Study on Intangible Assets Valuation of Cultural Enterprises

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Abstract—Cultural industry has been included in the category of strategic pillar industry in China; vigorously developing cultural industry plays an important role in improving the level of regional economic development. The valuation of cultural enterprises is different from that of general enterprises. The key and difficult point in the valuation is the valuation of intangible assets, which is particularly important in the asset valuation of the merger and acquisition of cultural enterprises. This paper analyzes the problems existing in the intangible assets valuation of cultural enterprises, involving external factors, corporate factors, estimators and other factors. On this basis, it puts forward corresponding measures and suggestions, hoping to provide reference for improving the intangible assets valuation of cultural enterprises.

Keywords—cultural enterprises; intangible assets; asset valuation

I. INTRODUCTION

In order to maximize the value, cultural enterprises need to maintain a good turnover of funds, and excellent cultural ideas need to be rapidly industrialized at the right time, which makes relevant enterprises need high frequency and high efficiency of financing. In the practice of cultural asset valuation, due to the lack of advanced theoretical guidance and the slow progress of practice, the market value of intangible assets cannot be accurately judged, which forms an obstacle to corporate financing. Under this background, analyzing the existing problems has certain practical significance to solve the obstacles of intangible assets valuation of cultural enterprises.

II. OVERVIEW OF INTANGIBLE ASSETS OF CULTURAL ENTERPRISES

A. The Concept of Cultural Enterprises

“Cultural enterprises intangible assets valuation guidelines” defines the concept of cultural enterprises as " a king of special enterprise that provides spiritual products, disseminates ideological information and undertakes the mission of cultural inheritance, which must always put social benefits first, unify social benefits and economic benefits, and pay attention to the impact of social benefits on intangible asset value of cultural enterprises.” Cultural enterprises are a kind of enterprises that enable the public to obtain cultural services. As a typical information service enterprise, cultural enterprises make profits by spreading cultural products that in line with the popular aesthetic with strong artistic and cultural connotations.

B. Cultural Enterprises and Intangible Assets

The core competitiveness of cultural enterprises is that cultural enterprises have cultural creativity and distinctive intangible assets management mode different from ordinary enterprises. This is the unique asset-light feature of cultural enterprises, leading to a larger proportion of intangible assets in cultural enterprises. Comparing the proportion of various assets, it is not difficult to find that intangible assets and current assets account for a larger proportion than fixed assets. This is because cultural enterprises rarely focus on infrastructure construction, but focus on the acquisition of cultural products, market sales, optimization of staff allocation and other aspects.

By providing consumers with cultural products, cultural enterprises attract the attention of the audience and achieve value-added business. This determines that cultural enterprises need to put a large amount of money on the research and development of intangible assets to form a whole industrial chain as far as possible until they achieve economies of scale.

III. PROBLEMS IN INTANGIBLE ASSETS VALUATION OF CULTURAL ENTERPRISES

A. The Intangible Assets Valuation Market of Cultural Enterprises Is Chaotic

Nowadays, there are more and more property rights transactions of cultural enterprises, showing great potential of value creation, which makes the market having urgent demand for intangible assets valuation of cultural enterprises. However, China's intangible assets valuation started lately, faced with huge market demand, due to the lack of relevant regulations and supervision, the market order was in chaos in the early stage of development, which led to some unqualified valuation institutions fishing in troubled waters, leading to the emergence of the market phenomenon of bad currency driving out good currency.

The vicious competition behavior of these institutions lead to the failure of other formal valuation institutions to gain a foothold in the market, disrupted the order of the valuation market, and hindered the standard development of intangible assets valuation industry. The valuation report
of intangible assets might be falsely high or falsely low because of the professional problems of assessors, which also leads to the loss of intangible assets of cultural enterprises.

In China, most of the current staff in charge of intangible assets assessment in cultural enterprises have not received systematic business training and have not mastered relevant professional abilities. They only passed the theoretical examination. There is no special position for intangible assets assessment of cultural enterprises in the assessment institutions, which leads to confusion in the functions of the assessment institutions and insufficient professional competence of the assessors.

