

# familylaw

## Nexia Edwards Marshall are leading providers of business valuation and investigation services for family lawyers and their clients

### Business Valuations for family law

The objective of business valuations in the family law context is to provide a professional opinion as to the value of the ownership interest to the owner (value to the owner). A much debated topic, Nexia Edwards Marshall is highly credentialed in providing reasoned and authoritative opinions of value.

### Business Valuations generally

Business valuations require the application of appropriate principles to particular factual circumstances. Questions commonly arise as to what Premise of Value (going concern, notional winding up, etc) Standard of Value (fair market value, etc) and Valuation Approach (Asset based, Income based or Market based) should be applied. Careful consideration is required of constituting documents (Constitution, Trust Deed, etc) and share / unit holder agreements. Valuations of minority interests require consideration of factors relating to lack of control and lack of marketability. Nexia Edwards Marshall has extensive experience in a range of forms of ownership (including minority interests) and in a wide variety of industries and sectors.

### Complexity

Even relatively simple businesses often have complex business structures. Nexia Edwards Marshall are expert in unravelling complex business structures, explaining their significance and clearly reporting on the value of the ownership interest to the owner or the value of the resource to the parties. Structure diagrams are used to convey meaning more readily.

### Investigations

Nexia Edwards Marshall are expert at tracing from publicly available records and the records of the entity the movement of value into and out of enterprises, identifying the effects on business value and transactions to or for the benefit of the parties.

### Independence and objectivity

Without fear or favour – we maintain our objectivity while dealing sensitively with all parties at what is commonly a most difficult period in people's lives, dealing only with personal issues to the extent to which they impact upon matters relating to the business valuation.



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## Business Valuation approach

The most common questions are: what do you need, how long will it take and how much will it cost? We commence with a letter setting out our understanding of the engagement (an engagement letter) and identifying the documents necessary to conduct the valuation.

## Flexibility

We are flexible and easy to deal with, for example, obtaining necessary documents directly from the parties' accountant and copying-in our instructing solicitors. Not all engagements require a formal share or business valuation. We welcome consulting engagements through which we can keep the costs down but provide valuable insights to aid negotiation and strategy.

## Joint or single retainer

We are most commonly engaged jointly by the solicitors for the parties, but we may also be engaged singly, or as a shadow expert. Often preliminary reviews provide great comfort where the instructing solicitor or their client requires a level of assurance without the cost of a formal valuation.

## Complementary services

Family law property settlements involving the paying of money and the changing of ownership interests often have income tax consequences. Nexia Edwards Marshall offers expert tax and related strategic advice, seeking to find win-win situations for the parties and avoiding deal breakers.

## Costs

We are able to provide fee estimates which are a good guide as to our likely costs. Only where circumstances transpire that are outside of our original contemplation might our fees change. In any event, we do not incur costs which we seek to recover without prior consultation. Financial investigations are generally carried out pursuant to identified parameters based on hourly rates for the staff engaged.

## Australian Financial Services Licence

Some valuations require an AFSL. Nexia Edwards Marshall holds appropriate AFSL authorisations to provide financial product (valuation) advice.



### Key contact: Hugh McPharlin FCA BV Specialist

Hugh is the Partner responsible for the firm's Forensic Accounting division.

Hugh McPharlin is a leading provider of forensic accounting and business valuation services. Hugh's evidence has been accepted in the Family Court of Australia and the Federal Circuit Court of Australia. Over the past 20 years, Hugh has conducted around 300 share and business valuations. Hugh is a member of the Chartered Accountants Australia and New Zealand Business Valuation Specialisation committee and is supported by George Whittington and Nick Wyschnja.

#### Contact Hugh

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