



**K R E D I T I N F O R M**

A part of **Experian**

PLATINUM REPORT  
FOR

ON

19 August 2008

Interviewee:

Compiler: Andrew van Vuuren

## EXECUTIVE SUMMARY

History of Company

**Confirm:**

## Management Knowledge and Participation

1. **How often board meeting Conducted:**
2. **Overall Responsibility of the Concern:**
3. **Financial Decisions:**
  - **Qualification:**
4. **Are executive directors experienced/ qualified in relation to industry:**
  
5. **Directors**
  - **Exec:**
  - **Non Exec:**
6. **Significant recent change in management:**
  
7. **Managements involvement in communicating the firms values and philosophy, as determined by the board, to all employees.**

## Financial Position

	2007	2006	2005
Gross margin:			
Operating profit margin:			
Current ratio:			
Acid/test ratio:			
Debt/equity ratio:			
Debt/capitalization:			
Return on shareholders equity:			
Days receivable:			

## Corporate Governance

### 1. Internal audit activities:

- Areas of focus
- Occurrence

### 2. ISO compliance

### 3. SABS Compliance

### 4. Compliance to (Pg 75 R2R)

- COSO (Commission of sponsoring organizations)
- SOX (Sarbanes Oxley)
- Cadbury Report (Uk)
- Turnbull Report (Uk listed companies required to comply)
- KonTrag (German Listed companies)
- King Commission reports (South Africa)

### 6. Has the board considered a need for a confidential reporting process (Whistle Blowing)

### 5. Per King: Require SA companies to manage the following risks:

- Physical
- Operational
- Human Resource
- Technology
- Credit
- Market
- Compliance

#### Other related King Requirement:

- Company provide for Business continuity and business recovery

6.

**P86 R2R**

<b>Risk Category</b>	<b>Identified Risk</b>	<b>Mitigation Measure</b>
<p><b>Strategic Risks</b></p> <p>Risks that threaten the firms survival or its ability to sustain profitable business activity and shareholder value creation (Natural or man-made external hazards)</p>	<ul style="list-style-type: none"> <li>- Political Shocks (Nationalization)</li> <li>- Poor Business acquisitions</li> <li>- Marketing Failures</li> <li>- Competitive Landscape</li> </ul>	
<p><b>Financial Risks</b></p> <p>Risks pertaining to solvency, profitability and liquidity</p>	<ul style="list-style-type: none"> <li>- FOREX</li> <li>- Interest Rates</li> <li>- Commodity Prices</li> <li>- Liquidity Risk</li> <li>- Credit Risk</li> <li>- Economic Risk</li> </ul>	
<p><b>Operational Risks</b></p> <p>Failures of the operational effectiveness and efficiency or service delivery in firm's operations and trading due to lack of internal processes or ineffective responses to external challenges</p>	<ul style="list-style-type: none"> <li>- Any recalled products</li> <li>- Customer dissatisfaction</li> <li>- IT or plant failure</li> <li>- Supply chain disruption</li> <li>- Health and safety disputes</li> <li>- Talent Loss</li> <li>- Environmental damage</li> </ul>	
<p><b>Project Risks</b></p> <p>Risks within specific projects, involving technology, human behaviour, the learning curve affect and external threats</p>	<ul style="list-style-type: none"> <li>- Risk of failure of new or modified processes</li> </ul>	

Risk assessment for companies operating in SADC regions

Risk Category	Identified Risk	Mitigation Measure
<p><b>GOVERNMENT</b></p> <p>Strength of the current government, rule of law and level of corruption</p>		
<p><b>SOCIETY</b></p> <p>Social tension, health education and other services</p>		
<p><b>Security</b></p> <p>Level of globalization, infrastructure to cater for emergencies and disasters</p>		
<p><b>ECONOMY</b></p> <p>Fiscal condition, growth and investment and debt</p>		

A look into the company's policies and procedures regarding corporate governance revealed that they adhere to the King II report that outlines good corporate governance.

### Financial defaults

There is no record of any financial defaults pertaining to the concern.

