



DESKTOP REPORT

March 2009

INSTRUCTIONS

BUSINESS

Project Bench Development Limited
Co Reg: 11111111

CLIENT

Mr. Benchmark Client

PURPOSE OF REPORT

To enable the Client, the Business Owners, to make a decision regarding the future of the Business. The aim of the report is to assist the Client in determining whether to place the Business on the market. All valuations are intrinsically subjective. The only perfect method of business valuation is to sell the business.

BUSINESS OWNERS

Mr. Benchmark Client

DATE OF DESKTOP REPORT

10th March 2009

DATE OF PROPERTY VALUATION

Not applicable

BENCHMARK CONSULTANT

Michael Power

SIGNED

A handwritten signature in black ink that reads "Michael Power". The signature is written in a cursive style with a horizontal line underneath the name.

EXECUTIVE SUMMARY

BUSINESS SUMMARY

Business Activity

The subject company is a professional, specialist software developer focused on producing powerful, high-quality, well-featured computer software to meet the needs of the Mail Order, multi-channel marketing industries, whether business-to-business or consumer direct, Food & Meat and general Distributive industries.

The subject company was founded in 1997 and since then has developed supporting over 200 businesses throughout the UK. Empowering its clients with the information needed to effectively and efficiently manage and grow their business.

The Delivery of the subject company's software products is backed up with a range of professional services such as project management, structured training programmes and other support services including data conversions, customisation, web integration and telephone support.

Location & Premises

The subject company operates from a purpose built office complex occupying approximately 700 sqm of office space. The office complex is situated in the market town of Anytown within the South Anyville district of Any County. The location has convenient access to both the rail and road networks with the A1 running adjacent to the office complex and the East Coast Mainline, which runs between London and Edinburgh, close by.

The subject company operates throughout the United Kingdom and uses the premises as a base without geographic boundaries. We understand that the subject company operates at 80% of physical capacity with a 20% margin for further growth and development.

FINANCIAL INFORMATION

Historical Trading

Year End	FY06 Unaudited £000	FY07 Unaudited £000	FY08 Unaudited £000	11months 09 Management £000	Annualised Management £000
Revenue	533	623	1054	818	892
<i>Annual Sales Growth</i>	-	16.88%	69.18%	(22.39)%	(15.3)%
Cost of Sales	(94)	(106)	(176)	(146)	(159)
Gross Profit	439	517	878	672	733
<i>Gross Margin</i>	82.36%	82.98%	83.30%	82.15%	82.15%
Overheads	(349)	(435)	(526)	(478)	(521)
Other Operating Income	0	0	0	7	7.6
Reported EBIT	90	82	352	201	219.6
<i>EBIT Margin</i>	16.88%	13.16%	33.39%	24.5%	24.5%
Depreciation (Property, Plant & Machinery)	8.4	0	7.5	0	0
			-		
Reported EBITDA	98.4	82	359.5	201	219.6
Addbacks					
<i>Directors' Salary</i>	51.0	60.0	78.0	71.5	78.0
<i>Directors' Pensions</i>	0	12.4	14.6	13.4	14.6
Deductions					
<i>Managing Director Costs</i>	40.0	40.0	40.0	36.7	40.0
Adjusted EBIT	109.4	114.4	412.1	249.2	272.2

Summary Balance Sheet

	Trial Balance Sheet as at 02/03/2009 (£000)	Adjustments (£000)	Pro-Forma Balance Sheet (£000)
FIXED ASSETS	0.6	(0)	0.6
CURRENT ASSETS	743	(-581 cash)	162
CURRENT LIABILITIES	35	(0)	35
NET ASSETS	708		127.6

The Pro-Forma Balance Sheet is the adjusted net asset position shown on a cash-free, debt-free basis. Included in the Current Assets is £151,000 worth of debtors. A view has not been given as to the recoverability of this book debt and therefore it has been assumed at 100% for the purpose of this report.

