

# Case Study - Taxation Planning Services

## Specialist Tax Support for Due Diligence – Overseas Private Equity Firm

### SETTING THE SCENE

An overseas private equity firm, equipped with a strong internal due diligence team, was evaluating a potential investment. Despite their robust internal capabilities, they faced a challenge when it came to understanding the impact of carried-forward losses and historic research and development tax credits on their proposed investment. Navigating these tax complexities was crucial to assessing the transaction's viability and aligning it with their investment criteria.

### THE PROBLEM

The client's primary challenge lay in their limited expertise regarding the interaction between carried-forward losses, R&D tax credits, and the financial dynamics of their potential investment. Although proficient in many areas of due diligence, they needed specialist tax insights to accurately quantify potential benefits and understand the timing of cash flows. Without this clarity, the firm risked making uninformed investment decisions.

### THE SOLUTION

Moore Markhams Auckland stepped in to support the client with specialist tax expertise. Initially, we provided high-level advice to help the client grasp

the technical aspects of the issues they faced. As the client's needs became more complex, our role evolved into offering detailed, precise advice to quantify the tax benefits and forecast the timing of fund flows.

A key aspect of our approach was listening to and understanding the client's investment drivers. This allowed us to adapt our support as their needs changed, ensuring our advice remained relevant and targeted. We also collaborated closely with the client's legal team, reviewing the sale and purchase agreement to ensure compliance and accuracy. Furthermore, we leveraged our local networks to source specialist legal advice, delivering additional certainty where the client required it.

### THE RESULTS

Through our collaborative and responsive approach, the client gained a clear understanding of complex tax issues that were beyond their internal team's expertise. Once the materiality of these issues became apparent, we provided precise quantification of the financial impacts and the timing of cash flows. This crucial insight allowed the client to de-risk their transaction, make strategic decisions aligned with their investment criteria, and move forward with greater confidence.

## About Moore Markhams

**Our aim is to help you maximise all available benefits and minimise any risk. Our services are tailored to meet your needs – delivered in a timely and proactive manner.** At Moore Markhams our recommendations are actionable and are aligned to your objectives.

We provide assurance and accounting, tax, business advisory and business management services, while our specialist accountancy knowledge across a range of industries will add a commercial advantage to your decision making.

Find and contact your nearest advisor by scanning the QR Code, or visit our website: [www.markhams.co.nz](http://www.markhams.co.nz)

