

VETERINARY PRACTICE VALUATION REPORT

Standard Report £115.00 plus VAT

Standard Report

The reports are only suitable for incorporated practices and give a guide to the potential value of your veterinary business.

Terminology-

- PMP - Projected Maintainable Profit
- ETO - Estimated Turnover
- SR - Standard Report
- PR - Premium Report.
- CHBS - Companies House Balance Sheet.

Using the Vet Practice Values (VPV) algorithm we can produce an estimate of the company's goodwill value.

The final value of the sale will include the value of all assets minus liabilities, the goodwill usually being the largest asset.

An adjustment is made for all rents is a percentage of turnover to minimise errors caused by under/overcharging properties owned by the principal to produce a more balance PMP

When making our report comments, as well as using your input data, we access the following information that is within the public domain.

- Companies House files which will include accounts and other statutory information to enable us to look for any potential discrepancies that might affect the final value.
- RCVS register for background information
- Practice website

In addition, the knowledge we have of the sale values that the present market is offering in relation to the variations in value that might occur

Please remember this is only an approximate guide and many factors may still arise that could reduce or increase the practices goodwill value.

The report will be available to upload within 3-5 working days

Standard Report

Full Name:	A.Bloggs MRCVS
Confidential contact number (optional):	0986123456
Confidential email (for reports):	a@xxxyyy.com
Postcode (used for regional variations):	PE15 5LA
Company name:	The vets Ltd
Practice name	Hilltop Vet Centre
Practice sector:	Purely small animal
Approx. size of practice in full time vets:	2
Date of last financial year end:	30/03/2018
Turnover in that year:	£1,162,000
Net profit	£172,000
Expected growth in the current year:	10%
Directors total remuneration from accounts	£23,000
All rents paid for practice properties:	£24,000
Estimated rent:	£44,737
State the number of working Veterinary Directors:	1
State all finance costs (£):	£4,000
State all depreciation and amortisation shown (£):	£35,000
Costs of all family members not required post acquisition:	£82,000
State any non-recurring costs (£):	£0
Estimated turnover (£):	£1,278,200
Estimated net profit (£):	£230,100
Estimated maintainable profit (£):	£240,363
Ratio of PMP: ETO	0.1880

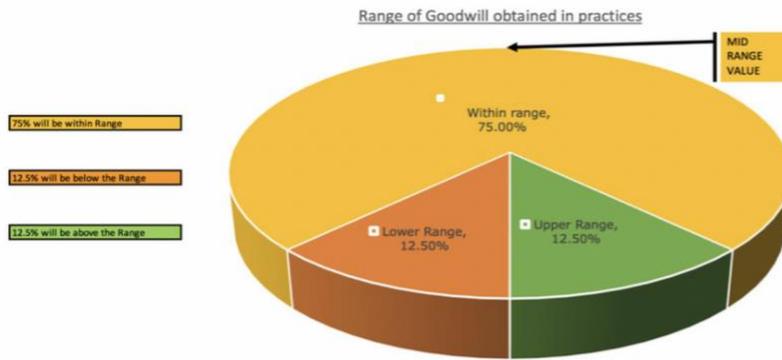
Goodwill Calculation

With a projected turnover of £1,278,200, this is the range of goodwill values for different performance levels.

Below average

(a) Up to - £1,021,543	Average
(b) £1,261,906 - £1,382,087	Good
(c) £1,502,269 - £1,682,541	Excellent
(d) £1,742,632 - £1,862,813	Exceptional

From the details provided we estimate this company falls into range (d), exceptional, giving goodwill to be between £1,742,632 and £1,862,813



Additional analysis

Sample Comments

Companies House Balance Sheet.

- In the "depreciation and amortisation" section you have entered £35k, whereas in the CHBS accounts this is shown as £70k. If £70k is correct, the result could be a £150-200K undervaluation.
- There may be other variations in the accounts which could also have had a bearing on the valuation produced, which would require detailed answers.

Area Code Analysis

Post code -PE155LA

Corporates, as a rule, are most interested in practices with a turnover greater than £1m and this practice is below that level. Looking at the post code area in questions the presence of 3 corporate group sites within it, the practice may well make still of interest to one or all of them.

General comments

- The information supplied shows a very high level of income paid out to family members. You should be sure this is accurate, as any error in that information would have a material impact on the valuation.
- The practice showed an exceptionally high level of turnover for a 2-vet unit, with a PMP:ETO of 18%. This places it in the top quartile of practices.
- The dependency of income being generated on one particular vet, may result in a reduction in the value- the result of this will depend upon negotiations with the preferred buyer

- This may have some disadvantages when coming to considering a corporate sale unless the present professional staff are prepared to remain and provide continuity for the purchaser.

To ensure you get the maximum amount for your company, it must be presented in a financially professional manner and portrayed with narrative that describes the full details of the practice.

Similarly marketing the company and negotiating the sale should be undertaken in a professional manner, something which the VBA excels at.

We work on a **No Sale No Fee** basis, and our fee for this report will be offset against any charges if you engage our services to help sell your practice.

If you wish to discuss your valuation please contact us, on 07939216174 or mal@thevba.com

Specimen report