

Valuations

The valuation of a business, especially an unquoted private company, is a notoriously difficult task. Blue Sky offer independent and expert corporate valuation services to cover most of these scenarios:-

Selling a Business

If you are an owner management team, an investor or a corporate entity and you are contemplating selling a business, then you are well aware that you are not going to sell this asset twice, so the key to the transaction is to find the right buyer and to get the best price (with a view to minimising the tax payable in the process).

The sale of shares in a family held or any private company usually constitutes the single most important commercial transaction in the owners' lives. Shareholders thinking of selling their shares should plan as early as possible for that event both in terms of "dressing" the company for sale and, as importantly, in terms of their own exit in a tax efficient manner.

Blue Sky has helped with the sale of a great many privately owned companies and businesses. With a blend of commercial, valuation and tax planning skills, we can provide extensive experience and expert advice in any situation. Steps in the sales process on which we can advise include:-

- An objective valuation of the shares to be sold
- Tax mitigation planning for shareholders
- Preparation of sales documentation
- Identification and evaluation of proposed buyers
- Negotiation with the prospective buyers
- Liaison with lawyers to validate the structure of the deal

Acquiring a Business/Investing in a Business

If you are an owner management team, a corporate entity or an investor considering the acquisition of a company or you are a private or institutional investor considering a minority investment into a business, then you want to get the valuation right and you may well want to optimise the tax structure of your investment. Like many corporate finance transactions you may only get one opportunity to get the structure of the deal right.

Blue Sky can provide an expert, independent and objective valuation report based upon the market valuation of similar entities, the value of recent transactions (sales/purchases) and other tried and tested valuation techniques. We can also advise you on the most likely optimum structure for the transaction for tax purposes and apply for pre-clearance of the tax planning scheme where appropriate.

Intellectual Property and Intangibles

The valuation of intellectual property has assumed far greater relevance in recent years. Blue Sky has acquired considerable valuation expertise in this field, specifically in:-

- Copyright and Design Rights
- Trademarks
- Patents
- Registered Designs
- Film Rights
- Brands
- Royalties Receivable
- Licensing and Royalty Agreements
- Subscription and Service Contracts
- Franchises

- E-Commerce Businesses
- Computer Software
- Programme Libraries
- Back Catalogues

Employment Related Securities

A fiscal valuation (a fiscal valuation refers to a valuation for tax purposes) will be required for company owners, directors and key employees where companies choose to introduce any of the following:-

- Share Allotments to Employees
- Enterprise Management Incentives (EMI) share schemes
- Other approved and unapproved share option schemes
- ESOP trusts
- Phantom Share Schemes

Blue Sky can help you to consider the pros and cons of various valuation options, advise you upon the impact that certain employee restrictions/rights (especially rights relating to departing employees) will have upon the likely value and advise you on the possible view that HMRC will take on the subject of valuation. We will prepare the case to be presented to HMRC for the preferred/chosen valuation, negotiate the valuation with HMRC (Shares and Asset Valuation office) and work with you to secure the best possible compromise. Blue Sky can also advise you on the difference between 'restricted' and 'unrestricted market value'.

Tax and Valuations

In addition to fiscal valuations for tax purposes Blue Sky can help you to plan your capital and income strategy to minimise your future liabilities to the following potential tax liabilities:-

- Capital Gains Tax
- Inheritance Tax
- Corporation Tax
- Income Tax
- Stamp Duty
- Overseas Taxation

Blue Sky also provides independent, objective and expert fiscal (tax) valuations, where these are required for the following purposes:-

- Inheritance Tax valuations
- Estate planning with trusts and wills
- Capital Gains Tax base cost valuation
- Pre-sale or pre-flotation tax planning
- Group re-organisations and demergers
- Utilisation of exemptions and reliefs
- Goodwill of sole traders and partnerships



To find out how **Blue Sky Corporate Finance** can help you
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