DESKTOP REPORT SUMMARY

The Benchmark Desktop Report has been designed to provide an honest and realistic business appraisal based upon data provided by the client. Benchmark Business Services LLP has not visited the client or the client's premises. It does not purport to be the only method of valuation available, but its aim is to provide a guideline for the owner(s) of a business to plan for development or sale. Ultimately, the only way to ascertain the value of a business is to test it in the open market place and sell it. Benchmark believes that the following principle is the most appropriate technique for the appraisal of this Company:

VALUE = Goodwill (*Maintainable Earnings x Benchmark Multiplier*) + Adjusted Net Assets (*Fixed Assets + Stocks + Debtors – Current Liabilities*)

Maintainable Earnings: An average of the last three years adjusted profits is used to adopt a figure for maintainable earnings. Adjusted profits are accepted to be the annual EBIT plus any items that can be considered exceptional or that are specific to the current management style.

MAINTAINABLE EARNINGS

(Average adjusted EBIT over 3 years)

£250,000

Benchmark Multiplier: To calculate the value assigned to goodwill, the intangible assets of a business, the Benchmark Multiplier takes into account the 10 most important value drivers of a business, the KEY VALUATION INDICATORS. The importance of each attribute has been evaluated and each of the 10 attributes has been given a potential score of between two and ten based on that feature's potential value to the Company. To calculate the multiplier, each attribute is then marked between 0.1 and the highest potential score for the category; the higher the score, the better the Company ranks for this attribute. The overall value: the Benchmark Multiplier is multiplied by the figure for maintainable earnings. The multiple will usually lie between 1 and a maximum of 6, which would indicate an annual return on investment of between 16% and 100%.

BENCHMARK MULTIPLIER

3.64

Adjusted Net Assets: The test of whether or not the value of an asset should be included in the multiple-derived price is based upon whether or not it is needed to generate the projected earnings. For example, property can reasonably be stated as surplus to requirements and could be additional to the multiple derived business value. It is therefore necessary to analyse the appropriate assets that should be included in the value of the business. The net asset value is calculated by subtracting the value of the current liabilities from the value of the tangible assets. Furthermore, cash assets over and above the requisite working capital are generally removed by the owner prior to any sale taking place.

ADJUSTED NET ASSETS

£127,600

Benchmark Valuation	
Goodwill	£910,000
Adjusted Net Assets - as of 2 March 2009 (excluding surplus cash)	£127,600
Property	N/A
Suggested Sale Price (On a cash-free, debt-free basis with enough working capital left in the business)	£1,000,000

KEY VALUATION INDICATORS

History and Ownership

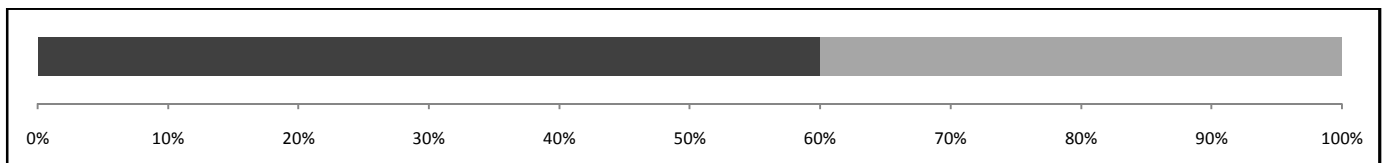
The Company was founded in 1997 and since then has developed supporting over 200 businesses throughout the UK. Empowering its clients with the information needed to effectively and efficiently manage and grow their business.

The Company remains in the sole ownership of Mr and Mrs Benchmark each having a 50% shareholding.

The Company's history of trading of nearly ten years demonstrates that the Company has succeeded the trials and tribulations of establishing a new business and found a stable platform to commence meaningful development.

Score

= 60.0%



Management

The Company is owner managed with Mr Benchmark fulfilling the Managing Director role.

