Business Valuation Checklist

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# Tasks:

☐ **Obtain Financial Information**

☐ **Last 3 years profit and loss statements and balance sheets.**

☐ **Last 3 years cash flow.**

☐ **Details of all major assets.**

☐ **Details of all major liabilities, borrowings, creditors, tax, leases, superannuation and other employee entitlements.**

☐ **Management accounts if any.**

☐ **Budgets and performance to past budgets.**

☐ **Any profit/cash flow projections.**

☐ **Details of any contingent liabilities.**

☐ **Obtain Market Information**

☐ **Market this business is in.**

☐ **Competitors - check who they are and how many.**

☐ **Check any barriers to entry.**

☐ **Spread of customers.**

☐ **Spread of suppliers.**

☐ **Market share the business has.**

☐ **Information Analysis**

☐ **Type of income.**

☐ **Profit margins.**

☐ **Business stability.**

☐ **Other Factors Affecting Value**

☐ **Skills required of management and staff.**

☐ **Quality of management.**

☐ **Industry lifecycle.**

☐ **Reliance on owner operator.**

☐ **Selecting a Valuation Method**

☐ **Capitalisation of earnings.**

☐ **Estimating future cash flows and applying a discount for the time value of money and degree of risk.**

☐ **A notional realisation of the assets of the business less the liabilities associated with them.**