

Business Valuation Services



How much is my business worth?

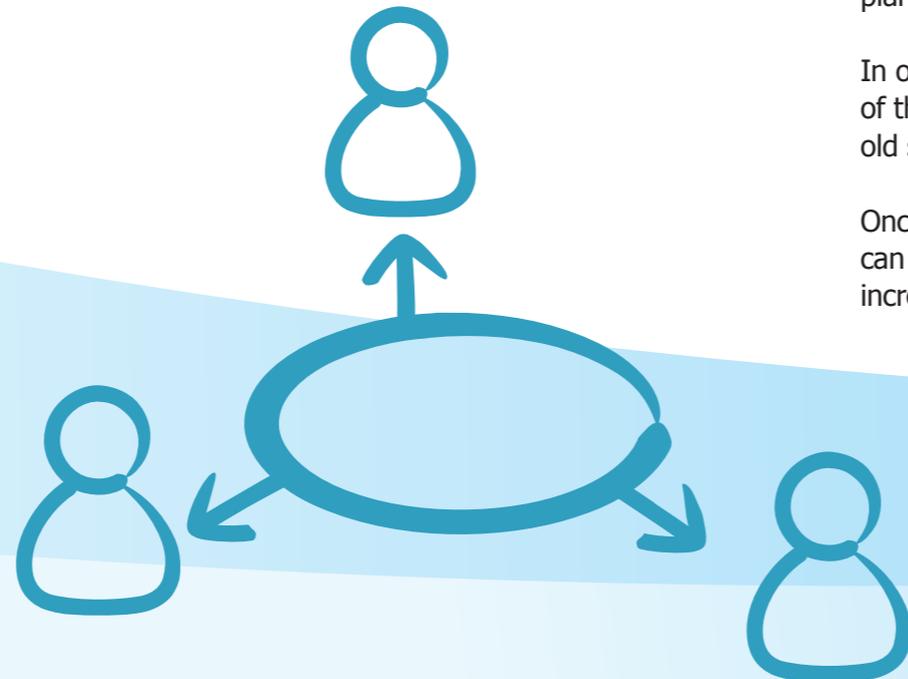
Many small and mid market businesses want that all important question answered, "How much is my business worth?"

Endeavour Capital has the technical skills and market awareness to prepare an informed assessment of value based on our combined qualifications and extensive experience as a Chartered Accountant, Registered Business Agent and Registered Business Valuer.

Common reasons why valuations are undertaken

We have acted as independent valuers of businesses for:

- Corporate restructuring
- Dissolution of partnership
- Estate purposes
- Family Law
- Litigation
- Purchase Price Allocation
- Succession and exit planning



Valuations as a management tool

One of the areas where valuations have been vastly underutilised is as a management tool, particularly for family owned businesses.

At Endeavour Capital, we are constantly amazed at how few family business operators have an informed view on the value of their company. The owners often make business decisions and assumptions on exit and succession planning issues without having an informed starting point.

In our opinion, all business owners should have a realistic view on the value of their business. We strongly believe that all business owners over 55 years old should have a formal valuation performed every few years.

Once a valuation is established, then the business owner and their advisers can develop plans to increase its value and monitor their performance in increasing wealth.

Types of valuations

Depending on the circumstances, there are different types of activities that some may call valuations which are not valuations at all. As the veracity, reporting and costs of these different types of engagements may vary, it is imperative that the instructions are clear on the type and any limitation of the valuation.

Accounting Professional & Ethical Standards Board has issued professional standard APES 225 Valuation Services for valuation engagements. APES 225 provides definitions of the different types of valuation engagements and gives examples to assist whether a particular service is a valuation service for the purposes of APES 225 and, if so, whether the engagement is a Valuation, Limited Scope Valuation, or Calculation Engagement.

We can assist in preparing the valuation instructions to ensure that the objectives are achieved whilst containing the costs.

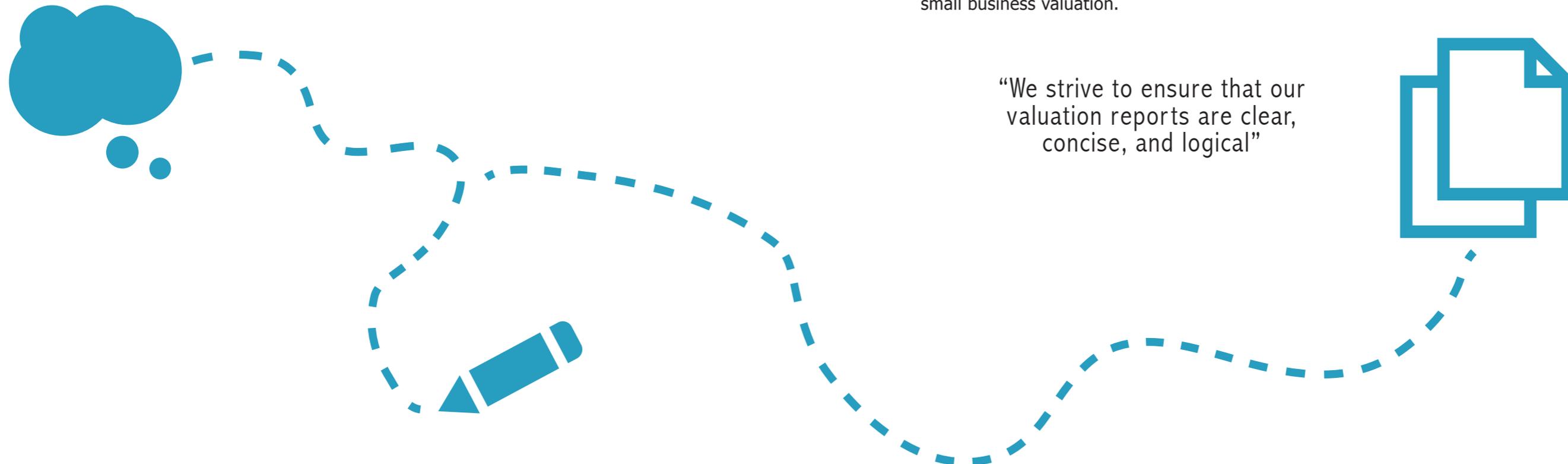
When is a “valuation” not a valuation?

