

Due Diligence Health Check

Are you thinking about a sale or investment in the next 18 months?



- What issues would a third party raise about your business plan, operations and management team?
- Are you concerned about administrative loose ends?
- Have you made commitments relating to shares and options but not put the paperwork in place?
- Do you have contracts which are incomplete or not on standard terms?
- Do you have a variety of employment contracts and agreements which were never documented?
- What Skeletons are hidden in your cupboards?

These sorts of issues do not interrupt the day-to-day running of your business. You may have a concern lurking at the back of your mind, but you are going to fix these issues one day — right?

Come the day of a sale, however, or an investment, the third party does not know if these are simple administrative oversights or are they big issues waiting to erupt after the sale or the investment has completed.

These 'minor' issues often turn into very expensive mistakes in terms of valuation.

Isosceles Finance Limited performs financial due diligence exercises for many acquirers and investors. We have significant experience in examining a company's records and business operations and analysing strengths and weaknesses.

We have developed a Due Diligence Health Check to identify weaknesses and threats. We can then also work with our clients to fix and mitigate these. The exercise is a good dry run and will reduce the cost, effort and emotion significantly when you are selling or getting investment - you can concentrate on getting the best valuation for your company.

Whilst not a full due diligence exercise Isosceles will review and report on:

- Ownership and constitution including share and option structure
- Trading history and financial analysis
- Business strategy
- Pipeline and forecast
- Major customer/supplier contracts
- Employment contracts
- Make up of the Management Team
- Financial controls and systems

We will produce a report on our findings and the affect each item might have on valuation together with a summarised SWOT analysis.

An exit or investment may be the biggest sale you will ever make so why prepare less or put less effort than you would put in for the sale to your largest customer.

We identified a number of potential advisers that knew about acquisitions and disposals, but only Isosceles understood our business and were able to articulate clearly why we were a valuable asset to Business Objects Inc."

Clive Bellmore, Founder of Edgewing.

I am delighted with the results achieved by Isosceles' painstaking attention to detail. They were calm and professional. It's very easy to be put off a transaction of this kind, Isosceles were able to make us aware of the risks and how to mitigate, such that DD did not cloud the underlying commerciality of the deal. They paid for themselves many times over."

Ben Mendoza, CEO, MDSL