or union activities.
- Include information on minimum wage in the industry,
- Human resource scheduling (phasing in, wherever applicable).

Legal and FICA (for all below we will need to verify against original copies)

- Copy of certificate of Incorporation (CM1) and the certificate to commence business
- Memorandum of Association and Articles of Association
- Notice of Registered Office and Postal Address (form CM22)
- Directors and shareholder register.
- Shareholders Agreement

- Identity documents or passport (if foreign national or non-resident) of:
 - a. All shareholders.
 - b. Any other person authorised to sign documents with LIMEKILNS GROUP.
 - c. Board resolution giving authority to sign on behalf of the company.
- To verify the residential addresses of the shareholders **one** of the following is required:
 - a. Utility bill (less than 3 months old), reflecting a name and residential address (e.g. electricity bill, municipal rates invoice, mortgage statement, Telkom account); or
 - b. Lease or rental agreement reflecting a name and residential address; or
 - c. Bank statement (less than 3 month old), reflecting a name and residential address; or
 - d. Latest payslip reflecting a name and address.
- Shareholders with 25% or more of the voting rights
 - a. Certificate of Incorporation (CM1 if company, CK documents if Close corporation, CM22, certificate to commence business)
 - b. Certified ID documents or passport (if foreign national or non-resident) of shareholders.
 - c. To verify the residential addresses of the stakeholders, the same as above.

Miscellaneous/Other

- Assets available for security.
- Valuation of the property/site, where applicable.
- Planned leasehold improvements, if any. (include quotations and/or invoices.)
- Supporting documents for capital expenditure (capex) requirements.
- Organogram of the management structure
- Organogram of the group structure including all shareholders (including information on any inter-company transactions)
- Brief CV's of top management