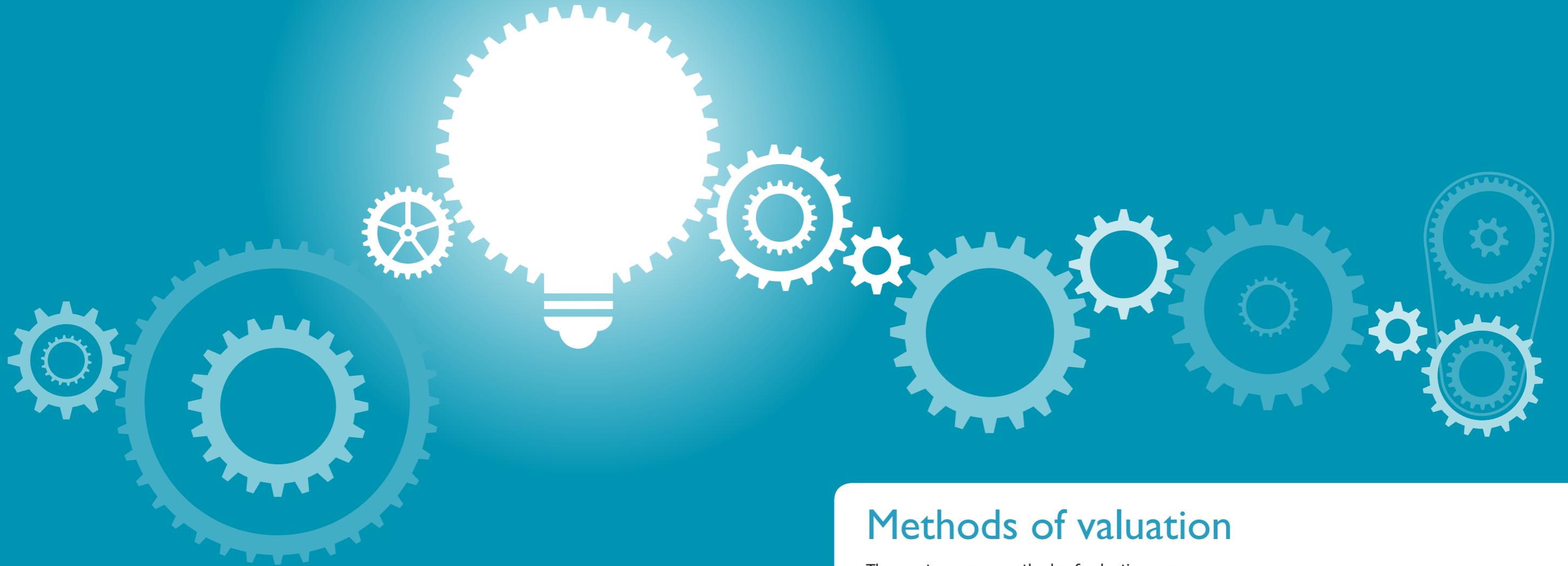
The most common so called valuation is for an estimate of sale price of a company. As part of the sale process, we may be asked to provide generic valuation statistics and parameters relevant to the industry in which the company operates. This is not a valuation, even if some valuation procedures are conducted. The engagement is to provide ancillary services related to the sale of a company or business.

Family law single expert valuation

At Endeavour, we act as independent business valuation experts for family law purposes. We can act as a single expert appointed by both parties or as a shadow business valuer appointed by one party. Our objectives are to clearly demonstrate a sound and transparent basis of valuation in a way that all stakeholders can readily understand.

Small business valuation engagements can be undertaken for a fixed price, subject to the provision of timely and complete information. Contact us today to obtain a quote on a fixed price small business valuation.





Factors influencing the value of your business

As valuers, we will seek to identify key factors influencing the value of a business which typically include:

- Recent profit history and cash flow
- Forecast profits and cash flow
- Strategic positioning
- Market factors - demand and supply
- Economic conditions
- Tenancy
- Risk

Methods of valuation

The most common methods of valuation are:

- Capitalisation of Earnings
- Discounted Cash Flow (DCF)
- Net Tangible Asset Value
- Industry 'Rule of Thumb'

When selecting the valuation method to use, the following factors need to be considered:

- The nature of the asset or assets being valued (industry, shares, business or intangible assets)
- Who the possible buyers would be and what valuation method they would be likely to use
- The impact on the vendor of selling the asset, such as supply or customer relationships
- The availability of relevant information
- Specific issues relating to the business such as lease, licenses and shareholder's agreement



Get in touch

Endeavour Capital is an independent corporate advisory firm established in 1998, focusing on smaller and mid market companies. Our role is to assist our clients in achieving their objectives through providing independent, sound, creative and experienced counsel.

Endeavour Capital's services include acquisitions, business sales, valuations and exit planning.

Peter Wallace, Managing Director of Endeavour, has over 20 years advisory experience in a wide range of industries including; distribution, financial services, healthcare, manufacturing, information technology and retail.

 02 8096 9222

 Level 1, 432 Kent Street
Sydney NSW 2000

 www.endeavourcapital.com.au

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