There is a strong and experienced middle management team with potential to form a Management Buy Out proposition or be supportive of a Management Buy In:

Mr Benchmark . Managing Director

Mrs Benchmark . Company Secretary

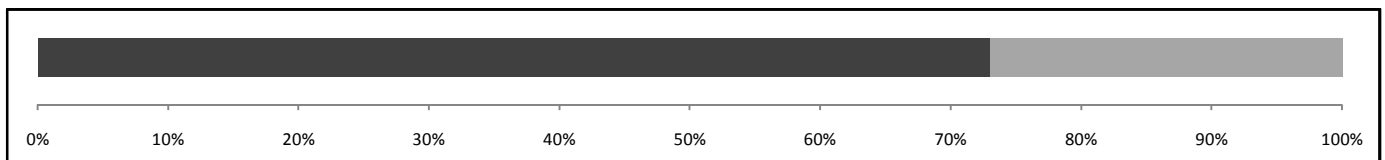
Mr Benchmark 2 . Business Development Manager

Mr Benchmark 3 . Operations Manager

Mr Benchmark 4 . Support Manager

Score

= 73.0%



KEY VALUATION INDICATORS

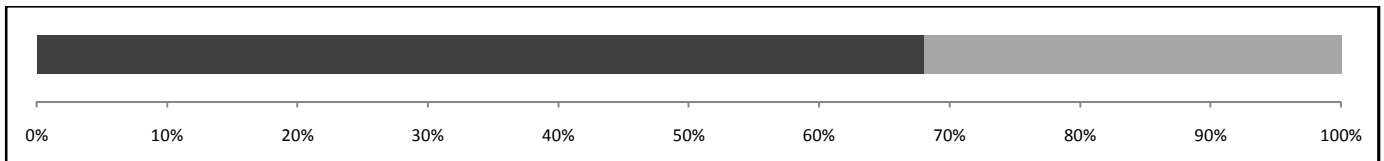
Staff

The workforce of 20 includes: the Managing Director, Company Secretary, Business Development Manager, Operations Manager, Support Manager, Project Co-ordinators, Trainers, Developers and Sales, Support and Admin Staff, . There is also two office staff: a full time accounts administrator and a part time administrator. The turnover per employee is £44,600.

Operatives vary in age from 22 years to 55 years with the middle management team ranging from 28 through to 53.

Score

= 68.0%



Reputation

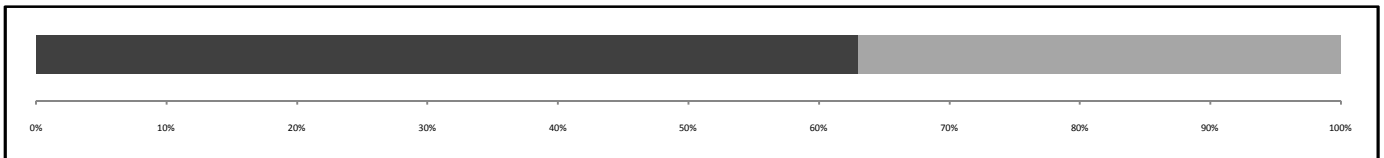
The Company's reputation for quality of product and service is borne out in its repeat custom and maintenance and growth of Annual Contracts. The Company's development is predicated on both the maintenance of these Annual Contracts and the generation of new larger clients attracted by the Company's continued success.

40% of the Company's turnover comes from Referrals and Repeat Business

The Company's reputation is further enhanced by the being awarded the Investors in People accreditation.

Score

= 63.0%



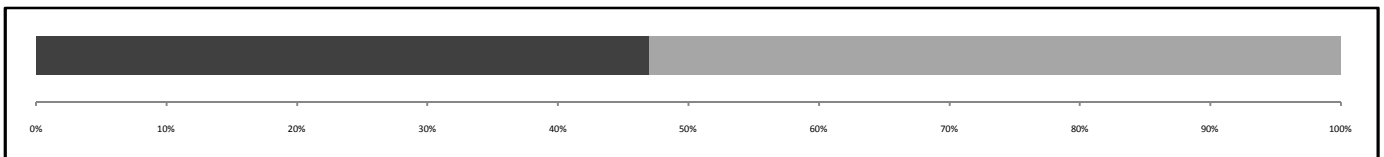
Customers

The Company has the capability to supply and service a wide spectrum of end-users throughout the UK. This diverse customer base gives the Company its competitive edge. The Company's target market is Multi Channel/Mail Order/Distribution.

