

Stoneworks (UK) Limited
Commercial Business Valuation
Indication of value

	P/E £	EBITDA £
Weighted average profit	25,303	37,435
Taxation @ 23%	5,820	
	<u>19,483</u>	
P/E Multiple (see below)	14.530	
Less: Discount to reflect privately owned persona	50%	
	7.265	
Revised P/E to reflect small privately owned business	<u>7.265</u>	3.000
Enterprise value	<u>141,544</u>	<u>112,305</u>
Surplus cash/working capital deficit	-	-
Equity Value	<u>141,544</u>	<u>112,305</u>

Reason for choice of P/E Ratio

The multiple used is the FTSE all share index p/e ratio on 19 February 2014 of 14.530. Per Livens Share and Business valuation handbook a suggested discount rate of between 30% and 50% should be applied to small businesses. Due to the size of the business we have chosen a discount of 50%