ZAZEN TAX

Data Room Index

About seventy minutes to assemble the index and see what is missing; the gaps it finds take longer. The folders run in the order diligence actually opens them.

Company .... **Deal** .... **Owner of the room** ....

Diligence rarely fails a deal. It reprices it: every missing document becomes a warranty, a retention or a discount. The index below is the standard request list for an investment or sale, ordered the way the other side works through it.

1. Corporate about 10 minutes

- [ ] **Certificate of incorporation, articles, any shareholder agreements**
  Current articles, not the ones from formation if they changed. Side letters included.
- [ ] **Cap table, fully diluted, reconciling to Companies House**
  Options, warrants and convertibles included. This is opened first because a broken cap table ends the process before the financials are read.
- [ ] **Statutory registers and board minutes, three years**
  Members, directors, PSC, and minutes for every allotment and material decision.

2. Financial about 15 minutes

- [ ] **Statutory accounts, three years**
  As filed. Explain any late filings before being asked.
- [ ] **Management accounts, 24 months, monthly**
  P&L, balance sheet, cash. The same numbers the metrics deck was computed from.
- [ ] **The model, with assumptions stated**
  The three-statement model the raise or the price is built on, assumptions on their own sheet.
- [ ] **Debtor and creditor aging, bank statements, facility agreements**
  Twelve months of statements. The aging supports the working capital negotiation, so know it first.

3. Tax about 10 minutes

- [ ] **Corporation tax returns and computations, three years**
  With R&D claims and their supporting records.
- [ ] **VAT returns and reconciliations to the ledger**
  Plus PAYE filings and any HMRC correspondence, enquiries or time-to-pay arrangements, disclosed.
- [ ] **SEIS and EIS paperwork for every round that used it**
  Advance assurance, compliance statements, certificates.

4. Commercial about 10 minutes

- [ ] **Top twenty customer contracts, signed**
  Flag change-of-control clauses yourself. Concentration analysis alongside, matching the metrics deck.
- [ ] **Key supplier and partner contracts**
  Anything the business stops without, plus notice periods.
- [ ] **Pipeline report that ties to the model**
  The forecast's revenue assumptions, evidenced.

5. People about 10 minutes

- [ ] **Employment contracts and the org chart**
  Every employee, with salary schedule reconciling to payroll.
- [ ] **Contractor agreements with IP assignment**
  And the IR35 status determinations for each.
- [ ] **Option agreements and the EMI paperwork**
  Grants, valuations, notifications, the pool authority.

6. IP, IT and data about 5 minutes

- [ ] **IP assignments, registrations, licences in and out**
  Including open-source use in anything shipped.
- [ ] **Data protection: ICO registration, privacy policy, breach log**
  An empty breach log signed off is better than no log.

7. Legal and insurance about 5 minutes

- [ ] **Disputes, current and threatened, with exposure**
  Both directions. Undisclosed disputes void warranties.
- [ ] **Insurance schedule and claims history**
  Plus the property lease and any charges over assets.

8. Housekeeping about 5 minutes

- [ ] **One naming convention, one index, no passwords**
  Folder numbers matching this list. A room that needs a guide costs momentum every day.
- [ ] **A written Q&A log**
  Every question answered once, in writing, visible to both sides. Verbal answers become warranty disputes.

> BUILD IT BEFORE THE TERM SHEET
>
> The room is not a diligence chore, it is a negotiating position. Answering in hours keeps momentum, and momentum is price.

Zazen Tax
Accountants and fractional CFO support for growing companies. zazentax.com/contact