

THE SCENARIO

(pre-released information)

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WBP (PTY) LTD

1 BACKGROUND INFORMATION

WBP (Pty) Ltd ('WBP') was founded in 1990 by Frik Alexander and Chris Sutton. The company started life as a re-seller of both particle and medium-density fibre (MDF) boards, collectively referred to as fibre boards. The fibre boards are sourced from a limited number of suppliers (see attachment A for more information).

WBP later expanded its operations by acquiring a pressing plant with which to laminate paper and melamine overlays onto fibre boards. This production process provides a high-quality finish and improves the versatility of the boards, thus allowing for improved margins. In 2000 WBP ventured further up the value chain by starting to design and produce a MDF board range of interior and exterior doors.

The efficiency of the various operations is primarily dependent upon –

- sourcing high-quality fibre boards;
- minimising the trim loss associated with board resizing;
- minimising quality rejects in the lamination and door manufacturing processes;
- excellent production scheduling and related inventory management; and
- achieving high levels of equipment uptime.

WBP's vision is to be the leading supplier of board panels and doors in South Africa. The company has grown into a formidable competitor in the wood-based panel and door industries. Its head office and manufacturing facilities are located in Pietermaritzburg, and the company employs 120 staff members. The production processes are relatively automated and the company makes extensive use of computer numerical control machinery. Customers include furniture manufacturers, shop fitters, office furniture suppliers, kitchen and bathroom suppliers, the commercial and industrial joinery sector and retailers and distributors of wood-based products.

The Board of Directors and the directors' respective responsibilities and shareholdings in WBP are set out in the table below:

	Responsibility	Effective shareholding
Frik Alexander	Executive chairman	40%
Chris Sutton	Chief executive officer	40%
Stan Hawkes	Chief financial officer	0%
Niall Rice	Non-executive director	0%
Babalwa Masete	Non-executive director	5%
		85%

Masete has a 25% shareholding in Liberated Women's Movement (Pty) Ltd ('LWM'), which in turn owns 20% of WBP's issued share capital. LWM is a consortium of high-profile black businesswomen that acquires equity stakes in a diverse range of businesses.

Rice is a senior partner of Rice Sizwe Inc., WBP's legal advisors.

2 FINANCIAL INFORMATION

The financial manager of WBP has produced a document for review by the Board of Directors at the meeting to be held on 18 November 2014 (see attachment B). The document contains extracts from the audited financial statements for the years ended 31 October 2012 ('FY2012') and 2013 ('FY2013') and the management accounts for the year ended 31 October 2014 ('FY2014').

3 FUTURE STRATEGY

The Board of Directors has become increasingly exasperated with trading conditions. WBP invested significant amounts in new plant and machinery in 2010 and 2011, with the expectation that market conditions would improve and return to pre-2009 levels. However, this has not materialised.

For the past six months the Board of Directors has been debating the future strategy of the company and the following alternatives have been identified:

- Retain the existing business model and remain as is; in other words, wait for economic conditions to improve, and in the interim focus on improving internal efficiencies;
- Open or acquire retail distribution outlets; or
- Invest in a particleboard manufacturing facility.

The Board is divided on which alternative to pursue. Alexander is adamant that WBP should invest in its own particleboard manufacturing facility. This would reduce its reliance on suppliers and allow WBP to participate in the margin made by suppliers. It would also allow WBP to control its own supply chain – too often the company has to wait two weeks for a delivery of particleboards when it receives an urgent, last-minute order.

Sutton is vehemently against the particleboard opportunity and his view has been recorded in Board minutes (see attachment C for a copy of the most recent Board minutes).

4 DISCUSSIONS WITH BAYWATCH PRIVATE EQUITY

4.1 Term sheet

Baywatch Private Equity (Pty) Ltd ('Baywatch') is a local private equity fund manager. It approached WBP in July 2014 to explore a possible investment in the company. Preliminary discussions have progressed well and Baywatch has submitted a term sheet for review by the Board and shareholders of WBP (see attachment D).

4.2 Appointment of new external auditors

Baywatch has indicated that it wants WBP to appoint a firm of auditors that operates nationally and, if it does invest, this would be a condition of the shareholders' agreement.

Since incorporation the auditors of WBP have been Fisher Goetsch & Hegarty Inc. ('FGH'), a small firm of Registered Auditors based in Pietermaritzburg. Given the good relationship that exists between FGH and WBP, the Board of WBP has resolved that as negotiations are still in progress with Baywatch, FGH will be appointed to perform the audit of the company's 2014 financial statements. The Board, however, recognises that if the transaction with Baywatch is concluded, the firm appointed to audit the 2015 financial statements of WBP will need to be agreed upon with Baywatch.

