

Financial Reporting Valuations - US GAAP and IFRS

COMPLEXITY REQUIRES EXPERIENCE

Marshall & Stevens is a respected resource for public and private companies in need of valuations for compliance with financial reporting standards, both domestic (Financial Accounting Standards Board Accounting Standard Codification - *FASB ASC*) and international (International Accounting Standards - *IAS*, or International Financial Reporting Standards - *IFRS*).

Our Financial, Machinery & Equipment, and Real Estate valuation specialists work together to provide a single, integrated solution for clients with needs for multidisciplinary valuations and assignments with assets around the world.

OVERVIEW OF KEY FINANCIAL REPORTING VALUATION TOPICS

Each financial reporting assignment begins with a discussion with the client's audit firm to make sure our team, our client and the audit firm are working together for the best, most efficient process, and results for the client.

Marshall & Stevens' professionals keep up to date on the latest accounting guidance and interpretations by engaging in regular dialogue with multiple audit firms, participation in accounting and valuation industry task forces, committees, and conferences.

1. Purchase Price Allocations: *FASB ASC 805* and *IFRS 3* – Business Combinations

The consideration paid to acquire an enterprise must be allocated to the underlying assets to set the opening balance sheet.

The allocation exercise includes the valuation of the transaction consideration, including any contingent consideration, rollover equity or non-controlling interests, as well as tangible and intangible assets

Engaging Marshall & Stevens, a firm with a proficiency in business combinations as well as the in-house capability to value intangible and tangible assets (real estate and equipment), can save acquirers' time and expense including reducing the time and fee required in audit review.

2. Testing for Impairment of Goodwill and Indefinite Lived Assets: *FASB ASC 350* Testing for Impairment of Long-Lived Assets: *FASB ASC 360* Impairment of Assets: *IAS 36*

Marshall & Stevens is a multidisciplinary firm with a great deal of experience valuing equity, intangible assets, real estate, and fixed assets for potential impairment.

3. Valuation of Equity Compensation: FASB ASC 718 (IRC 409A) and IFRS 2

A valuation for compliance with ASC 718 generally must also comply with Internal Revenue Code 409A, for US tax reporting purposes.

4. Derivatives and Financial Instruments

ASC 320: Investments - Debt and Equity Securities

ASC 815: Derivatives and Hedging

ASC 946: Financial Services - Investment Companies

Complex financial modeling techniques are required to value some of these instruments, including: Black-Scholes Option Pricing Model, Binomial Lattice and Monte Carlo.

Our specialists have the knowledge and experience required to value the many forms of illiquid investments covered by the guidance listed above.

5. Fresh Start Accounting Valuation: ASC 852 - Reorganizations

Financial reporting requirements associated with an emergence from Chapter 11 of the Bankruptcy Code include the restatement of the company's balance sheet, similar to an ASC 805 (purchase price allocation) analysis.

Our Financial, Fixed Asset, and Real Estate specialists provide the required valuation of the subject intangible and tangible assets to meet the client's need for a fresh start balance sheet.

Marshall & Stevens

Public and privately held companies rely on Marshall & Stevens to assist them with the planning, execution, and reporting of mergers, acquisitions, divestitures, financings, corporate tax restructuring, wealth transfer, estate tax reporting, matters of dispute. For more information, contact one of those listed below.



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