

## Practice Valuation Service

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Kelsall Steele Accountants and Business Advisors are able to accurately value the goodwill in your practice based on the extensive chiropractic experience of Mike Hutchinson, Ross Martin and the team.

We are involved with over 30 valuations and sales per year in one form or another.



### What is the purpose of a valuation?

Having a valuation prepared will give you an accurate value for the goodwill in your chiropractic clinic at the current market rate.

This can be used for a number of different purposes, the main reasons being:-

- **To obtain a goodwill value to use when selling a chiropractic practice.** Although the valuation will not determine the definitive "sale price" it is a figure which can be used to start negotiations. Chiropractic Practice Valuations are used when selling to external buyers and associates. A bound report will be provided at the end of the process, which is useful to present to potential purchasers.
- **To obtain a goodwill value to use when buying a chiropractic practice** practice. A practice valuation is often desired when buying a clinic for peace of mind that the value is reasonable. This can also be useful when applying for finance.
- **To obtain a goodwill value used when transferring your business** i.e. from a sole trader to a limited company.
- **To obtain a goodwill value when settlement is required between business partners**



### If you need our help

We offer fixed fee, agreed in advance, to prepare the valuation.

### Timing

We anticipate a 3-4 week turnaround on a valuation but it is subject to all the information being readily available for us

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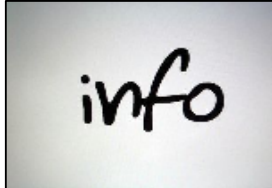
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### What we do during the valuation process

When preparing your practice valuation, we would do the following:-

#### **STEP 1**



##### Gathering Information

The first step is to gather the necessary information required

- Financial data (at least 3 years where available) in the form of financial accounts - This helps us to analyse the "past performance" of your practice
- Any available management information - This enables us to review recent results
- New patient numbers and details - To establish the vibrancy of the clinic
- Full background details of your clinic, including systems and how the clinic operates (gathered via a site visit or phone conversation with one of the valuation team) - This helps us to understand the clinic's future potential, current marketing strategy, any direct and indirect competition, any tenancy arrangement as well as the position and suitability of the building you trade from.
- A freehold valuation (if applicable) that you will need to obtain from an estate agent or independent commercial valuer. It is advisable to get several valuations and select a mid range. We will then also include the value of the freehold in the valuation report. (\*)
- A list of items that will be included in the sale (if applicable) This includes all fixtures, fittings and chiropractic equipment. We will then also include this summary in the valuation report. (\*)

(\*) - Only required when selling the chiropractic practice.

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#### **STEP 2**



##### Preparing the report

When preparing the report we use a tested model based on the actual clinic sales to value the goodwill in your chiropractic practice, which takes into account the following 7 factors:

- Past performance
- Potential
- New patients / marketing
- Competition
- Tenancy
- Position of building
- Suitability of building

After we have gathered the information we will prepare the report in draft ready for further discussions with you.