

A clearer brief. A better valuation conversation.

A practical working pack for UK founders, business owners and management teams.

Use this pack to organise the brief and evidence before commissioning a valuation. It helps you prepare; it does not produce a valuation, a buyer offer or a tax conclusion.

Company and contact

Purpose: sale, funding, shareholder matter, tax, reporting or another decision

Relevant valuation date and intended timing

Intended users and how the report will be used

Interest being valued: company, shareholding or a particular share class

Agree these points before work starts

Scope, basis of value, information required, assumptions, intended reliance, deliverables, fee, VAT treatment and timing. Explain any deadline or planned transaction at the outset.

Build an evidence pack that can be followed.

Mark what is available, who owns it and which period it covers.

Financial evidence

- ☐ Annual accounts and current management accounts, with reconciliations
- ☐ Monthly trading history and an explained forecast
- ☐ Cash, borrowings, leases and other material obligations
- ☐ Working capital schedules and aged debtor / creditor information

Commercial evidence

- ☐ Revenue by customer, product or service and relevant margins
- ☐ Material customer and supplier contracts
- ☐ Retention, repeat business and pipeline evidence, where relevant
- ☐ Business model, operating capacity and material dependencies

Ownership and rights

- ☐ Current cap table, articles and shareholder agreements
- ☐ Relevant share class rights, options and preference terms
- ☐ Evidence of ownership or licences for material intellectual property
- ☐ Known disputes and matters requiring legal or tax specialist input

Keep the information consistent

Give each document a date, reporting period, version and owner. Identify estimates and missing records. Use secure sharing for sensitive documents; the online scorecard does not require uploads.

Explain the adjustments. Keep the evidence.

A discussion worksheet, not a list of automatic additions to profit.

Start with a clearly defined reported profit measure and period. Any proposed adjustment needs a rationale, evidence and an assessment of whether the cost or income would recur under the relevant assumptions.

Item	Amount (+ / -)	Evidence / rationale
Reported profit measure and period		
Owner remuneration adjustment, if justified		
Unusual income or expenditure		
Related-party transactions		
Other supported adjustments		
Resulting adjusted measure		

Questions to challenge

- [] Would a replacement owner or management team still incur this cost?
- [] Is the treatment consistent across periods and supported by records?
- [] Does the chosen profit measure match the valuation method?
- [] Have revenue, margin and working capital assumptions been considered together?

Put an owner and a date against the gaps.

An example four-week preparation sequence. Adapt it to your circumstances.

Week 1 | Agree the brief

Confirm purpose, relevant date, interest being valued and intended users. List missing information and assign owners.

Week 2 | Reconcile the records

Reconcile core financial information. Explain unusual items and prepare cash, debt and working capital schedules.

Week 3 | Test the business story

Gather customer and contract evidence. Review founder dependence, forecasts, ownership and share rights.

Week 4 | Review and commission

Check consistency, discuss limitations and agree the professional scope, deliverables, fee and timing.

The method follows the purpose and evidence

An income approach considers future economic benefits, a market approach considers relevant comparable evidence, and an asset approach considers assets and liabilities. Selecting and applying a method needs judgement. Enterprise value and equity value are different concepts; debt, cash, working capital and share rights may affect the analysis.

Commercial valuation and HMRC valuation processes can have different purposes and requirements. Check the relevant route with your advisers. This pack is general preparation guidance, not legal, tax or investment advice.

Discuss your next step

Book an introductory call with Kishen Patel
consultefc.com/independent-business-valuation/

Further reading: [HMRC share scheme valuation guidance](#) and [Business.gov.uk: preparing financial information](#).
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