The Company's top ten customers account for approximately 50% of the Company's income. Approximately 40% of work is repeat or referral; The Company has a forward order book to April 2009.

Score

= 47.0%



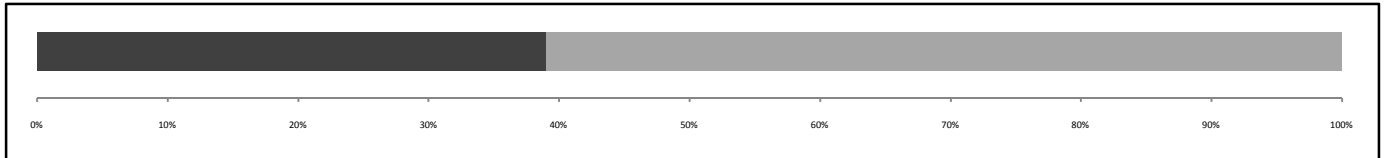
KEY VALUATION INDICATORS

Competition

Current competitors include XYZ Competitor, ABC competitor, A Nother Competitor, AAA competitor. The Company purports a higher quality of product with a competitive price point but as yet does not offer the consultancy service for enterprise level systems offered by its competitors.

Score

= 39.0%



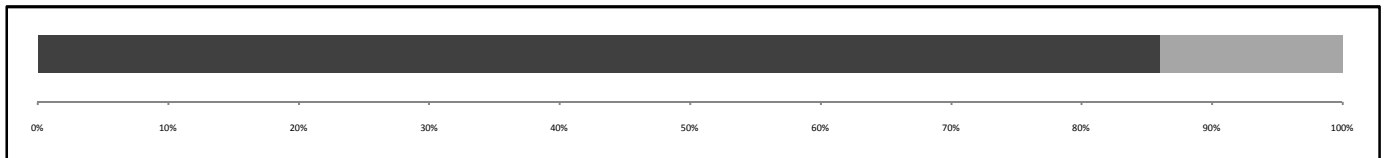
Intellectual Property

The many individual features combine to make the unique package - Unique which is a true multi-channel business software solution. The Company has focused its development around flexibility and integration. It's a fresh product that is constantly evolving and embracing new technologies. Web e-commerce integration is paramount: with a range of solutions from web services to direct integration with the likes of Amazon and E-Bay. Unique is a business-to-business and business-to-consumer product that revolutionises daily tasks, allowing for automated and ah-hoc emailing; fast sales order processing; advanced stock control; integrated accounts; epos; customer service/crm; flexible promotions; sales analysis/marketing/list management; pick/pack/despach;

The company owns complete intellectual property & copyrights to UNIQUE software source code

Score

= 86.0%

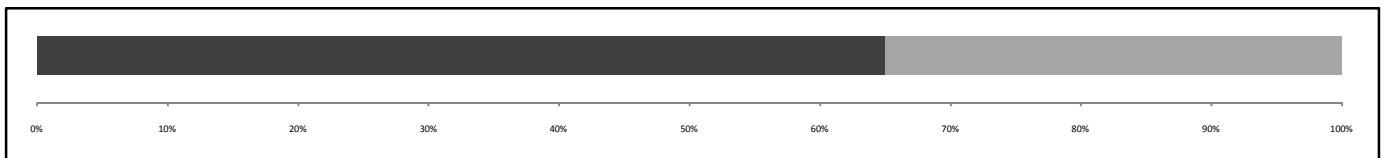


Profitability and Recent Growth

The gross profit margin for the business is approximately 82.5% and has been stable over the last few years, although the turnover has been increasing. The turnover saw a dramatic increase during FY08 but appears to have returned to a more consistent growth pattern for the FY09 (as detailed by the management accounts). Profitability has seen a year on year growth with the exception of FY08 resultant of a blip year in a positive sense.

