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# Att värdera tillgångar

*– verkligt värde inom skogs- och fastighetsbranschen*

Akademisk avhandling

Som för avläggande av ekonomie doktorsexamen i företagsekonomi, som med tillstånd av Handelshögskolan vid Göteborgs universitet offentligen försvaras i CG-salen fredagen den 6 maj 2011, kl. 10.15.

# Abstract

## The Value of Assets – Assessing Fair Value of Biological Assets and Investment Properties

From time to time, different concepts have been used to estimate the economic value of assets.

In 2005, International Financial Reporting Standards (IFRS) were made compulsory for all listed companies in the EU to use for their consolidated statements. Important reasons underpinning this shift were to improve comparability between companies as well as providing useful information for decision-making. A consequence of this was that fair value accounting was introduced for certain assets. Biological assets – in this context standing forests – and investment properties are examples of such assets. As a consequence, gains and losses, due to changes in value, are shifted to profit and loss. This means that the profit now consists of both operative profit and holding gains.

The purpose of this study has been to study how forestry- and property companies assess the value of assets and additionally to discover the extent to which financial reporting is comparable and useful for investors' decisions. Fair value can be regarded as synonymous with market value, i. e. the price one would get in a transaction. However, different methods are offered to determine fair value. Thus, as a consequence, the way in which valuation is performed is of great importance for reported value. Differences in and between different branches have a great impact on how valuation is performed. Standing forests and investment properties are comparable assets where the variation in assessed value can be substantial.

As emerges in the current study, and has indeed been found in previous research, institutionalization has affected accounting practices. It is of greater importance for the companies that financial reporting should be regarded as trustworthy and legitimate than the figures are absolutely correct. The forestry companies have chosen to collaborate with each other when deciding how to value standing forest. The property companies have, however, not collaborated to the same extent, even though for them as well, legitimacy is of great importance. They have, though, influenced each other. The auditors have been important for the development. The auditors and independent appraisers have been used to legitimize the choices made. Standardisation has also been a strategy used to save resources. Similarities in the financial reporting are a consequence of isomorphic processes.

An important conclusion is that comparability has not been improved. One reason is that the companies in this study apply discounted cash flow methods, thus requiring a number of assumptions. Standing forests and investment properties represent a considerable part of the total assets of these companies. The variation in estimated values can therefore substantially affect reported numbers. Another conclusion is that transparency should be improved with regard to critical assumptions. The research indicates that, at present, information is difficult to interpret and must be improved in order to make financial reporting more comparable.

### Key words:

Valuation of assets, Fair value, Practice, Legitimacy, Institutionalization, Investment properties, Biological assets, Comparability

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