



# Disputes, litigation, and expert valuations

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## Valuating a complex business environment

The rapid globalisation of the world economy amongst other factors has created both opportunities and challenges for organisations. Operating in multiple jurisdictions, gaining access to economies at different stages of development, and understanding cultural differences are all adding new complexities to the business agenda. At the same time, the business environment is becoming increasingly litigious and investors are increasingly seeking growth through joint ventures and partnerships.

Therefore, there has been a rapid increase in both the number and the complexity of commercial disputes. In almost every commercial dispute, it is the valuation of certain assets – or the value of the business itself – that is often the greatest point of contention between parties. As a result, many organisations are now seeking robust and well-reasoned valuation analysis prepared by appropriately qualified and independent specialists, to help them better prepare for pending or potential disputes.

Our expert valuations team brings an in-depth understanding of commercial valuations, and is able to draw on our forensic accounting specialists where required. We have extensive experience of producing well-reasoned valuation analysis and real-world deal advice to deliver robust and reliable valuation opinions.

### Products/services

Our strong network of valuation experts across sector specialisms and geographies enables us to deliver robust and reliable expert valuation opinions, including through an expert advisory role. The key areas we can assist throughout the dispute and litigation process are:



#### Independent expert determinations

When acting as the expert, we have a tried and tested process that is both fair and transparent.

- A robust and objective valuation opinion;
- Reduced likelihood of the opinion being challenged, providing closure to both parties.



#### Expert witness services

We have extensive experience of providing expert witness evidence across a range of dispute resolution processes. In addition, we can offer a combination of technical forensic accounting and valuation expertise, and real-world deal experience.

- Understanding of and adherence to the requirements of a range of dispute resolution processes;
- A more credible expert who can draw on and quote experience of advising Boards, investors and other stakeholders on pricing and valuation;
- A robust combination of technical forensic accounting and valuation expertise.



#### Expert advisory services

We can also perform an advisory role, ranging from assistance with the drafting of valuation clauses in shareholder agreements, through to supporting with the selection of experts and preparation of submissions.

- Ability to draw on KPMG's global experience and expertise to bring credibility to your submissions to the appointed expert;
- Ability to leverage our tried and tested process to assist you with agreeing the scope and nature of the appointed experts role;
- Providing guidance and support through what can be a complex and challenging process.

## Key issues to be considered

There are many factors impacting valuations in a commercial dispute or litigation setting. KPMG brings practical real-world support to address complexities you may be facing around:

01. **Basis and date of valuation, and use of hindsight**
02. Selecting an **appropriate valuation methodology** that reflects the real-world deal environment
03. Ensuring a **fair and unbiased** process
04. Consideration of **control premiums and minority discounts**
05. **Nuisance** value
06. Realistic and viable **buyer universe**
07. Restrictions or requirements set out under **shareholder agreements, articles of association** or other **legal agreements**

## Triggers – when to call us

There are numerous potential triggers for valuation support, and KPMG can support you throughout the dispute and litigation process under the following, amongst other, situations:

- Does the dispute involve an exiting shareholder or partner?
- Could the dispute result in the transfer of assets?
- Has the dispute been triggered by investment/divestment activity?
- Are you seeking a settlement to a matrimonial dispute?
- Does the dispute relate to a compulsory purchase order?
- Are you drafting a valuation clause in a shareholder, partnership or other agreement?
- Is your quantum case linked to the value of an asset or business?
- Are you contemplating a transaction or transfer of assets which could be challenged in the future?

## Connect with us



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