

Penman Strategic Competitor Report

Liverty Distribution Limited S.W.O.T. Analysis

The company was formed as recently as 19/4/2002 under the name Shelf 127654 Limited and this was altered to Liverty Distribution Limited in September 2002 which could indicate that trading commenced at or around that time. This coincides with the current directors being appointed in September 2002.

It is therefore probable that the figures to 30/4/2003 actually represent only 8 Months trading although it is shown as 12 months officially.

The growth in 2004 could then be interpreted as being *less successful*, in that it represents 12 months full trading against 8 months previously and a more factual interpretation may be growth in 2004 as up 35% as opposed to the official 102%.

Strengths Weakness Opportunities Threat

Strengths	Weakness	Opportunities	Threats
Growth	Antecedents	Growth Rate	Antecedents
Profitable	New Company	Positively Viewed	Director Relations
Net Current Assets	Under Capitalised	Lower Cost Base	New Company
Liquid	Minimal Track Record	Competitor Stagnation	Secured Charge
Clear CCJ	Previous Year Loss		Small Company
Clear Gazette	Secured Charge		
Solvent			
Credit Rated 3000			
Financial Score 78/100			
Contract Limit 40000			
Increasing Reserves			

Strengths

The company under review could best be described as a relatively new company and as such it has strengths in common with new start ups, ability to react quickly, innovation, low cost base and this particular company has managed to generate profit by the second year accounting period and posting all of this profit to Reserves which has allowed them to benefit from being positively rated. They have increased turnover significantly in year 2.

Weaknesses

As a relatively new company, potential buyers can be put off by a lack of track record, a lack of financial stability etc. What's more is that the current directors are recorded as directors of two zero rated companies and one company which was "Dissolved" (Could have been struck off) in August of 2004 showing **EIGHT County Court Judgements** against it although this may not be obvious as the name the directorship is under has a slight miss spelling. See the fuller antecedent information contained in the Liverty Distribution Appendix attached to this report.

In common with NEWCOS the company is under capitalised and may not have sufficient reserves to see it through a lean period, in addition a general charge exists over the assets of the company to support their borrowings and as such poor results could create concerns and pressures from their bankers.

Opportunities

We have previously noted that two of the companies in the ESM appear stagnant in terms of growth and this would present a good opportunity for a NEW CO with some innovation and zest to rival against.

Threats

Will the company last long enough to Capitalise on the relatively good start it has made? Certainly the more buyers are aware of the previous Dissolved company **BUY ME FREE LIMITED** with 8 CCJ's then the greater the doubt. Mr. Johnson a former director of this company and a co director with Mr. Briggs of the current company when they were both involved in Buy Me Free Limited has another 4 companies that have all failed or been struck off. It is not known whether or not he is involved in any way with the target company today.