4.3 Business sustainability

During the preliminary discussions Baywatch asked Alexander and Sutton about the company's sustainability plan. This caught them off guard and they had to ask for clarification, as they initially thought Baywatch was enquiring whether WBP was environmentally conscious. However, Baywatch actually wanted information about the specific initiatives the company was implementing, or considering, to build business sustainability, which goes well beyond environmental issues.

When Baywatch informed Alexander and Sutton of the developments in integrated reporting, Alexander responded that WBP was highly unlikely to produce an integrated report for the next five years as it does not intend listing on the Johannesburg Stock Exchange in the short term.

ATTACHMENT A

EXTRACT FROM *THE WOOD FOUNDATION BROCHURE*

BOARD MANUFACTURING

Timber board refers to products, which are made by compressing woodchips and other wood residue into a condensed panel by using heat and pressure. The two types of timber board products are particleboard (chipboard) and fibreboard, which includes medium density fibre board (MDF), insulation board and hardboard. There are well known brands such as BisonBord, Novobord and Masonite under which these products are sold in South Africa.

Timber board products are well known for their versatility and have various applications ranging from panelling, furniture and flooring to thermal insulation in buildings. The fibre inputs to timber board production are received from sawmilling wood residue and wood chips being the main source. In addition, fibreboard producers (Masonite and PG Bison) own their own plantations, which are used as a source of virgin fibre in the production process; other companies source virgin fibre from other plantations close to their production plants.

Within South Africa, the four main producers of timber board products are PG Bison, Sonae Novobord, Masonite and William Tell. PG Bison and Sonae are the only producers of MDF and Masonite is the only producer of hardboard and insulation board in South Africa. MDF is typically used in the furniture and joinery industry. Engineered medium density fibreboard blend the advantages of manufactured board with the natural properties of solid timber, allowing for the most traditional wood working techniques. Hardboard is used for exterior building cladding, panelling and furniture. Insulation board is used for cladding. Three domestic producers - PG Bison, Sonae and William Tell as well as a small number of importers supply the particleboard market. Particleboard is used extensively in shopfitting,

kitchen manufacturing, domestic and office furniture industry amongst others. Imported timber board products are at a disadvantage to domestically produced boards, as imported boards are not always convenient in terms of delivery time. The furniture manufacturing industry, the largest user of timber boards, is cyclical, with much higher production in the second half of the year, reaching a peak in the last quarter of the year, where manufacturers have to operate optimally.

The export market for board products is subjected to production capacity of other world players and the variability of our exchange rate. A weaker Rand favours increased exports and vice versa. Timber boards are primarily exported to India, the rest of Africa, Europe and South America.

Domestically, timber board products are distributed through a large number of distributors (known as board resellers), who purchase timber board from the main producers or through imports, store the product in depots from where they supply the various users of timber board products. Furniture manufacturers such as the The Bravo Group and Montani purchase high volumes of timber board.

The timber board industry has very close ties to other producers in the forestry/wood product sector. The timber board industry sources its timber inputs from plantations and timber processors that produce wood residue (such as sawmills), and thus is directly reliant on the existence of domestic plantations.

Source: The Wood Foundation; The Wood Foundation Brochure page 17, <http://thewoodfoundation.co.za/brochure/files/assets/basic-html/page17.html> (accessed 5 August 2014).

ATTACHMENT B

PRELIMINARY FINANCIAL INFORMATION FOR REVIEW BY THE BOARD OF DIRECTORS OF WBP AT THE 18 NOVEMBER 2014 BOARD MEETING

STATEMENTS OF FINANCIAL POSITION				
AS AT 31 OCTOBER				
	Notes	Management accounts	Audited	Audited
		2014	2013	2012
		R'000	R'000	R'000
ASSETS				
Non-current assets		97 050	98 110	90 950
Property, plant and equipment	2	97 050	98 110	90 950
Current assets		63 424	62 124	63 261
Inventories		32 231	31 510	26 663
Trade and other receivables		30 990	27 554	20 831
Cash and cash equivalents		203	3 060	15 767
Total assets		160 474	160 234	154 211
EQUITY				
Stated capital		3 000	3 000	3 000
Retained earnings		99 697	95 545	86 143
Total equity		102 697	98 545	89 143
LIABILITIES				
Non-current liabilities		23 145	29 855	36 255
Interest-bearing borrowings	3	21 905	28 555	35 005
Deferred tax	4	1 240	1 300	1 250
Current liabilities		34 632	31 834	28 813
Trade and other payables		28 201	24 035	19 997
Interest-bearing borrowings	3	4 381	5 711	7 001
Provisions	5	1 854	1 732	1 575
Current tax payable		196	356	240
Total liabilities		57 777	61 689	65 068
Total equity and liabilities		160 474	160 234	154 211

