

HOW TO PREPARE YOUR BUSINESS FOR VALUATION

When assessing the value of your business, there are 3 key approaches commonly used.

1. Discounted Cash Flow
2. Capitalisation of Maintainable Earnings
3. Asset Based Methodologies



3 Types of Reports

1. Calculation Engagements
2. Limited Scope Valuation Reports
3. Valuation Reports

What is Required for a Valuation Report?

- Past 3 years of Accountant Prepared Financial Statements (Including notes to the accounts and Depreciation Schedules) and Income Tax Returns
- Current year to date management accounts.
- Forecasts, Budgets and Business plans prepared
- Risk and Value Driver Assessment
- Business Property - Valuation if owned, or if leased, a copy of the lease agreement
- All loan agreements and most recent loan statements (including equipment finance)
- Key supplier and customer details and contracts
- Copy of corporate documents
 - Constitution and shareholders agreement, if a company
 - Trust Deed, if a trust
 - Partnership agreement, if a partnership
- The following detailed trading reports for each of the last 3 years
 - Sales by customer reports
 - Purchases by supplier report
 - Sales by products/service
 - Payroll reports
 - Owner remuneration and any related party expenditure included in the financial statements
 - Details of related party transactions
 - Aged payables and aged receivables
 - Stock on hand
 - Annual and long service leave provision reports
 - Annual and long service leave movement reports
 - Number of owners working in the business (FTE)
 - Number of staff (FTE) working in the business

Other Litigation Support Services

Critic of other experts reports | Prepare other non-valuation expert reports | Forensic Investigations and review reports | Investigating financial records and specific transactions | Asset discovery | Account and financial statement reconstructions | Disclosure review | Shadow independent expert services