



# **bizval**



**CHARTERED ACCOUNTANTS**  
AUSTRALIA + NEW ZEALAND

## **Case Study**

### **Immigration and Business Valuations**

#### **Topics discussed in this paper include**

Immigration

Valuation Methodology

Independence

Jean-Claude Burgundy and his family immigrated to Australia from France under a provisional visa. They had been living in Australia for three years operating a wholesale patisserie business. To become permanent residents, they now needed to now apply for a class 890 Business Owner Visa. Under the requirements of the Department of Immigration and Border Protection an independent business valuation on their family business was required.

## Background

Jean-Claude Burgundy and his family had had been living in Australia under a provisional visa for three years.

To gain a permanent residency, Mr Burgundy needed to apply for a class 890 'Business Owner Visa'.

Although he was already operating a successful wholesale patisserie business, the Department of Immigration and Border Protection required the value of his business to be independently assessed.

## Situation Analysis

Mr Burgundy's immigration agent arranged for an independent business valuation on his business, Le Monde Wholesale. To satisfy the requirements of the Department of Immigration and Border Protection it needed to be independent and prepared by a suitably experienced Accountant.

After a slow beginning, the business had recently secured contracts with several large restaurants & distributors. The business' growth projection was evidenced in its interim management accounts which showed profits for the first 4 months of the current year already surpassing that of the previous full financial year.

In determining the most appropriate business valuation method, consideration was given to the business' past performance and future expectations. As profits were expected to increase substantially over the coming years (which was already evident in the business interim financial statements) the Discounted Cash Flow (DCF) method was adopted. The DCF method is 'forward looking' and is used to value businesses whose cash flows are likely to vary over upcoming years.

## Outcome

Using existing history of sales and cost structures of the business, coupled with the newly won sales contracts, Mr Burgundy's Accountant supplied detailed cash flow forecasts for the upcoming two years and long range forecasts for the three years following that.

After a few minor queries and adjustments, the valuation was prepared based on the forecasts provided. The final valuation amount was significant enough to assist Mr Burgundy in achieving a successful outcome from the visa application. He and his family are now permanent residents of Australia.

**An independent business valuation compiled by a professional can help.  
Contact **BIZVAL** to learn more and order your expert  
business valuation today.**



**web** [bizval.com.au](http://bizval.com.au)  
**email** [info@bizval.com.au](mailto:info@bizval.com.au)  
**phone** 1300 916 973

**address** PO Box 177  
Surry Hills NSW 2010  
**ABN** 34 624 330 098