



Forsythes

Forensic Accounting



**Forsythes Forensic Accounting
Family Law Services**

Effective as at January 2005

Forsythes Forensic Accounting - Family Law Services

From our many years of experience in Family Law matters, we have compiled the following list of services that have been utilised by, and been of value to, our clients. While it is our normal practice to charge for our services on an hourly rates basis, we have detailed indicative fees for typical matters. We trust that this information provides an understanding of the wide range of services that we can offer you and your clients.

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Initial Review of Documents

A brief review of financial documents at an early stage in the proceedings can provide a useful insight into the necessity or otherwise for a valuation and allow identification of any other apparent financial issues. Our initial thoughts would be discussed either over the phone or in person with you and your client. This may be of advantage when considering assets where it is not clear if there is any real value, such as small businesses, hobby businesses, employee share plans or options.

An initial review and discussion of a single entity would be conducted for a fixed cost of \$550. Note that this will be a discussion only, and does not include any written advice.

Preliminary Valuation Report

This type of report would be useful in providing an indication of value for settlement discussions. It would involve less research and investigation than a formal report, and would therefore not be suitable for Court. The value provided in a preliminary report may be a wider range than that of a formal report.

The cost of a preliminary report for a single entity would normally be in the range of \$2,000 to \$4,000. Entities valued only on a net asset basis would be at the lower end of the range, and the higher end of the range would involve earnings based valuations and the preliminary consideration of issues such as minority interest discounts.

Formal Valuation Report

A formal valuation report provides a thoroughly researched, definitive opinion of value and is suitable for filing for Court purposes. In preparing this type of report we undertake sufficient research and investigation necessary for us to support our opinion in Court.

A formal valuation report on a single entity would normally cost in the range of \$5,000 to \$10,000, depending on the complexities and issues involved. Where there are multiple entities in a group structure, the total cost is likely to exceed this amount, yet may be less on a per entity basis. Estimates can be provided on a case by case basis.

Reasonableness Review

In some matters, you may receive an opposing party's valuation report prior to commissioning a report on behalf of your client. In such circumstances, we are able to review the valuation report and discuss the reasonableness of the methodology and value derived. If considered appropriate, we can provide written advice outlining any deficiencies and items for further attention or investigation.

To review and discuss an opponents report on a single entity would normally cost approximately \$500 to \$1,000. Where a written response is required, cost would depend on the quality of the report being reviewed, and may cost a further \$1,000 to \$3,000.

Joint Conference and Joint Statement

Our experience in joint conferences and preparation of joint statements allows the process to be conducted efficiently and the drafting of a joint statement that sets out clearly the matters remaining in dispute to be determined by the Court.

We are also able to prepare a scenario analysis that considers the financial impact of any matters that are not agreed. Such an analysis is often beneficial for case strategy and planning.

Valuation of Superannuation Interests

Forsythes Litigation Support offers obligation free guidance on obtaining the correct information regarding a superannuation interest, including the "Superannuation Information Request Kit" available on our website, www.litigationsupport.com.au.

Our valuation reports are comprehensive and include an overview of the different components that make up the super interest.

Not only do we value the superannuation interest, we can also highlight other factors to be taken into account when determining the allocation of assets between the parties.

Where advice is required with the legal aspects of a matter, such as the types of orders required and how to obtain the desired outcome for your client, we offer a joint report prepared with Stephen Bourke of Super/Splitting.

The valuation of many superannuation interests can be carried out on a fixed fee basis, including the preparation of an affidavit where required.

Our fees are:

Accumulation Interest *\$275

Defined Benefit Interest - Valuation Only *\$550

Defined Benefit Interest with tailored commentary *\$825

Fees for the valuation of self managed superannuation funds will depend on the size and complexity of the fund.

*Fees inclusive of GST and subject to the availability of a properly completed Superannuation Information Form from the Trustee of the Fund.

Calculation of Taxation on Superannuation Entitlements

Where superannuation entitlements are significant, or parties close to retirement, it is important to consider the potential taxation implications on realisation of superannuation benefits.

We are able to prepare a statement assessing the hypothetical tax payable based on the current superannuation balance and taxation legislation for most fund members at a cost of \$375 to \$550.

Expert Witness Testimony

Suitably qualified and experienced individuals are available to provide expert testimony. This usually includes meeting with Counsel, preparing for and giving evidence at Court.

Brief to Counsel for Cross Examination

To assist Counsel in cross examination of an opposing expert, we are able to brief Counsel of the strengths and weaknesses of the expert's opinion. Often of value is an analysis considering the financial impact of any differences of opinion. This allows Counsel to focus on issues that will have the most impact on the judgment.

Review of Settlement Structure for Taxation Implications

We can provide advice with respect to the tax liabilities of proposed settlements, as well as considering alternative settlement structures that would reduce the potential tax liabilities.

Calculation of Lump Sum Child Support/Spousal Maintenance

In some circumstances, it may be desirable to seek a lump sum amount for future child support or spousal maintenance. Where this is required, we are able to assist in calculating a lump sum equivalent of the expected future payments.

Depending on the assumptions to be adopted, and the number of scenarios required, written advice calculating the lump sum amounts would normally cost between \$1,000 and \$2,000.

Investigation Reports

In some cases there are issues, other than value or that impact on value, which require further investigation. Such issues may include allegations of cash income not being recorded as business income or concerns over why the assets of the marriage are lower than expected. We are able to conduct an investigation, with a view to providing a report to support or disprove such allegations.

The cost of such investigations will vary greatly depending on the nature and extent of investigations required. We also note, that such investigations can be costly, and do not always result in the desired outcome. Therefore, we suggest that investigations be conducted in stages, and the cost and potential benefits of continuing be assessed at the end of each stage.