

The assigning of value is both science and art. It requires objective expertise and subjective judgment. It requires an HG&K Certified Valuation Analyst.

Perhaps more than any other accounting discipline, business valuations demand a combination of capabilities, including proven expertise in quantitative analysis and formidable industry experience.

In situations such as divorce, estate settlement, and the purchase or sale of businesses, opposing parties will often contest valuations. These instances require not only the capacity to arrive at an accurate valuation, but the ability to defend it. They require the credibility that HG&K can bring to business valuations.

When do you need a business valuation?

There are many occasions when a business valuation is either necessary or helpful. Examples include:

Estate and Gift Planning and Tax Compliance

Federal tax law requires that a fair market value be determined for the business interest held by a deceased person. In addition, valuations are required when a taxpayer chooses to gift their business interest to family members or others. In the Internal Revenue Code, the term "Fair Market Value" has a specific meaning that requires a specific standard of valuation. Clients count on the HG&K business valuation team to determine the fair market value of their ownership interest.

Divorce Settlements

State law requires a determination of value for portions of a business that are owned by spouses in a divorce action. The HG&K valuation team keeps abreast of all recent Minnesota case law pertaining to business valuations. HG&K assists clients and their attorneys by providing confidential, quality advice based upon years of experience dealing with these difficult situations.

Acquisition or Disposition of a Business

HG&K facilitates business acquisitions by providing valuation services and by helping clients satisfy loan application requirements. For clients who are selling a business, HG&K can provide a valuation of the business while furnishing crucial assistance aimed at enhancing asset value.

Buy/Sell Agreements

Agreements between shareholders oftentimes have a set formula outlining how to determine the company's value among the shareholders. HG&K determines the value based on the client's formula, or in the absence of a specified formula, HG&K will conduct a valuation analysis to arrive at a fair value.

Intangible Asset Valuation and Purchase Price Allocations

Due to changes in Financial Accounting Standards, it may now be necessary to value goodwill and other acquired intangible assets yearly for impairment testing. Also, in circumstances such as purchase price allocations, new accounting standards make it necessary to value intangible assets. HG&K's valuation team understands these provisions and can determine the appropriate valuation methodology to employ for each client's unique situation.

How will we value your business?

The first step in business valuation is to define your objectives. Once a shared understanding of goals has been achieved, HG&K proceeds to:

- Work closely with key personnel to determine the unique aspects of your business that affect value
- Provide an analysis of your historical financial statements
- Research the industry and the geographic economy in which the business operates
- Calculate the value of the business using a variety of methods
- Prepare a report of HG&K's findings and conclusions

Learn More

See how much HG&K can add to your business. Visit our website at www.hgkcpa.com or call Greg Uphoff at 952-979-1146.