

# Business Valuation for acquisition or divestment



## Workshop Program

### **Due Diligence**

- Industry analysis
- Business analysis
- Strategy analysis

### **Financial Modelling**

- Pro-forma statements
- Benchmarking
- Monte Carlo Simulation
- Z-Scores
- Sustainable growth
- Leverage buyout

### **Company Valuation**

- Essential ingredients
- Discounted Cash Flow
- Future Maintainable Earnings
- Asset based valuations
- Common errors
- How to negotiate "value"?
- What constitutes "defensible"?

### **Taxation Structuring**

- CGT & Losses & Earn-outs
- Small Business Concessions
- Rollover relief
- GST & Stamp Duty
- Transaction vehicle
- Allocation of purchase price
- Accessing the proceeds
- Contract & Risk Management

## Venue & Time

XXXXXXXXXXXXXXXXX 2008  
x am - x pm

XXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXX Street  
XXXXXXXXXX VIC 3xxx

**Surety International Pty Ltd**  
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## ***"Prepare a defensible business valuation and structure a better transaction outcome"***

### **Workshop Outline:**

This presentation includes practical aspects of investigation, modelling, valuation and taxation. The full presentation will usually take in the order of six hours, however it can also be presented in three 2 hours modules for Professional Discussion Group Presentations.

### **Who Should Attend?**

- Accountants who wish to assist clients in the business acquisition or divestment process.
- Lawyers who wish to advise their clients regarding economic gain or loss.
- Business Owners who wish to prepare business plans and stress test strategies going forward.

### **Presenter Profile:**

**Jim Mc Donald CPA PNA FAIA** has thirty years experience in financial analysis and business risk assessment in Europe and Australia. His core expertise is in valuation, financial due diligence and financial modelling. He has advised on the sale and acquisition of businesses and has undertaken numerous evaluations to assist in investment and divestment decisions. Consulting clients include finance companies, research institutions and nationwide retailers and businesses across a range of sectors including construction, property, online retail, distribution, manufacturing, import/export, freight, travel and the financial services sector.

Jim has provided professional development training for accountants regarding interpretation of International Financial Accounting Standards IFRS, in particular, the valuation of assets or "impairment". He also regularly provides a seminar entitled "Taxation and Commercial considerations for buying and selling businesses".

Jim is a Member of CPA Australia and a Fellow of the Association of International Accountants. He is also a Professional National Accountant and a Member of the Financial Services Accountants Association.

### **Topics Discussed:**

- Information gathering and investigation techniques across industries and within businesses.
- How to establish the relationship between the financial statements and the future economic benefits associated with the entity.
- Manipulation, fraud & inefficiency.
- The mechanics of financial risk modelling including scenario & multi-discriminant analysis, failure prediction & optimisation techniques and their application to valuation and strategy testing.
- How to use sensitivity analysis to model a range of outcomes to demonstrate the pre acquisition volatility as a tool for formulating strategy.
- How to model the maximum debt serviceable by forecasting post acquisition cash flows using a leverage buyout model.
- Market, earnings and asset based methods of valuation. Identify advantages and disadvantages and when it is appropriate to use each method.
- What are the most common errors in valuation?
- Issues relating to control & minority holdings, goodwill, employee entitlements, surplus assets, guarantees and terminal value.
- The difference between business value and transaction value and structure to minimise taxes.
- Understanding how apportionment of the acquisition price effects the differing perspectives of the parties.
- How does the ATO value earn-outs?