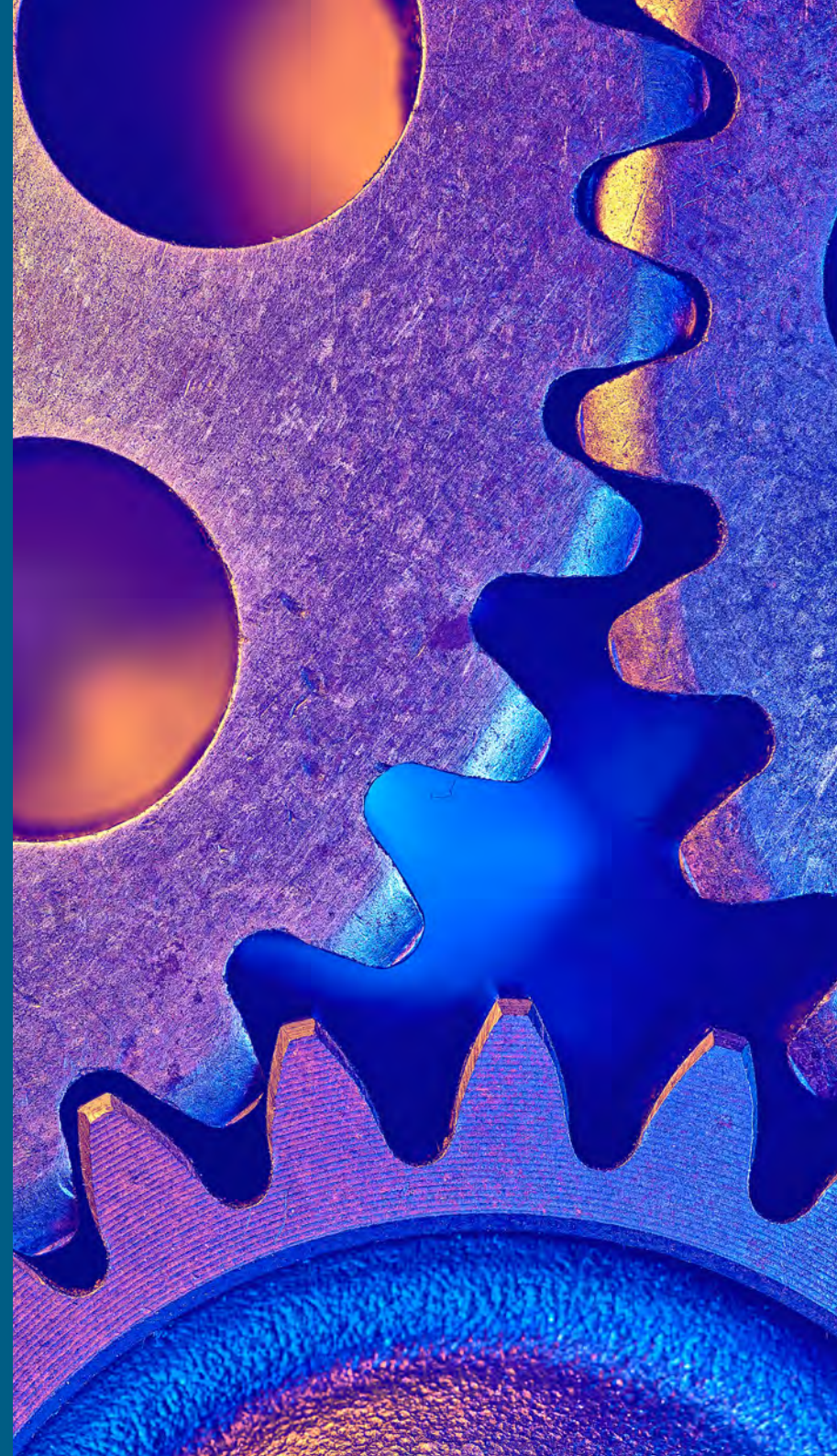


pemcf.com

# Due Diligence Services

---

Plain speaking, bespoke diligence





# Due Diligence

## What is due diligence?

Due diligence or DD is an independent evaluation of the historical and forecast financial performance of a company. DD can be carried out on a prospective acquisition, buyer or partner.

