



BUSINESS VALUATIONS THROUGH RA VALUATION SERVICES

RA VALUATION SERVICES LIMITED was established in 1991 to set up and operate the Association of Optometrists' Practice Valuation Scheme. It has conducted over 1,000 practice valuations in the optical field since the Scheme started.

RA VALUATION SERVICES LIMITED specialises in providing practice valuations for the Optometry profession and, in particular, *values the business* element of optical practices including *goodwill*. RA Valuation Services Limited is a truly *independent* body. The need for the *utmost* discretion and *confidentiality* is recognised and clients are contacted strictly in accordance with their instructions. Details of a client's business are never disclosed or discussed with third parties without the client's clear consent. No other organisation provides a comparable or as comprehensive a service. By specialising and working closely with the Association of Optometrists, the company is able to offer *favourable fee rates* for AOP members.

REASONS FOR A VALUATION:

A Practice Valuation supported by a professionally prepared valuation report from an independent but *authoritative* source is an essential aid to:

- PRACTICE SALE
- PRACTICE PURCHASE
- PARTNERSHIP CHANGE
- LEGAL SEPARATION
- INCORPORATION
- TAX NEGOTIATION
- FUNDING
- BUSINESS DEVELOPMENT

A FORMAL VALUATION is also extremely valuable in providing a bench mark or set of performance indicators for the business at a given time and gives a realistic perspective of the business value that profit & loss accounts and balance sheets don't in themselves always provide. Valuations by RA Valuation Services Limited are definitive and realistic in the market place.

RECOGNISED AUTHORITY:

Valuation reports produced by RA Valuation Services Limited are acknowledged to be *the* authoritative form of optical practice valuation and are *accepted by*:

- BANK MANAGERS
- OTHER LENDERS & PROVIDERS OF FINANCE
- LAWYERS
- ACCOUNTANTS
- TAX SPECIALISTS

And an RA Valuation Services' valuation report is *tailor-made* for their purposes. Indeed, such is their authority that an RA Valuation Services' valuation report is normally insisted upon in support of negotiations. The report itself is detailed and informative, *professionally presented* and smartly bound.

VALUATION PROCESS:

The valuation process is concerned, primarily, with an assessment of a justifiable value for *goodwill*, this being the intangible recognition of both business performance and a potentially realisable premium in the open market. Such an assessment is based mainly on the application of return on investment criteria to historic trading performance, trends and profitability. Many other features are also taken into account such as the value of fixtures fittings and equipment, the practice location, presentation, patient profile, local trading conditions, competition and so on.

Freehold and leasehold property valuation is not included as this would normally be assessed by a local commercial estate agent with a good knowledge of the area. Stock, usually a secondary issue, is valued at the time of business transfer. Site visits by RA Valuation Services Limited are not normally required. Uniquely, a substantial database of earlier practice valuations developed by RA Valuation Services Limited over recent years enable each new valuation to be bench-marked against earlier results. This ensures that market trends are observed and greater accuracy achieved.

FREQUENTLY ASKED QUESTIONS:

Q. Can't you just give me a "ball-park" figure?

A. There is no such thing. Each valuation has an individual assessment and a detailed analysis of recent trading accounts and other data relating to the practice, its staff, its location, its customers, local market conditions and so on. Any other approach would be unacceptable to bank managers, lawyers and accountants. Not only that, it could result in you not achieving the full market value for the practice if you sell it.

Q. Isn't goodwill based on annual turnover?

A. Absolutely not. Turnover is often the least important criterion. Goodwill valuation is dependent upon many things. The most important of these is profit but we also reconstitute the trading profits and review gross profit margins, trading trends, the business environment. Most importantly, we ascertain what prices have been successful in "winning" sales of other similarly sized practices in the local market. This is where our unique database of information derived from actual practice sales and selling prices comes into play.

Q. *What information do I need?*

A. Certified or audited Accounts for the last three years followed by records of patient numbers, cost per examinations, details of the premises and fixtures, fittings and equipment. But don't worry, our questionnaires explain all and are simple to complete.

Q. *What if my practice has several branches?*

A. Many of our valuations are for multiple outlets. In these cases you must let us know if you need one valuation for the whole practice or a separate valuation for each branch. In the latter case, we need separate trading accounts for each outlet. Apart from that, it's the same process.

Q. *Can you help me sell my practice?*

A. Most purchasers, their advisers and providers of funding require or insist upon an independent business valuation such as the RA Valuation Services' model. Having had your valuation, however, you should then talk to a specialist selling agent such as Myers la Roche, another service provider to the AOP.

Q. *How long will a valuation take?*

The valuation process normally takes about four weeks from our receiving accounts and all the information we need although a "fast track" service is offered.

APPLICATION

Initially, contact RA Valuation Services Limited for a discussion on a no-obligation basis. Other questions will be answered and our fee scale and the special discount for AOP members will be explained. Alternatively, visit our website where you can download and complete the initial questionnaire.

CONSULTATIONS

FOR FURTHER INFORMATION ON HOW TO PROCEED WITH A PRACTICE VALUATION PLEASE CONTACT:

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Accredited by the AOP