2) Occupational moral hazard: Asset appraisal must be legal and compliant. Compared with tangible asset appraisal, intangible asset appraisal of cultural enterprises is more complicated, the subjective factors of estimators in the process of work will also have a great impact on the valuation results. However, some estimators ignore laws and regulations and fail to stick to professional ethics. In the process of valuation, due to interests or other temptations, they do not operate in accordance with the regular process, change the valuation process independently, ignore the requirements of laws and regulations and do many illegal behaviors, resulting in the distortion of valuation. This situation is not because of the staff's competence, but because of the existence of ethical hazard.

IV. SUGGESTIONS ON IMPROVING INTANGIBLE ASSETS VALUATION OF CULTURAL ENTERPRISES

A. Standardizing Relevant Valuation Behaviors

It is advised to further standardize the establishment of intangible assets assessment institutions which can be comprehensive or professional assessment institutions for cultural creativity, copyright and other intangible assets. The establishment process should be planned, step by step, not rush forward, and pay attention to the training of relevant assessors. The relevant state-owned asset management departments should uphold the scientific and unified principle, to support modern assessment institutions of intangible assets, so that they have independent legal person status, not subject to any constraints, so as to ensure their fair and objective protection of the principal's legitimate rights and interests.

In addition, the establishment of relevant professional valuation institutions should have a strict review process, to be certified by the relevant departments at or above the provincial level. Intangible assets appraisal institutions of cultural enterprises should also make good use of modern science and technology to collect and process market information in a more timely and convenient manner, establish databases and provide data services to all sectors of society.
B. Establishing Intangible Assets Valuation Data Management System for Cultural Enterprises

In the process of accelerating the establishment of the commonly used intangible assets valuation parameter system of cultural enterprises, it is necessary to focus on the establishment of the big data asset analysis system. In recent years, big data plays an increasingly obvious role in cultural consumption and cultural innovation. In order to convince capital, the valuation results cannot be separated from the support of a large number of data.

In terms of intangible assets valuation and data management, Britain and the United States and other countries have made achievements, and their scientific valuation system is worthy of our learning and reference. But because of the economic, cultural development and national conditions have bigger difference, so the valuation method cannot completely copy, China should learn from the excellent achievements of foreign countries and make appropriate adjustments based on the specific national conditions, to achieve adaptability and advancement, so as to accelerate the development of intangible assets valuation practice and establish a more scientific and reasonable valuation and data management system.

The establishment of data asset management system not only facilitates the research of intangible assets by professionals, but also plays a positive role in the improvement of intangible assets valuation system of cultural enterprises. Improving the relevant database management mechanism can achieve a high degree of assessment resources sharing, which is the cornerstone of in-depth research on intangible assets of cultural enterprises in China.

C. Establishing a Professional Intangible Assets Assessment Team of Cultural Enterprises

1) Improving the professionalism of the valuation team: Cultural intangible assets are the cultural products created by the creators of cultural products after a long process of cultural creation. Intangible assets derived from cultural creation are highly random, and the value connotation of excellent cultural works is far higher than the value shown externally, so the valuation of intangible assets of cultural enterprises tests the professional quality of assessors. Therefore, as staff members, they should try their best to improve their professional ability and have a strong ability to deal with problems; as management personnel, should promote the establishment of a more perfect valuation system with continuous summary and improvement.

At the same time, because cultural enterprises intangible assets involves multiple areas of professional knowledge, the appraisal institutions can integrate an assessment team, and supplemented by a complete plan, when dealing with different intangible assets, the appraisal institutions can adopt the optimal strategy, make the culture enterprise intangible assets play a maximum utility, ultimately achieve the goal of activating tangible assets with intangible assets.

2) Strengthening the ethics education of assessors: The training of intangible assets assessors for cultural enterprises should focus on both professional knowledge and professional ethics, so as to avoid the phenomenon of artificial control of appraisal value, and improve the moral quality of relevant personnel from the source. From the perspective of professional code of conduct for appraisers, practitioners must be proficient in the process, methods and objectives of relevant work, and conduct appraisal work within the scope permitted by law with professional spirit, rigorous and serious attitude and good professional ethics.

V. CONCLUSION

In recent years, cultural industry has been developing rapidly in China, and the transactions related to intangible assets have been increasing. It is unreasonable to evaluate intangible assets with imperfect valuation methods, and it is more and more important to evaluate intangible assets with scientific methods. Therefore, the appraisal industry, relevant units and appraisal institutions should gather resources to promote the gradual maturity of intangible assets appraisal system of cultural enterprises, so as to provide a good basis for relevant markets and capital operation.

REFERENCES