Score

= 65.0%



KEY VALUATION INDICATORS

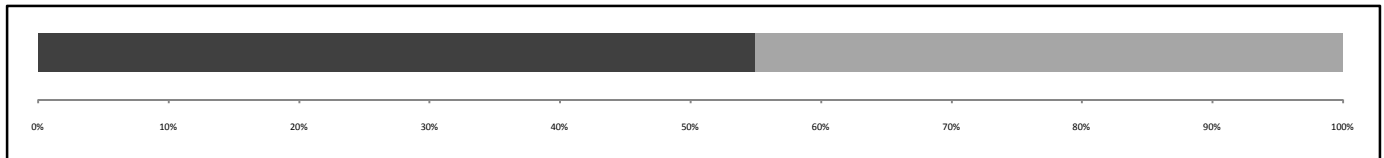
Potential Growth

The Managing Director has forecast turnover to increase to £2m by year end 2011 with an EBIT of £574,000. This represents a year on year growth on sales of 51% each year as opposed to the average growth of 21% in recent years. The potential methods to achieve the predicted increased turnover include:

- New client generation
- New projects to be added to existing annual contracts
- Increase in existing annual renewal contracts
- Diversification into new sectors
- Launch new e-commerce sister company
- Targeting larger client profiles

Score

= 55.0%



Appetite & Scarcity

Supply and demand is undoubtedly one of the most important factors in business valuation. If there is appetite to buy businesses in the sector, the value of the business will be inflated. However, if the number of businesses on the market outweighs the demand to purchase businesses in the sector, this will have a negative effect on the value of the business.

Any upturn in mergers and acquisitions activity will increase the potential value of the business; however a decrease will have the opposite effect. In recent months, supply of businesses for sale has decreased since many small business owners are focused on their day-to-day business rather than selling. Furthermore, the supply of good business listings has decreased because many companies are not performing well enough that they would be able to get a price that the owner(s) would be interested in.

There is often an upward pressure on demand during economic downturn because out-of-work employees look at becoming business owners and entrepreneurs, either through choice or necessity. However, on the flip side, current credit restrictions may limit the available pool of potential buyers.

KEY VALUATION INDICATORS

1. Snapshot Appetite Report

An analysis of ~~Businesses Wanted~~ is required to gauge the overall appetite to acquire businesses in the sector. A good indication can be gained from an assessment of the number of individuals actively seeking to buy similar software businesses. Desktop research using publications, web portals and our network of contacts produced the following results:

DATE	ACQUISITIONS SOUGHT
March 2009	9 similar businesses sought

An extract of current ~~Business Wanted~~ Listings:

Acquisition Sought	Specialist Software or IT Support
Description	Looking for specialist software or IT support businesses to join to our own. You would have a good base of contracted clients and preferably some specialist niche market knowledge.
Location	United Kingdom

Acquisition Sought	Software Business
Description	***** is a sales advisory company engaged on company consolidation project to identify 2-3 software businesses, own IPR, mature financial applications and strong recurring support fees. Business owners who are looking for a phased exit and a desire to maximise stakeholder returns.
Location	United Kingdom

Acquisition Sought	Software house
Description	We are looking to buy a software house with a healthy turnover. business with very low or no profit, will be considered if have a big turnover and client base.
Location	United Kingdom

Acquisition Sought	Information Technology Business
Description	Please send me more details if you have a business as described above for sale, as am very much interested in buying an existing business in information technology sector as soon as possible.
Location	United Kingdom

Acquisition Sought	Niche Specialist Growth Companies Wanted
Description	Minimum Profits £500k, up to £10m. Substantial Private Equity, Venture Capital and Private Group clients are seeking sustainable growth businesses with good margins in the UK. Niche and Specialist businesses preferred. Non sector specific.
Location	United Kingdom

Acquisition Sought	Business Required
Description	Experienced businessman looking for new business with growth potential.
Location	United Kingdom

Acquisition Sought	Business Software business
Description	Business software authors (not resellers) in ERP, supply chain, manufacturing, warehousing, document management and MIS software.
Location	United Kingdom

