

# businessvaluations

**Nexia Edwards Marshall are leading providers of share and business valuation services.**

## **Business Valuations**

Valuations of businesses and equity (shares, units and partnership interests) draw on technical valuation skills, business acumen and judgement; things which Nexia Edwards Marshall has in abundance!

## **Business Valuations for commercial purposes**

The value of an interest in a company, trust or partnership is often uncertain, but can be clarified by a robust valuation. But what makes a robust valuation? It's applying a proper approach and using an appropriate method within an appropriate framework. It's also understanding the operations of the business within the sector and market within which the business operates, and producing a report which explains those matters with clarity and objectivity.

Getting the Valuation Premise right is critical, as is having a comprehensive understanding of the appropriate Standard of Value to apply (such as Market Value, Fair Market Value or Fair Value) and what those terms mean in various contexts. An ability to comprehend the terms of a company's constitution, or a trust's deed, or a shareholders' or unitholders' agreement is also critical. Nexia Edwards Marshall has those skills.

## **Resources**

Our knowledge of sectors and markets is supported by access to the resources of S&P Capital IQ and IBISWorld, and the knowledge and expertise of Nexia International, one of the world's top 10 accounting networks.

## **Minority interests**

Valuations of minority interests require consideration of factors relating to an absence of control and lack of marketability. Nexia Edwards Marshall has extensive experience in the valuation of minority interests.

## **Acquisition accounting**

What is the value of an identifiable intangible asset (such as a brand)? Nexia Edwards Marshall is adept at Acquisition Accounting, which requires the consideration transferred in a business combination to be measured at fair value, comprised of the fair value of assets transferred from the vendor, liabilities incurred by the purchaser to the vendor and equity instruments issued by the purchaser in exchange for control. Easy? Not quite. Nexia Edwards Marshall combines knowledge of accounting standards (Business Combinations, Fair Value Measurement, Share-based Payments, Income Taxes, Property, Plant and Equipment, Provisions, Contingent Liabilities and Contingent Assets, etc) and valuation principles to arrive at auditable outcomes.

# businessvaluations

## Engagement approach

The most common questions are: what do you want, how long will it take and how much will it cost? We commence with a letter setting out our understanding of the engagement and a list of necessary documents. Once engaged, we seek to quickly obtain a good business-like understanding of the ownership interest/business being valued. From there, we commence writing and completing our report.

## Complexity and flexibility

It's remarkable how complex financial structures quickly become. We are not intimidated by complexity and use clear narratives and structure diagrams to cut through obscurity.

We are flexible and easy to deal with, for example, obtaining necessary documents directly from management or authorised third parties. Not all engagements require a formal valuation report. We welcome consulting engagements through which we can keep the costs down but provide valuable insights to aid negotiation and strategy.

## Independence and objectivity

Without fear or favour – we maintain our objectivity while dealing sensitively with stakeholders' interests.

## Australian Financial Services Licence

It is unlawful to conduct some share and unit valuations without an Australian Financial Services Licence (**AFSL**). Edwards Marshall Advisory Pty Ltd ACN 600 878 555 (**EMA**) is the holder of AFSL Number 479792. Nexia Edwards Marshall Pty Ltd (**NEM**) is a Corporate Authorised Representative of EMA (AFS Representative Number 001241754). As an Authorised Representative of EMA, NEM is authorised to, among other things, provide financial product advice for securities (e.g. shares) and interests in managed investment schemes (e.g. units in a unit trust) to retail clients.

Financial product advice is a recommendation or a statement of opinion, or a report of either of those things, that is, or could reasonably be regarded as being, intended to influence a person or persons in making a decision about a particular financial product or class of financial products, or an interest in a particular financial product or class of financial products. It includes advice that is provided via an intermediary - for example, where a copy of our Valuation Opinion is provided to a prospective purchaser of shares or units in the entity being valued.



### 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 Australian Supreme, District, County and Family Courts. Over the past 20 years, Hugh has conducted more than 300 share and business valuations and numerous accounting investigations. Hugh is a member of the Chartered Accountants Australia and New Zealand Business Valuation Specialisation committee and is supported by George Whittington and Thomas Blokland.

Contact Hugh

**t** +61 8 8139 1130

**m** +61 419 841 780

**e** [hmcpharlin@nexiaem.com.au](mailto:hmcpharlin@nexiaem.com.au)



Level 3  
153 Flinders Street  
Adelaide SA 5000  
GPO Box 2163  
Adelaide SA 5001  
**p** +61 8 8139 1111  
**f** +61 8 8139 1100  
**w** [nexiaem.com.au](http://nexiaem.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

Nexia Edwards Marshall is an independent firm of Chartered Accountants using the Nexia International trademark under license. It is affiliated with, but independent from, Nexia Australia Pty Ltd, which is a member of Nexia International, a worldwide network of independent accounting and consulting firms. Neither Nexia International nor Nexia Australia Pty Ltd provide service to clients.

The trade marks NEXIA INTERNATIONAL, NEXIA and the NEXIA logo are owned by Nexia International Limited and used under licence.