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 OCTOBER				
	Notes	Management accounts	Audited	Audited
		2014	2013	2012
		R'000	R'000	R'000
Revenue		188 529	182 851	168 960
Cost of sales	6	(147 053)	(135 310)	(121 651)
Gross profit		41 476	47 541	47 309
Finance income		80	471	523
Distribution expenses		(14 023)	(13 229)	(11 812)
Selling and marketing expenses		(2 955)	(3 291)	(3 375)
Administration expenses		(7 910)	(7 304)	(6 750)
Other expenses	6	(8 069)	(7 612)	(6 920)
Operating profit		8 599	16 576	18 975
Finance costs		(2 876)	(3 562)	(3 753)
Profit before tax		5 723	13 014	15 222
Income tax expense				
Current		(1 631)	(3 562)	(4 186)
Deferred		60	(50)	(70)
Profit for the year		4 152	9 402	10 966
Other comprehensive income		–	–	–
Total comprehensive income for the year		4 152	9 402	10 966

Notes prepared by the financial manager

- 1 The 2014 draft results and the notes below do not necessarily comply with the presentation and disclosure requirements of IFRS and will in any event be subject to audit.
- 2 Property, plant and equipment at 31 October 2014 consist of –
 - plant and equipment of R82 550 000 (2013: R83 610 000); and
 - land and buildings of R14 500 000 (2013: R14 500 000).

The land and buildings are subsequently measured using the cost model. A recent independent valuation of the land and buildings revealed that its current market value is estimated to be R25 million. The property is exclusively used by WBP and is not held for capital appreciation purposes.
- 3 Interest-bearing borrowings represent liabilities in terms of instalment sale agreements. The effective interest rates are linked to the prime rate. Instalments are payable over periods ranging from 5–7 years. WBP borrowed significant amounts during FY2010 and FY2011 in terms of the instalment sale agreements in order to fund the acquisition of new plant and equipment during these periods. WBP replaced a significant portion of its existing manufacturing machinery in 2010 and 2011 with state of the art computer numerical control machines. The intention at the time was to ensure that WBP would have a competitive advantage through the improvement of production efficiencies and reduction of wastage in the factory.
- 4 Deferred tax relates to liabilities arising from accelerated capital allowances on plant and equipment and the temporary differences on provisions and accruals.
- 5 Provisions relate to estimated rebates payable to customers. WBP has rebate agreements with certain customers in terms of which it will pay amounts to them if they achieve specified purchase volumes on a quarterly basis. However, the rebates are only payable if customers have complied with agreed payment terms on their accounts.

- 6 Total depreciation of R8 560 000 was recognised in FY2014 (FY2013: R8 340 000). WBP's depreciation policy is to write down the cost of buildings, plant and equipment to their expected residual values over their expected useful lives.

**ATTACHMENT C
COPY OF BOARD MINUTES**

WBP (PTY) LTD MEETING OF THE BOARD OF DIRECTORS HELD ON FRIDAY 17 OCTOBER 2014		
MINUTES		
	Present F Alexander (FA) – chairman C Sutton (CS) S Hawkes (SH) B Masete (BM) Apologies N Rice (NR)	Action
1	Welcome and quorum The chairman welcomed everyone. A quorum being present, the meeting was declared duly constituted.	
2	Apologies The Board noted apologies from NR.	
3	Confirmation of the agenda The agenda distributed on 3 October 2014 was tabled and accepted with no changes.	
4	Minutes of the previous meeting The minutes of the meeting held on 12 September 2014 were tabled and approved with no changes.	
5	<p>Actions arising from the 12 September 2014 meeting</p> <p>Audit and Risk Committee As agreed at the previous meeting, the Audit and Risk Committee was constituted as the first sub-committee of the Board. The Board noted that this Committee held its first meeting on 26 September 2014. It is being chaired by NR, and the other committee members are BM and SH.</p> <p>The Committee's immediate tasks are as follows:</p> <ul style="list-style-type: none"> • Draft a risk register and identify potential mitigating actions for identified risks; • Engage with the external auditors (FGH) regarding the audit of the company's 2014 financial statements (the audit work will commence on 27 October 2014 in order to meet the audit deadline of 15 January 2015); and • Evaluate whether the internal controls over finished goods inventory in the warehouse are adequate and appropriate. <p>The Board RESOLVED that, as a proactive measure and given Baywatch's preference for a national firm, SH start informal discussions with a number of audit firms with a national footprint to identify a successor to FGH, and to provide feedback on this at the next Board meeting.</p> <p>SH explained that before a new audit firm could be appointed, the Audit and Risk Committee would have to pay particular attention to how the audit firm gathers sufficient appropriate audit evidence and documents this. The Committee is convinced that this is essential for high quality audits. This was duly noted.</p>	SH

