

# 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 critical. Nexia Edwards Marshall has those skills.

## 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

### Engagement approach

The most common questions are: what do you want, how long will it take and how much will it cost? We commonly 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.

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.

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## Why Nexia Edwards Marshall

### Our global network

Nexia offers advisory, tax and audit services worldwide. When you choose Nexia, you get a more responsive, more personal, partner-led service.

**\$2.9bn**

Fee income for 2023

**26,149**

People worldwide

**624**

Offices globally

**123**

Countries

### We'll get you there

We're a top 15 global network, already on the ground in over 120 countries, and have offices in every mainland state and territory in Australia.

### A culture of success

We hire a diverse range of individuals with the ability to ask the right questions, listen actively and analyse deeply to spot missed opportunities.

### The specialists you need

We offer over 30 sector and service specialties, from property and construction, healthcare, professional services and many more.

### Ready for what's next

We equip our team with the vital skills to thrive in tomorrow's world, so we can guide you to success, no matter what this looks like.

## Contact us

Contact your Nexia Edwards Marshall Advisor to discuss how we can help you and your business.



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