

JOHN SHACKLETON & CO. LTD

CHARTERED CERTIFIED ACCOUNTANTS

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Our Ref: AJS/W26

5 April 2018

Mr David Nicklin
Pensions Practitioner
Daws House
33-35 Daws Lane
London
NW7 4SD

Dear Mr Nicklin

Re: David Wood Baking Ltd – Valuation of Shares

We have been asked by the above client to produce a valuation of shares in the above company. We base the calculations below on the final accounts for the year end 30 November 2016.

We provide workings based on 4 criteria, followed by our suggested value.

Called up share capital 5,000,000 ordinary shares of £1

1. Net Assets - £5,580,093 – share value **£1.116/share.**
2. Multiple of net profit - £1,470,231.
 - a. Multiple of 5 times = **£1.47 per share.**
 - b. Multiple of 8 times = **£2.35 per share.**
3. Entry cost valuation (based solely on net value of Plant, Fixtures & vehicles) -
£15,624,096 = **£3.12 per share.**
4. Rule of thumb (based on turnover) £79,463,001 at 10p per £1 = **£1.58 per share.**

The values produced range between £1.116 and £3.12 per share.

Other Factors

The calculations above are based on the last available statutory accounts. We understand that 2017 included some one off costs which will lower profits for that year, however forecast results for 2018 are similar to those on which the calculations above are based.

Conclusion

Taking into account the calculations and other factors, we believe a reasonable/conservative current value for a share in David Wood Baking Ltd would be **£1.25 per share.**

If you have any questions please do not hesitate to contact me.

Yours faithfully

J.Shackleton

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