



# VetAdvise.com

Knowledge & Coaching = Empowerment

Consulting Coaching Valuations Negotiations Purchase/Sale

## Preliminary Financial Valuation

A *Preliminary Financial Valuation* comprises of a financial analysis of the last three to four years financial statements of your company, through which operating trends and comparison to industry benchmarks is completed. Often times this analysis includes reviewing various general ledger account groupings and final balance reporting as completed by the company's accountant to ensure accurate comparison and financial reporting to that reported within the industry.

In order to prepare the Preliminary Financial Valuation, we require the following information:

- Copies of the last four (4) years' published financial statements
- Copies of the company's Accountant's Adjusted Trial Balance
- Confirmation of wages paid to Shareholders, their dependent family members
- Confirmation of fees or wages paid to associate veterinarians
- A brief history of the company

The professional services to be provided will be restricted to completing the Preliminary Financial Valuation and as such, will not include bookkeeping, accounting or income tax advice.

As this is a limited engagement only, you will be required to ensure your accountant is aware of this restricted engagement and give appropriate authorization for your accountant to provide us with additional information should it be required.

Once we have completed a draft of the Preliminary Financial Valuation, we will arrange a telephone conference for us to review the material prepared, including confirmation of our analysis, trends and industry benchmarks. This discussion can be extremely informative and may include a valuable insight into your veterinary practice. Accordingly, one should be prepared for a one to two hours telephone conference.

Following our telephone conference, the financial analysis will be finalized and if requested, a memorandum report outlining the various points covered during the telephone conference, and a range of market value as arising from our analysis and discussions will be provided.

Professional fees for the preparation and finalization of a Preliminary Financial Valuation are based on actual time expended and charged at an hourly rate of \$250 per hour. Normally, the fee is in the range of between three thousand five hundred (\$3,500) and four thousand dollars (\$4,000). Should an accompanying memorandum confirming the value in writing be required, the cost would increase by an amount of between seven hundred fifty (\$750) and one thousand dollars (\$1,000).

If you have any questions regarding the preparation of a Preliminary Financial Valuation for your clinic, please do not hesitate to contact our office for a more detailed discussion.

*Terry Jackson*

*Certified General Accountant*

**Suite 235 – 9600 Cameron Street, Burnaby, BC V3J7N3**

**Tel 604.420.2333 Fax 604.420.2300**