	<p>Sponsorship agreement</p> <p>WBP had proposed a six-month sponsorship with Maritzburg United, a local soccer club, in terms of which the WBP logo would be prominently displayed on their soccer jerseys during the 2015 season.</p> <p>The Board NOTED that an agreement has been entered into, at a total cost of R25 000.</p>	
6	<p>Discussion with Baywatch</p> <p>FA and CS reported that during recent discussions, Baywatch proposed that it invests approximately R50 million by means of a subscription for new shares in WBP. The capital injection would be used to fund an investment in a particleboard plant or for the acquisition of a retail distribution business.</p> <p>Baywatch has also indicated that it would like to swap its equity shareholding in Oikos Building Supplies (Pty) Ltd ('Oikos') for shares in WBP. CS mentioned that WBP conducted a limited amount of business with Oikos at present. Oikos focuses on smaller customers and has a good reputation in the market. WBP has historically targeted larger shop fitters, furniture manufacturers and kitchen installers either directly or indirectly through wholesalers and distributors.</p> <p>CS added that Baywatch had indicated a strong preference for the acquisition of a retail business as opposed to a particleboard plant as it was of the opinion that the former would boost profits more rapidly and add value in the long term. It was, however, prepared to consider both proposals and make an informed decision later.</p> <p>The Board RESOLVED that the decision to invest in a particleboard plant or the acquisition of a retail business be deferred until Baywatch's investment had been finalised.</p> <p>Baywatch indicated that the valuation methodology it would apply in valuing WBP would be a net asset value approach. CS relayed that Baywatch was impressed with WBP's BEE credentials, being superior to that of any of the company's competitors.</p> <p>CS noted that Baywatch was likely to insist that WBP embrace sound corporate governance principles and practices as this was its normal practice when investing in private companies. The changes that would be required were to be identified and implemented as soon as possible after it had invested.</p> <p>The Board accordingly RESOLVED that SH prepare a list of changes to the governance structures that would be required, together with the budgeted costs thereof, for tabling at the next Board meeting.</p> <p>CS added that Baywatch was expected to submit its term sheet outlining the key terms of its proposed investment on or before 14 November 2014. He reminded the Board that it was important to understand what impact the deal would have on the financial statements.</p>	SH
7	<p>Particleboard plant</p> <p>The rationale for investing in a particleboard plant was debated at length. FA and SH argued strongly that WBP would benefit from access to its own particleboard which would result in improved gross margins. They were</p>	