KEY VALUATION INDICATORS

Acquisition Sought	Software business
Description	Experienced software management / investment team seeks opportunities to participate in MBO of niche software product company. Willing to offer up to £1m as part of overall funding package.
Location	United Kingdom

Acquisition Sought	Software Products
Description	Three senior managers with up to £1m to invest are looking for UK software products or services businesses.
Location	United Kingdom

2. Scarcity Value Report

When placing a value on a business, it is necessary to examine how many other companies in the sector are for sale in the region; and therefore how much competition there is for a vendor to find a buyer. To analyse this, the most appropriate method is to assess how many businesses for sale are currently being advertised. The major web portals and business for sale publications give a good indication of how many businesses are currently on the market:

DATE	NUMBER OF BUSINESSES LISTED FOR SALE
March 2009	5 similar businesses in the UK that are currently on the market

Current businesses on the market:

Acquisition Sought	Software
Description	Software business for sale in the South East. Niche market with vast expansion.
Location	United Kingdom

Acquisition Sought	IT Software Development & Services Provider
Description	Well-established and highly-respected IT software development and services company. Consistent growth and profitability with good cash flow. Quality client base including a number of blue-chip companies. The wide cross-section of market sectors enables the company to spread its risk to economic cycles. In addition to current development skill sets, this company has a range of unique resources in legacy systems, ERP and business Intelligence sectors with assured revenue streams from ongoing contracts, as well as partnerships with IBM, SAP & Microsoft.
Location	United Kingdom

Acquisition Sought	Technology, E-learning and Software
Description	Leading e-learning and simulation business specialising in design, development and support for the defence and commercial aviation sectors. Products cover a variety of specialist subjects with growth potential in emerging markets. Operating internationally with impressive customer list: government, defence agencies and commercial aviation. Highly profitable, generating forecast profits of £1.7m, underpinned by a low cost base. Inviting outright acquisition or growth through merger.
Location	United Kingdom

Acquisition Sought	Profitable Software Application Specialist Transaction Processing
Description	Non-core working software product currently generating revenues of £65,000 pa from a few contracted clients. After developing and testing with a handful of clients over the last few years my clients business has evolved away from it original roots, hence the sale of this software application.
Location	United Kingdom

KEY VALUATION INDICATORS

Acquisition Sought Profitable Software Application Specialist Transaction Processing

Description

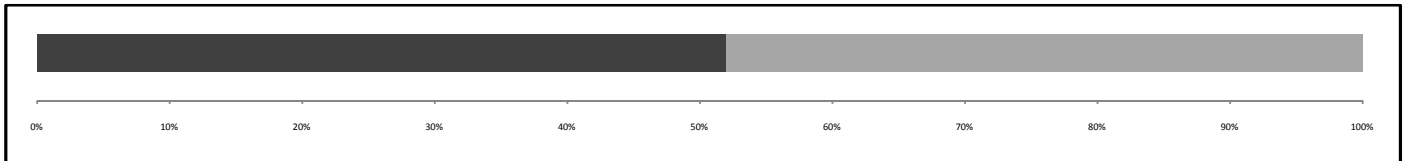
A first class company which specialises in providing software support to Local Government Authorities and also web-based and tailored software for mobile / field-based workers. This professional business commenced trading in 1998 to maintain large Local Authority Computer Systems. They quickly recognised the opportunities in the emerging mobile workers sector and developed high quality software solutions for this sector. By either integrating off-the-shelf packages with the customer's existing systems, or by creating bespoke applications for them, they find an approach that perfectly suits their needs.

Location

United Kingdom

Score

= 52.0%



DISCLAIMER

(Effective from 1 January 2009) This Appendix forms part of the Valuation and/or Appraisal Report, and it is assumed that the Client is fully conversant with its contents.

Definitions

Unless the context otherwise requires, the following terms have the meanings ascribed (where appropriate, references in the singular will also apply in the plural):-

"the Client" means the person(s) or body from whom the instructions to prepare the Report have been received. Reference to the Client, who shall be identified on the front page of the Report, shall in all cases be interpreted to mean only this person(s) or body.

