

SUBJECT TO CONTRACT
COMPANY ACQUISITION QUESTIONNAIRE
REGARDING THE PROPOSED PURCHASE OF

REGISTRATION NUMBER 00000000 – (THE “COMPANY”)

Please supply the following information in respect of the Company. We suggest that you retain photocopies of the documents you send us, so that the two sets of copy documentation can in due course be incorporated (where appropriate) in the formal Disclosure Letter – please do not send us original documentation.

ENQUIRIES

1. GENERAL

1.1 Full description of the nature of the business of the Company.

1.2 Details of any change in the nature of the business of the Company in the last two years.

1.3 How any change of ownership of the Company may affect the loyalty of it's principal customers or it's employees.

2. STATUTORY INFORMATION

2.1 Details of the authorised and issued share capital of the Company together with full names and addresses of the legal and beneficial holders of the entire issued share capital.

2.2 Details of all directors of the Company and the company secretary and its registered office.

2.3 Details of any options or rights of pre-emption which may arise in relation to the current issued shares in the Company and any further shares which fall to be issued in the Company.

2.4 The Company's VAT number.

2.5 The last date at which a VAT inspection was carried out and a copy of the relevant inspection report.

- 2.6 Copies of the last four VAT returns and the dates on which they were paid.
- 2.7 The Company's tax district and tax reference number including PAYE references.
- 2.8 The last date at which a PAYE audit was carried out and a copy of the relevant inspection report.
- 2.9 The last date at which a NI audit was carried out and a copy of the relevant inspection report.
- 2.10 Confirmation that all documents relating to the previous tax year-end have been filed on time.
- 2.11 Details of the last twelve months PAYE and NIC amounts and the date they were paid
- 2.12 A complete and up to date set of the Memorandum and Articles of association of the Company, together with copies of any resolutions filed with the Registrar of Companies.
- 2.13 A copy of all standard documentation used within the Company.

3. THE ACCOUNTS

- 3.1 Particulars of any changes in accounting policy and in the standards of accounting practice over the last two years in relation to the Company.
- 3.2 A copy of any subsequent management accounts of the Company.
- 3.3 A copy of the current budgets of the Company.
- 3.4 Copies of all utility charges for the previous twelve months (i.e. water, electricity, rates, gas, telephones etc.)

4. FUNDING

- 4.1 Details of all mortgage and charges affecting the Company including copies of all relevant documents.
- 4.2 Confirmation that all payments of interest and principal have been duly made and all covenants contained in mortgages and charges duly observed.
- 4.3 Particulars of all hire purchase and other indebtedness and all facilities affecting the assets comprised in the Company, including details of the amounts outstanding on such facility.
- 4.4 Details of all third party rights in relation to any of the assets comprised in the Company.

4.5 Details of any guarantees and indemnities given by any third party in relation to the Company

4.6 Details of any additional funding including grants received.

4.7 Listings of all standing order and direct debit mandates currently in operation on any bank accounts relating to the Company's affairs.

Please note that where funding lines are in place require a copy of the agreement e.g. bank overdraft facility letter, factoring agreement, hire purchase agreement etc.

5. ASSETS

5.1 List of all vehicles currently employed in carrying on the business of the Company together with ages and current mileage.

5.2 Particulars of all assets currently employed by the Company owned by third parties.

5.3 Particulars of all mortgages, debentures, charges, hire purchase agreements and other encumbrances affecting such assets.

5.4 Particulars of any assets currently employed by the Company, which are owned by the Company.

5.5 Particulars of all assets and facilities shared with third parties.

5.6 Particulars of any rights or claims against third parties.

5.7 Particulars of any assets subject to hire, contract hire or operating lease currently employed by the Company.

Please note details of assets should include serial numbers where applicable.

5.8 Details of debtors showing names, addresses, full details of amounts and when the debt becomes due or details where it may be subject to any alleged counter claim or set-off.

5.9 List of all credit notes issued to customers in the last twelve months stating reason for credit and gross value.

5.10 Details of any debts thought to be bad or doubtful.

5.11 Details of stock-holdings, quantity, cost and calculation.

5.12 Details of any over-stock, obsolescence, damaged items within the stock.

5.13 Details of any other assets currently used by the Company.

6. INTELLECTUAL PROPERTY RIGHTS

Details of all trademarks (registered or otherwise), trade names, patents, registered designs, copyright, know-how and other intellectual property owned or used by the Company including the following:

6.1 Names and particulars of all registered proprietors.

6.2 Particulars of all registered user agreements.

6.3 Confirmations that all obligations under registered user agreements have been made.

6.4 Details of names under which the Company trades.

6.5 Confirmation that the Company does not trade or carry on business under any names other than its corporate name.

6.6 Particulars of all applications for registration.

6.7 Particulars of all licenses in favour of the business.

6.8 Particulars of all licenses in favour of third parties.

6.9 Confirmation that all renewal fees have been paid.

6.10 Particulars of any opposition to any application.

6.11 Confirmation that all royalties have been duly paid and all covenants under licenses duly observed (receipts for last royalty payments to be produced).

