

# Practices for sale in Victoria

The market for accounting fees in suburban Melbourne is completely one sided. We currently have more than 160 registered buyers and only a few practices for sale. Historically, May and June are active months on the practice broking front but there is no way we can satisfy the large number of hungry buyers. In fact, a number of the buyers have been in the market for years.

While some vendors have unrealistic expectations regarding the value of their practice, many buyers have unrealistic expectations that it is easy to buy fees. For every practice there are at least 10 if not 20 or 30 buyers and generally the vendor will only meet with two or three parties before the practice is sold. Prices remain very high with a lack of supply and the baby boomer principals are just not leaving the profession in the numbers we anticipated. We do have a number of vendors who have told us they plan to sell this financial year and for obvious reasons, June 30 is the ideal date. Having said that, they cannot supply us with financials and key data until the May 15 deadline is done and dusted.

When a practice is listed for sale the process involves matching the buyer's criteria (including fee size and location) with the actual practice. We contact the vendor and because of the pent up demand they generally only want to deal with buyers who have finance in place and meet their criteria including age, reason for buying, current charge out rate and experience etc. As such, we have a lot of frustrated buyers and recommend they make sure they have finance in place (vendor finance is not an option in this market) and a crystal clear picture of the type of practice they want to buy. While everyone wants a practice that is all business clients with loads of SMSF's, they don't exist. Most suburban firms are general practices with a combination of businesses, SMSF's and individuals.

If you are in the market we urge you to complete the registration form and confidentiality agreement at <http://www.pjcam.com.au/practices-for-sale/> but don't expect we can satisfy your needs in 2013. Here is a list of fees in the pipeline:



- **\$510k - NOW AVAILABLE**  
- South Eastern Suburbs of Melbourne - 45% Audit Fees
- **\$720k - COMING SOON**  
- Sole Practitioner in Southern Suburbs of Melbourne
- **\$300k - FOR SALE**  
- Sole Practitioner in South Gippsland Region
- **\$800k - FOR SALE**  
- Sole Practitioner in Gippsland looking for Partner and Phase Out over the next 5 years
- **\$250k - COMING SOON**  
- Sole Practitioner in the Eastern Suburbs
- **\$500k - FOR SALE**  
- Ballarat Region - Accounting & Financial Planning Fees
- **\$500k - COMING SOON**  
- Mixed Accounting and Financial Planning - Victorian/Sth Australian Border
- **\$500k - COMING SOON**  
- Southern Suburbs
- **\$520k - COMING SOON**  
- South Eastern Suburbs

## Outsourcing Disclosure Update

A significant number of Australian accounting firms outsource their compliance work to overseas groups based in countries including Vietnam and India. The trend continues to grow and while security has always been a concern, disclosure to clients is a super sensitive issue.

New guidelines from the Accounting Professional and Ethical Standards Board (APESB) suggest that firms who outsource services will need to reveal the fact that they are outsourcing and also disclose the location of the company performing the work. The ruling handed down in late March 2013 is contained with APES Guidance Note 30, which it said had been developed as a result of "the rapid growth of outsourcing professional services". The guidance note makes it clear that the use of outsourcing services does not absolve accountants from meeting their APESB requirements and it also requires them to reveal to clients the nature of the outsourcing arrangement.

The guidance note states that, "Where a Member in Public Practice utilises Outsourced Services, the Member should disclose to the client the geographical location of the Outsourced Service Provider and the nature and extent to which Outsourced Services are used in the delivery of the Professional Services to the client." It also stated that, "These factors impact the amount of risk associated

with the Outsourced Service being delivered and the management of the confidential information of the Client."

"Where a Firm uses Outsourcing on a regular basis with a multitude of clients, a standard form of disclosure may be used by the firm," the APESB guidance said. Areas such as disclosure to clients, confidentiality of client information, integrity of information transferred between professional accountants and the outsourced service provider, and control and supervision of the work performed are areas addressed in the guidance note.