"the Property" means all those freehold/leasehold premises from which the Business is operated and which have been inspected by Benchmark Business Services LLP and reported upon.

"the Business" means the business trade or profession carried on or to be carried on by the Client in respect of which Benchmark Business Services LLP has been requested to prepare the Report.

"Benchmark" means Benchmark Business Services LLP whose registered office is at Evans House, Manchester Road, BOLTON, Gtr Manchester, BL3 2NZ

"the Report" means a Report on the Business and/or Property prepared by Benchmark. It means the written provision of a Valuation, combined with professional opinion and/or analysis relating to the suitability or profitability or otherwise of the subject business and/or property for defined purposes or to the effects of specified circumstances thereon, as judged by Benchmark following relevant investigation.

"date of Inspection" the date on which Benchmark's representative carried out the inspection of the business and/or property.

"date of Valuation" the date as of which the Valuation and/or Appraisal is stated to be expressed.

1. Purpose of Report

- 1.1 Benchmark Business Services LLP has prepared this Report for use only by the Client to assist them in the consideration of the proposal stated within the Introduction to the Report, in respect of the subject business and/or property, and for no other purpose whatever. It is confidential to the Client and other than for information purposes it is not for use by the client in any way.
- 1.2 Benchmark can accept no responsibility if the Report is divulged to any other persons or bodies, any of whom relies upon it entirely at their own risk.
- 1.3 Benchmark accepts responsibility to the Client alone that the Report will be prepared with the skill, care and diligence to be expected of a competent business Valuer and appraiser, but accepts no responsibility whatsoever to any person other than the Client. No person or body other than the Client may rely on the Report and neither the whole, nor any part of the Report, nor any reference thereto, is to be included in any published document, circular or statement, nor published in any way without the written approval of Benchmark as to the form and context in which it may appear.
- 1.4 The Report comprises a valuation and/or an appraisal together with comments and projections as to the potential of the business concerned.
- 1.5 The projection of any trading potential of the business concerned over the next twelve months or other specified period stated in the Report is based upon information provided by the client, our own investigations and such other sources as detailed in the Report, and makes the following assumptions:-
 - 1.5.1 That the business would at all times be managed and operated by a competent and diligent owner devoting all due time and care to the affairs of the business.
 - 1.5.2 That the business would at all times be properly capitalised, stocked and staffed.
 - 1.5.3 That the financial and market situation prevailing at the date of the Report does not vary during the period of assessment.
 - 1.5.4 That the nature, character, extent and pricing structure of the business will not materially alter.
 - 1.5.5 That all proper and prudent insurance cover for the business of the type examined will be taken out and maintained.
- 1.6 Benchmark does not accept responsibility for loss of whatever nature which may result directly or indirectly from mismanagement, underfunding or understaffing of the business, market trends or fluctuations or any other factors whatever which are outside Benchmark influence or control or material changes in the nature, character, extent or pricing structure of the business, or the absence of adequate insurance cover for the business or for the suppression of material facts from Benchmark.

2. Defamation

- 2.1 This Report has been prepared in good faith on the basis of enquiries made and information supplied to Benchmark. We reserve the right to claim qualified privilege in respect of any part of this Report should the contents be subsequently challenged by a party claiming to be aggrieved at anything stated herein.

3. Generally

- 3.1 Sections 12 to 16 of the Supply of Goods and Services Act 1982 (or any statutory enactment thereof for the time being in force) are hereby excluded. Notwithstanding what we have said above, this Report must be treated at all times as confidential to the body or person to whom it is addressed. Neither Benchmark Business Services LLP nor its servants or agents can accept any responsibility whatever for loss and damage of whatsoever nature and howsoever arising in the event of the contents of this Report being copied, disclosed, distributed or published in any manner to any other person, without prior reference to us.
- 3.2 Valuations may be relied upon for the stated purpose as at the date specified. In normal market conditions the value may not change materially in the short term (approximately 3-6 months). However, the market is constantly changing and is susceptible to many external factors which can affect business confidence. If any reliance is to be placed upon the

Valuation following any changes which could affect business confidence, then further consultation is strongly recommended.

