

BUSINESS VALUATIONS



Maclean Partners Chartered Accountants specialise in professional Business Valuations.

- ◆ Our valuation Techniques and Reports are tailored to suit the particular circumstances of each specific engagement
- ◆ Our Valuations are used for legal purposes, for corporate restructuring purposes, for succession planning purposes and for general business planning purposes.
- ◆ Our expertise is demonstrated by our experience. Not only have our team members conducted countless valuations but they have also trained a large number of accountants throughout Australia, New Zealand and Canada in business valuation principles and techniques.



FORMAL VALUATIONS

Our valuations are used for family law purposes, business restructuring, succession planning, buying part of a business, selling part of a business etc. Although our valuations are normally based on the "Capitalisation of Earnings Approach" we typically use more than one valuation method in our valuation process.

As we are part of a national network we are able to compare capitalisation rates to dozens of other valuations. This helps 'position' our valuation and helps all users of the valuation report see that the valuation is reasonable compared to similar businesses. Our approach enables us to identify the reasons with the valuation is 'above' or 'below' average.

This is a critical benefit of our approach when the valuation is likely to be analysed (and possibly challenged) by other parties.

CREDIBILITY

The valuation approach we use has been patented, tested in the Supreme Court, endorsed by major banks and financial institutions and complies with all professional requirements.

**"Price is what you pay;
value is what you get"**

Warren Buffett

AS A BUSINESS PLANNING AID

Our approach assesses 90 'risk areas' of the business being valued to determine the appropriate, 'business specific' multiple. This assessment enables us to advise business owners 'what to work on' to proactively improve their 'capitalisation rate'.

What's more, we can quantify the impact certain strategies will have on the business' capitalisation rate so we can help business owners. For example, grow their business value by 30% by only growing profits by 12%.

SELLING A BUSINESS

When selling a business it is quite usual to prepare some sort of Sales Memorandum. These Sales Memorandum typically feature the key selling points of the business and help attract a higher price.

Completing a Risk Assessment is an ideal way of identifying which 'value drivers' are performing well and therefore is a very useful tool that accompanies selling a business.



"All that glitters is not gold; often have you heard that told"

Shakespeare

BUYING A BUSINESS

When buying a business you always ask "Am I paying too much?" and "Is there anything I don't know about this business?" An excellent way of addressing both these questions is by completing a Risk Assessment. In this context, the Risk Assessment forms part of your due diligence that is vital to any business acquisition.

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We take Business Valuations very seriously. Accordingly we apply 'science' when valuing a business. Beware other firms who value businesses based on 'personal experience' or 'gut feel'. It is not sufficient!

The valuation model we use is patented and used by over 150 accounting firms (including 'top tier' and 'mid tier' firms) in Australia. Our model identifies reasonable value for a business by applying a multiple to its underlying profitability. Quite simply, the more protected the business and its profit stream, the higher the multiple!

Bringing all the pieces of you financial life together



RISK ASSESSMENT

The areas covered by our risk assessment (which is used to determine the capitalisation rate) are:

- * The Industry
- * Business Performance
- * Business Growth
- * Business Risk
- * Competition
- * Record Keeping
- * Owners
- * Customers & Market Demand
- * Staff
- * Succession Planning

ADVICE PROVIDED MAY INCLUDE:

- ◇ BUDGETS AND CASH FLOWS
- ◇ BUSINESS FINANCE OR REFINANCE
- ◇ BUSINESS GROWTH PLANNING
- ◇ BUSINESS VALUATIONS
- ◇ BUY AND SELL AGREEMENTS WITH SUPPORTING INSURANCE COVER
- ◇ BUYING AND SELLING OF BUSINESSES
- ◇ CHILD MAINTENANCE TRUST
- ◇ COMPLIMENTARY BUSINESS REVIEWS
- ◇ EXTERNAL CFO
- ◇ FINANCIAL PLANNING INCLUDING CONSIDERATION OF INSURANCE NEEDS
- ◇ GENERAL FINANCIAL MANAGEMENT
- ◇ BUSINESS MARKETING
- ◇ SETTING UP A NEW BUSINESS
- ◇ SELF MANAGED SUPER FUNDS
- ◇ STRATEGIC BUSINESS PLANNING
- ◇ SUCCESSION PLANNING



*At Maclean Partners, we
are passionate about*

***'Bringing all the pieces of your
financial life together'.***

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