6.12 Details of any other transactions or arrangements which would be material if known by the Purchaser and which are not specifically referred to above.

7. EMPLOYEE'S SERVICE AGREEMENTS AND RETIREMENT AND OTHER BENEFITS

7.1 Particulars of Director's emoluments (including all benefits) and terms of employment including copies of all service agreements (both current and proposed) and details of consultancy agreements.

7.2 Full list of employees, positions held, length of employment, age, salary, details of qualification and details of any profit sharing / bonus / commissions/ other special arrangements for employees. Copies of contracts of employment should be supplied.

7.3 Details of any arrangement whereunder employees' current terms and / or benefits may be reviewed.

7.4 Details of any compensation which has been agreed to be paid to any ex-director or ex-employee (or dependants thereof), and any details of all employees or former employees in respect of whom the Directors consider the Company to be under a legal or moral obligation to provide retirement and / or death or accident benefits.

7.5 Details of any Trade Union(s), which the Company recognises as having bargaining rights within its works and copies of any agreements with such Trade Union.

7.6 Particulars of any outstanding dispute under the Employment Rights Act 1996.

7.7 Particulars of any key employees. Indication of which of these employees will remain with the Company after the change of ownership.

7.8 Details of any pension scheme(s) provided to directors and / or employees to include copies of the scheme rules, latest accounts and actuarial valuation where applicable. Copies of any correspondence to the Company from a regulatory authority regarding the pension scheme(s) should also be included.

8. INSURANCES

8.1 Particulars of insurance's (receipts for last premiums to be produced) including insurers, policy numbers, cover and premiums.

8.2 Details of any insurance claims and any claims which are outstanding and unsettled.

9. TRADE AGREEMENTS AND COMMITMENTS

9.1 Particulars of all agreements with customers, suppliers (including any retention of title by a supplier until payment has been made in full), sub-contractors and of all agency and distribution agreements.

9.2 Particulars (if possible copies) of all rental, leasing, hire purchase and credit sale agreements currently in force.

9.3 Particulars of all capital commitments.

9.4 Particulars of any interest of the Directors of the Company in contracts with the Company.

9.5 Particulars of any export contracts.

9.6 Particulars of any goods manufactured or services performed.

- | 9.7 Details of any problems (either current or past) with suppliers.
- | 9.8 Particulars of any disputes or litigation with customers or suppliers in which the Company is involved or which are pending or threatened on connection with it's affairs and also details of any known circumstances likely to lead to liquidation or arbitration.
- | 9.9 Particulars of standard terms and conditions of sale / supply including terms of credit.
- | 9.10 Particulars of any non-standard terms and conditions of sale including terms of credit.
- | 9.11 Particulars of any contracts capable of terminating as a result of any change of control of the Company.
- | 9.12 Details of all contracts by which goods are purchased or services provided to the Company at a price exceeding or below the open market value thereof or goods sold or services provided by the Company at a price less or more than the open market value thereof together with copies thereof.
- | 9.13 Details of all claims to or by the Company in relation to contracts having a value in excess of £10,000.
- | 9.14 Details of all agreements entered into by the Company:
 - | 9.14.1 of a long term nature or which have more than six months to run.
 - | 9.14.2 In any way otherwise than in the normal course of the business of the Company.
 - | 9.14.3 Containing "change of control" clauses i.e. entitling a party to terminate on a change of ownership of the Company.
- | 9.15 Details of any agreement entered into by the Company to take or grant any loan, guarantee or indemnity, together with copies thereof.
- | 9.16 Details of any agreement entered into by the Company relating to any agency, distributorship, marketing, purchasing, manufacturing, licensing or franchise agreements or relating to any restrictive trading agreements, together with copies thereof.
- | 9.17 Details of all current provisions made in respect of contracts having a value in excess of £10,000.
- | 9.18 Particulars of any contracts of an unusual or onerous nature not already disclosed.
- | 9.19 Particulars of any major breach of contracts by the Company or by any supplier or customer.
- | 9.20 Particulars of any contract not at arms' length.

9.21 Particulars of any adverse changes in the trading position of the Company since the date of the last audited accounts of the Company.

9.22 Particulars of all major customers (i.e. accounting for in excess of 5% of turnover) and major suppliers (i.e. accounting for in excess of 5% of goods / services supplied).

9.23 Details of:

9.23.1 Any arrangements for the exclusive supply of goods and services to or by the Company, and:

9.23.2 any contracts or practices which are or maybe within the ambit of the Restrictive Trade Practices Act or any other legislation relating to competition.

Please note that all information supplied is covered by our confidentiality agreement and in the event that negotiations are unsuccessful such information supplied will either be destroyed or returned to the Company.