	<p>also of the opinion that the supply chain benefits would be enormous.</p> <p>CS noted that he had discussed the idea in principle with a director of a leading global manufacturer of particleboard. The aforesaid director indicated that the success of particleboard manufacturing was dependent on scale and that access to raw materials (wood residue and wood chips) was critical. CS stated that if WBP invested in a particleboard plant, he would be forced to re-assess his involvement with WBP as a director and shareholder.</p> <p>The Board RESOLVED that SH and the WBP factory manager investigate the particleboard opportunity more fully and report back at the next Board meeting.</p> <p>The Board further RESOLVED that the following information be obtained:</p> <ul style="list-style-type: none"> • The detailed list of equipment costs associated with different production volumes; • A draft capital budget; • Critical success factors; and • A recommendation as to whether to engage further with German and Chinese suppliers of plant and equipment. 	<p>SH</p> <p>SH</p>
<p>8</p>	<p>Results for the 11 months ended 30 September 2014</p> <p>SH reported back on the profits for the year to date and the statement of financial position at the end of September. Earnings before interest and tax (EBIT) for the 11-month period were R1 500 000 below budget. Sales volumes were 4% higher than during the prior period. However, selling prices were the same or slightly lower on average than in the prior period. Competitors were dropping prices to attract business and WBP reacted by decreasing prices on certain product lines.</p> <p>WBP had tried valiantly to keep cost increases to a minimum. Unfortunately, it was unable to control increases in the cost of electricity and fuel, and was also unable to pass these cost increases on to customers.</p> <p>WBP had engaged with the union regarding salary and wage increases for 2014 / 2015. The union had indicated that it was seeking a 12% increase for all staff. WBP representatives responded that this was an unreasonable demand and an increase based on inflation would be more reasonable.</p> <p>SH reported that inventory management enhancements continued to reap rewards for WBP. Unfortunately, the majority of customers was stretching payments of amounts that were due and this was placing pressure on working capital levels.</p> <p>SH said the Finance Division was working overtime to ensure that the draft results of WBP were available for review by the Board on 18 November 2014. He added that meeting this deadline would be a considerable achievement and would bear testament to the systems in place and the dedication of the staff of this Division.</p>	

<p>9</p>	<p>Long-term incentive scheme</p> <p>The Board noted with interest the management incentive scheme adopted by Tsogo Sun Holdings Ltd in August 2014. It was suggested that a similar scheme be implemented by WBP.</p> <p>The Board discussed potential terms of such a scheme and recommended, subject to further consideration of the tax and accounting implications, that –</p> <ul style="list-style-type: none"> • FA and CS each sell a 5% shareholding in WBP to SH, NR and identified middle managers (collectively referred to as ‘scheme beneficiaries’), based on a total valuation of WBP of R102 million; • WBP advance a loan to each of the scheme beneficiaries. These loans would be interest free and have no fixed repayment date; • the loan to a scheme beneficiary be repayable in full in the event that the scheme beneficiary ceases to be employed by or render services to WBP for any reason except death or if he/she disposes of any of his/her shares; • in the event of the death of a scheme beneficiary, his/her loan become immediately due and repayable and the shares be acquired by WBP at the higher of the initial acquisition price or the fair value at date of death; • the scheme beneficiary may elect to repay all or a portion of the outstanding loan at any time; • WBP buy back the shares from any scheme beneficiary at fair value in the event that the scheme beneficiary leaves the employ of or ceases to render services to WBP (due to retirement, retrenchment or resignation); and • no security need be provided by scheme beneficiaries. 	
<p>10</p>	<p>Closure</p> <p>The Chairman thanked everyone for their attendance and contributions.</p> <p>The Board noted that the next Board meeting was scheduled for 18 November 2014.</p>	

ATTACHMENT D
BAYWATCH TERM SHEET



Mr Frik Alexander
WBP (Pty) Ltd

13 November 2014

By hand

Dear Frik

Non-binding offer to subscribe for 30% of the issued ordinary shares of WBP (Pty) Ltd ('WBP')

Introduction

Pursuant to our recent discussions, Baywatch Private Equity (Pty) Ltd ('Baywatch') wishes to confirm its interest and intention of subscribing for 30% of the issued share capital of WBP.

Proposed transaction

- 1.1 Baywatch is to subscribe for 21 429 ordinary shares of no par value of WBP for a cash consideration of R51 428 571. The subscription price assumes a valuation of 100% of the current shares in issue of R120 million, which is a premium to the current net asset value of the company.
- 1.2 The number of shares in issue immediately after the share issue to Baywatch will be 71 429.
- 1.3 The issue of shares is to occur immediately following the fulfilment of the conditions precedent listed in clause 4.1.

Subscription consideration

- 2.1 The valuation placed on WBP for the purposes of Baywatch's subscription for shares assumes that the EBIT for the year ending 31 October 2014 will be at least R9 500 000.
- 2.2 The valuation of 100% of WBP for the purposes of the subscription will be reduced by the amount of any dividend declared and/or paid between the date of this letter and the subscription date.
- 2.3 The valuation of 100% of WBP for the purposes of the subscription will be reduced by the amount by which the net interest-bearing debt (interest-bearing debt plus bank overdraft less surplus cash resources) exceeds R25 million.
- 2.4 Baywatch's valuation of WBP assumes that –
 - 2.4.1 trade payables have been paid within normal trade terms;
 - 2.4.2 sufficient inventory is held to meet demand within the normal business requirements; and
 - 2.4.3 trade receivables have been settled within normal trade terms and are consistent with prior periods.