## Reasons you may need DD

- Acquisition (Buy side)
- Bespoke diligence
- Vendor-driven sale process (Sell side)
- Financing or Re-financing
- Tax due diligence

## How can DD help you?

It can tackle issues early by uncovering information;

- that could be used to negotiate price
- which may have a bearing on your final investment decision
- which may aid the tax and financing structure
- upon which transaction terms may be based
- for which protection in the form of warranties or indemnities may be required

## Why work with us?

1. We have a flat team structure which means that you will have direct access to senior members of staff throughout the due diligence process.
2. Our due diligence findings will leverage our extensive real-world experience in company sale and purchase negotiations.
3. We will tailor our scope to address your concerns and risk areas as identified by us; saving you time and money.



# The due diligence process

Our DD process will help provide clarity to your decision making.



## Consultation

Initial free consultation to identify the rationale for the potential transaction, key value drivers for the acquirer or funder and key risk areas to be addressed.



## Scoping

Jointly agree a scope of work that will give you peace of mind and is achievable in the given time frame.



## Information gathering

Work with management, be it the target or the vendor's, to gather meaningful data. Host discussions with senior management to understand the core operational issues facing the Company.



## Analysis

Extract pertinent and relevant insights from the information gathered and communicate findings to you in real-time.



## Report

Prepare a report that summarises our findings from the DD process in a plain speaking manner.

## Our reports

Report content will be driven by the scope of work, as agreed with you. We will provide as detailed or as summarised a report as is required by you or your stakeholder. Our reports are robust, comprehensive and based on a sound understanding of the business under review.





# Financial Due Diligence (FDD)

As part of our FDD we would consider:

- the sustainability of the target's business plan, vision and strategic alliances;
- the financials including assets, liabilities, cash flow, revenues, associated costs and appropriateness of accounting policies;
- the target's competitors to provide an overview of your market environment and significant competitors;
- the management team to assess their capability and the organisational culture;
- the organisational infrastructure to review of facilities and systems, personnel talent and associated policies;
- the technology to identify any technological advances that the target has over its competitors; and
- the existing market potential

# Tax Due Diligence (TDD)

Understanding the target's tax position, their attitude towards compliance is equally important when assessing the associated risks of a potential investment opportunity. Our TDD will generally focus on the:

- Tax compliance across Corporation Tax, Employment Taxes and VAT is up to date with filings and payments
- Previous transactions and reorganisations are reviewed to assess potential risks
- Identify opportunities to maximise tax efficiencies as part of the acquisition process and future integration

As with all businesses there may be other taxes which require consideration which we will scope out with you during our initial discussions.



# Our team



**Philip Olagunju BSc (Hons) MBA CF MCSI**  
Partner

Phil leads the PEM Corporate Finance team on all manner of M&A transactions. He has c20 years of experience in corporate finance (advising on sell-side and buy-side mandates involving trade buyers and financial investors), valuations, as well as a short stint in industry as a finance director. He is a member of the ICAEW corporate finance faculty and sits on the ICAEW district committee for East Anglia.



**James Lewin**  
Executive

James joined PEM Corporate Finance team in the role of Executive in August 2022 and helps to support clients in all aspects of corporate transactions, valuation and strategic advice. He brings with him varied advisory experience, an analytical approach and specialist knowledge of Financial Due Diligence and Audit which he gained whilst qualifying as Chartered Accountant (ACA) in practice.





# Who we are

PEM is the largest independent firm of Chartered Accountants, Tax and Business Advisers based in Cambridge.

PEM Corporate Finance (PEMCF) is the corporate finance division of PEM and is a leading provider of M&A and buyout advice to owner managed businesses throughout East Anglia. PEM Corporate Finance is authorised and regulated by the FCA.

We have provided due diligence services to businesses that range in size and complexity from sole traders to multinationals. Our experience includes:



Aquisition of  
**ESM Global**



MBI at  
**Autocom & Starcom**



Aquisition of  
**AJ Way & Co**

**sperling** retail

MBI at  
**Sperling Retail**



Aquisition of  
**George Wood & Sons**

**eSightenergy**

Sale of  
**e-Sight Energy to  
MRI software**



Aquisition of  
**York City Properties**

 **hospedia**

Aquisition of  
**Hospedia**

To find out how PEMCF can help you and your business, contact us on the details below.





**PEM Corporate Finance LLP**  
Salisbury House  
Station Road  
Cambridge CB1 2LA

t. 01223 728222  
e. [info@pemcf.com](mailto:info@pemcf.com)