**Does management anticipate any provision for costs to be incurred as a results of laws suites etc?**

### Securities

1. **Are debtors ceded / Factored**
2. **Any assets used as security for the raising of debt:**

### Comments and Recommendations

In respect of the following report compiled by KreditInform (Pty) Ltd, it is suggested that a credit limit of R 5,000,000.00 over 30 days may be granted to

## PHOTO COLLAGE

These photos of the entity have been included to indicate their current work capability and functionality of the concern

## BANKING INFORMATION

Bank Name

Branch Name

Account Number

Enquiry Amount

Enquiry Terms

Date of Enquiry

Bank Code

Comments

The account was opened at Bank, with account number on with no dishonours on record. A bank code C was obtained – outside sources consider the subject good for the amount quoted if strictly in the way of business.

## STATUTORY INFORMATION

### Statutory and Registration Information

Legal Name

Trading Name

Registered Address

Postal Address

Auditors

Date of Incorporation

Commercial Reg Number

Vat Number

Name Changes

Date of name change

#### **Shareholding**

Line of Business

Trading Address

Postal Address

Country of Operation

Phone Number +27 (0)

Fax Number +27 (0)

Cellular Number +27 (0)

E-Mail

## Company structure

**Confirm:**

– Subs

- Associates
- JV agreements
- SPEs (Special Purpose entities)

## Branches

### Confirm/ADD

Name

Postal Address

Trading Address

Phone Number

Fax Number

E-Mail

## Premises

The company currently leases its premises in , the details of which follow:

Landlord:

Location:

Type:

Size:

Expiry Date:

Date of occupation:

## Directorate Information

Name

Designation

Qualifications

Experience

Date of Appointment

Identity Number

Number of Shares Allocated

Confirmed by Registrar

Consumer Scan

Citizenship

Current Business Interests

## Property and Bond Search

Property Type

Financial Institution

Registration Date

Property / Bond Holder

Share

Deeds Office

Bond Number

Bond Amount

Asset Description

Title Deed Number

Purchase Price

Purchase Date

Measures

## MEDIA AND PRESS ARTICLES

## FINANCIAL RELATED INFORMATION

Required – beside financials

WACC:

ROCE:

## CAPEX ANTICIPATED

### 1. Growth/Decline in

- Revenue
  
- Net Profit
  
- Operating Expenses
  
- Accounts Receivable
  
- DSO:
- Accounts Payable
  
- Liquidity (Net C/F)

**2. Capital Structure:**

**Financed Via**

- Debt
- Equity

**3. Current / Prospective CAPEX**

**Financed Via**

- Debt
  
  
- Equity

**4. Current leases:**

- Financial

**Prospective date of ownership:**

- Operational

**5. Stock management:**

- JIT (Pull system)

- **Push System:**

## **6. Production Constraints**

- **Labour/ Machine Hour constraints**
- **Raw Material Constraints**

## **7. Investment appraisal**

- **Diversity of investment portfolio**
- **AVE payback period**

## **8. Breakeven Analysis**

- **Breakeven point in sales revenue**
- **Increase/ Decrease in breakeven point in sales revenue**

## **9. Learning curves**

- **Has production reached the 'steady state' , i.e. are unit costs still expected to fall over time due to the learning curve affect**

## **10. Pricing policies**

- **Elasticity of demand of product manufactured**
  - **Elastic**
  - **Inelastic**

- Where the product is in the product life cycle
- Is the companies objective: profit or revenue maximization

**11. Any prospective/current discontinued operations**

**INDUSTRY RELATED INFORMATION**

**Main Product**

**RM Ingredients:**

- Imported: %
- Locally Sourced: %

**DIVERSIFICATION**

Product Line and/or Services Rendered

Bee Accreditation

**Rated By:**

**Current Status:**

**Prospective Status:**

Major Client Base

## Sustainability

## SWOT Analysis

Strong Points	Weak Points
•	•
Opportunities	Threats
•	•

## TRADE INFORMATION

### Reference A

Date of Reference

Credit Limit

Payment Terms Given

Payment Terms Taken

Years known

Average Monthly Spend

Secured

Insured

Comments