Oikos Building Supplies (Pty) Ltd ('Oikos')

- 3.1 As disclosed in our discussions, Baywatch has a 60% shareholding interest in Oikos. The other shareholders in Oikos, being management, have expressed a desire to exit the business. Baywatch is prepared to sell its shareholding interest to WBP as well to facilitate the exit process.

- 3.2 Oikos is a distributor and retailer of wood products including boards (chipboard, plywood, MDF and hardboard), doors and windows, shelving, wood-based panels and coatings used in treating wood. Oikos has three (3) outlets in the Gauteng province. The business is well established and profitable.
- 3.3 The acquisition of Oikos by WBP would make strategic sense as it would enable forward integration and allow WBP to service the smaller shop fitters, kitchen installers and furniture manufacturers.
- 3.4 Baywatch is prepared to swap its shareholding in Oikos for shares in WBP to facilitate the acquisition. WBP's shareholders have indicated a reluctance to dilute their combined shareholding by more than 30% and hence, the subscription in cash for shares by Baywatch per clause 1.1 would need to be reduced in the event that WBP acquires 100% of Oikos. The remaining shareholders in Oikos require a cash settlement of the purchase consideration.
- 3.5 The potential acquisition by WBP of Oikos should be evaluated prior to the conclusion of the subscription for shares.

Conditions precedent

- 4.1 The proposed subscription by Baywatch for new shares to be issued by WBP is conditional upon the following:
 - 4.1.1 The approval of the transaction by the boards of directors of Baywatch and WBP;
 - 4.1.2 The satisfactory conclusion of a due diligence investigation into the affairs of WBP by Baywatch and/or its auditors;
 - 4.1.3 The entering into a binding shareholders' agreement between Baywatch and the present shareholders of WBP;
 - 4.1.4 The appointment of a national firm of auditors to replace the existing auditors; and
 - 4.1.5 The approval of the share subscription by all relevant regulatory authorities.

The terms of this non-binding offer are strictly confidential and may not be disclosed by WBP to any other party except with the prior written consent of Baywatch.

The offer is open for acceptance until 21 November 2014.

Yours sincerely

Jordan

Mr Jordan Balfour
on behalf of **Baywatch Private Equity (Pty) Ltd**

Please sign below to indicate your acceptance of the terms and conditions of this offer.

Mr F Alexander
on behalf of **WBP (Pty) Ltd**

ATTACHMENT E
COPY OF AN E-MAIL FROM ALEXANDER TO HAWKES

From: Frik Alexander	Sent: Monday 27/10/2014 6.32am
To: Stan Hawkes	
CC:	
Subject: Annual results	

Hi Stan

Our year end is looming and I am increasingly anxious about the results. We have to stop this downward trend in profits soon! Please see if there is any way we can boost profits without being unethical. If there are any unnecessary provisions, let's release them. If we can revalue assets, let's do it. Baywatch is likely to value us on NAV so let's do what we can, please.

As you know, our discussions with Baywatch are going well, so let's make sure the profits stand up to scrutiny and there are no skeletons in the closet. Not only will we shortly be subjected to a due diligence review by Baywatch, but we could have new external auditors within the next 12 months who are likely to ask all sorts of questions about our accounting practices. I doubt there are any skeletons (having started and run this business throughout), but with these wordy accounting policies and accounting rules that only you accountants understand, I would hate to have to explain, for example, an impairment of plant and equipment or whatever you guys call these items.

I hate to mention this again, but can we please look at simplifying our ratio analysis at Board meetings? We spend so much time talking about irrelevant ratios that we don't have enough time to focus on the real issues in the business.

Anyway, heads down for the rest of the week.

Regards

Frik

ATTACHMENT F
COPY OF AN E-MAIL FROM ALEXANDER TO HAWKES

From: Frik Alexander	Sent: Thursday 13/11/2014 5.35pm
To: Stan Hawkes	
CC:	
Subject: Baywatch term sheet	

Hi Stan

The Baywatch term sheet was delivered by hand to me today. I have had a quick squiz at it. I am particularly interested in the Oikos Building Supplies issue. Clauses 3.4 and 3.5 caught my eye. Could you please make time to explain these clauses to me as I am completely confused about what they mean?

If you're still in the office, pop around and I will give you a copy of the term sheet. We need to get moving on this one! What kind of price tab do you think we would be looking at for this Oikos acquisition?

Regards

Frik