- 3.3 In the case of businesses normally sold and valued as operational entities, all items of equipment normally associated with such a business are assumed to be owned outright and are included within the valuation unless otherwise specified. Unless otherwise specified no account is taken of any existing or potential liabilities arising for Capital Gains or other taxation or as a result of grants or capital allowances.
- 3.4 In the event of a dispute arising in connection with a valuation or the contents of the Report, unless expressly agreed otherwise in writing, Benchmark Business Services LLP and the Client will submit to the jurisdiction of the British Courts only. This will apply wherever the business or Client is located, or the advice provided. Benchmark shall be treated as "Independent Valuers" and unless stated to the contrary are deemed to be "External Valuers" with no other current or presently foreseeable fee earning relationship concerning the subject business apart from the valuation fee.
- 3.5 Benchmark will disclose to the best of its knowledge previous inspections undertaken.

4. Valuations

- 4.1 The valuation provided will be made on the assumptions stated within the Report in respect of the individual subject business, unless otherwise agreed, on whichever of the following or other bases as have been agreed between Benchmark and the Client
- 4.2 The valuation provided is for the value of the business as described. No account has been taken of any special tax or other inducement or liability which may arise as a result of any transaction neither in contemplation nor of normal costs involved in the execution of such a transaction.
- 4.3 The definitions of the valuation provided in the Report is set out below:

DEFINITIONS OF VALUATIONS

Market Value (MV) The estimated amount for which a business should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Market Value with special assumptions Opinions of Market Valuation can be provided in accordance with special assumptions which are indicated by the client. These assumptions will be clearly stated within the body of the report.

Interpretive Commentary

4.3.1 'The estimated amount ...'

Refers to a price expressed in terms of money (normally in the local currency) payable for the asset in an arm's-length market transaction. Market Value is measured as the most probable price reasonably obtainable in the market at the date of valuation in keeping with the Market Value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of Special Value

4.3.2 '... a business should exchange ...'

Refers to the fact that the value of an asset is an estimated amount rather than a predetermined or actual sale price. It is the price at which the market expects a transaction that meets all other elements of the Market Value definition should be completed on the date of valuation.

4.3.3 '... on the date of valuation ...'

Requires that the estimated Market Value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the actual market state and circumstances as of the effective valuation date, not as of either a past or future date. The definition also assumes simultaneous exchange and completion of the contract for sale without any variation in price that might otherwise be made.

4.3.4 '... between a willing buyer ...'

Refers to one who is motivated, but not compelled to buy. This buyer is neither over-eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than on an imaginary or hypothetical market which cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present asset owner is included among those who constitute the market. A Valuer must not make unrealistic assumptions about market conditions or assume a level of Market Value above that which is reasonably obtainable.

4.3.5 '... a willing seller ...'

Is neither an over-eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the property at market terms for the best price attainable in the (open) market after proper marketing, whatever that price may be. The factual circumstances of the actual asset owner are not a part of this consideration because the willing seller is a hypothetical owner.

4.3.6 '... in an arm's-length transaction ...'

Is one between parties who do not have a particular or special relationship (for example, parent and subsidiary companies or landlord and tenant) which may make the price level uncharacteristic of the market or inflated because of an element of

Special Value.(see para 3.1. above) The Market Value transaction is presumed to be between unrelated parties each acting independently.

4.3.7 '... after proper marketing ...'

Means that the asset would be exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the Market Value definition. The length of exposure time may vary with market conditions, but must be sufficient to allow the asset to be brought to the attention of an adequate number of potential purchasers. The exposure period occurs prior to the valuation date.

4.3.8 '... wherein the parties had each acted knowledgeably and prudently ...'

Presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses and the state of the market as of the date of valuation. Each is further presumed to act for self-interest with that knowledge and prudently to seek the best price for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the date of valuation, not with benefit of hindsight at some later date. It is not necessarily imprudent for a seller to sell property in a market with falling prices at a price which is lower than previous market levels. In such cases, as is true for other purchase and sale situations in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.

4.3.9 '... and without compulsion'

Establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.