

Business Valuations Specialisation

Course Framework



Course overview

Course description

The Business Valuation Specialisation Course, which is facilitated by Kaplan, aims to cover a variety of topics spanning a wide-ranging business valuation engagements.

The valuation field has many contentious issues, one significant one being what is value? The diversity of meaning which arises from this question is the heart of many disputes and therefore is crucial to consider and put into context.

Underpinning valuation engagements undertaken by Chartered Accountants are the Accounting and Professional Standards which are part of the established regulatory environment. These standards include: APES 225 (AES 2 in New Zealand), APES GN20, APES 305 and APES 215 and are regarded as a foundation to the course.

The course highlights valuation engagements, which can include the role of an expert witness and the production of an independent expert's report. These reports which can cover a range of circumstances are examined.

Focus on intangible assets has increased more recently and is an important component when considering what is being valued. It is also common for many valuations to fail to distinguish between identifiable intangible assets and goodwill. This course explores these concepts in detail.

The valuation frameworks for both public companies as well as privately owned businesses are also examined and highlight the issues that need to be considered depending on the exact nature of the particular asset being valued.

Course Modules

This course comprises 5 modules including:

Module 1: Contentious issues in valuations

Module 2: Regulatory environment and what needs to be in a report

Module 3: Financial reporting valuation

Module 4: Valuation of listed companies – minority and controlling interests

Module 5: Valuation of private companies

Prerequisites

CA ANZ CR6B regulation requirements associated with Business Valuation Specialisation.

Duration

6-week study period including assessment

Mode of delivery

Access to the online modules is via the Kaplan portal. Key information which supports the central concepts of each module will be provided through links.

Assumed knowledge

In line with CR6B, it is assumed that candidates have considerable experience in the business valuation space and therefore a reasonable level of understanding of the principles underpinning the five modules in this course. Candidates should ensure that additional revision is undertaken in any areas in which they have a knowledge gap.

Course material

- Course material will include a range of presentation methods including text and exercises.
- Case studies will be used to support the application of knowledge and skills to contextualise problems and issues.

Course workload

Directed CPD hours (includes all formal learning activities which are facilitated)	6 weeks – 2 hours/week
Non directed CPD hours (includes all informal learning activities which are self-directed)	6 weeks – 2 hour/week
Study and Assessment CPD hours (includes personal study, assessment preparation and examination completion)	6 hours
Total CPD hours	30 hours

Course assessment

There are two assessment options from which you can choose to successfully complete this course. These include:

- an 2.5 hour exam based on a result of at least 65%; **OR**
- a portfolio interview assessment which requires the submission of professional documentation which aligns with identified criteria followed by a 1.5 hour interview.

If this is achieved, then CA ANZ members are able to apply for Business Valuation Specialist. In addition, Affiliate members are able to apply for Business Valuation Specialist.

Course facilitator

Kaplan will appoint a suitably experienced facilitator to coordinate the online course and related discussions.

Specialisation Program contact details

Phone: 1300 137 322 (within Australia),
+61 2 9290 5660 (outside of Australia)

Email: specialisation@charteredaccountantsanz.com

Module Framework

Module Overview

Module 1 – Contentious issues in valuation

This topic explores some of the most contentious issues in valuation and the impact these have on the valuation outcome. The first contentious issue explored sits at the very heart of the valuation process and is its most fundamental concept, i.e. what is value? The diversity of meaning is the basis of many disputes and therefore it is important to consider 'value' as it relates to the situation at hand when undertaking any valuation.

Following on from this discussion we will consider some specific contentious issues such as the calculation of terminal value and the impact of dividend imputation and franking credits on valuation. Finally, we will consider 'rules of thumb' sometimes used in valuation and explore why caution should be used when applying them.

Areas of focus	Learning Outcomes (LO)
1 What is value	1.1 Compare and discuss the different types of valuation concepts
	1.2 Analyse fair value, market value and intrinsic (special) value
	1.3 Define 'value to the owner' and how it can be applied
2 Terminal value calculations	2.1 Analyse the issues involved in forecasting and calculating terminal value
3 Dividend imputation	3.1 Explain the impact of dividend imputation on valuation
4 Rules of thumb (and their shortcomings)	4.1 Discuss the reliability issues and judgments involved in any valuation

Module Overview

Module 2 – Regulatory environment and what needs to be in a report

This topic looks at the regulatory environment for valuation. Firstly, we review the Accounting and Professional Standards relevant for valuation engagements including APES 225 (or AES-2 in New Zealand), APES GN 20, APES 305 and APES 215. In this section you will review and critique an example valuation report.

This topic also deals with the responsibilities of an expert witness and independent expert's reports. The types of independent expert's reports required across a range of circumstances, from takeovers and public company acquisitions through to prospectuses are discussed.

The topic includes case studies that examine real-life examples of expert's reports.

Areas of focus	Learning Outcomes (LO)
1 Professional standards and engagement requirements	1.1 Apply the professional standards and the regulatory requirements relating to valuations, expert witnesses and independent expert reports
2 Acting as an expert witness	2.1 Explain the role of an expert witness
3 Example valuation report	3.1 Explain the purpose of independent expert's reports in the context of valuation
4 Overview of expert reports	4.1 Identify the opinions required in the different types of expert's reports and the importance of value in each context
	4.2 Identify the key components of independent expert's reports
5 Report content	5.1 Identify the opinions required in the different types of expert's reports and the importance of value in each context
6 Expert reports related to takeovers	6.1 Discuss the key differences between expert's reports prepared in the context of takeovers under section 611 and 640 of the Corporations Act
7 Related party transactions	7.1 Propose the circumstances in which expert reports and valuations may be required.
8 Schemes of arrangement	8.1 Propose the circumstances in which expert reports and valuations may be required.

Module Overview

Module 3 – Financial reporting valuation

This topic primarily covers the valuation issues involved in an acquisition and particularly focuses on the valuation of intangible assets. It considers the accounting and financial issues that need to be considered in the valuation including the assessment of earnings, balance sheet implications and intangible asset issues.

The topic looks at the valuation of intangible assets and discusses their accounting treatment. The issue of how to value and properly account for goodwill and identifiable intangible assets has been the source of constant debate. Many valuations fail to properly distinguish between identifiable intangible assets and goodwill.

In valuing assets, it is essential to define what is being valued. The value of a company's intangible assets (as a whole) can be calculated, but determining the value of individual assets and properly accounting for them is much more difficult.

The readings included with this topic identify and discuss some of the issues involved in the valuation of intangible assets.

Areas of focus	Learning Outcomes (LO)
1 Acquisition accounting and goodwill	1.1 Explain the accounting and legal reporting requirements for intangible assets
2 Intangible assets	2.1 Explain how to distinguish between an identifiable and unidentifiable intangible asset
3 Identifying the real profit drivers	3.1 Explain how to distinguish between an identifiable and unidentifiable intangible asset
	3.2 Distinguish identifiable intangible assets from other intangible assets in appropriate circumstances
	3.3 Identify the links between identifiable intangible assets and other intangible assets
4 Other aspects of acquisition accounting	4.1 Explain the accounting and legal reporting requirements for intangible assets
5 Common methodologies used to value intangible assets	5.1 Discuss the various methods of valuing intangible assets and know when to use them
	5.2 Explain the importance of relying on more than one valuation method
6 Other methodologies	6.1 Explain the importance of relying on more than one valuation method
7 Valuation issues	7.1 Discuss the need to crosscheck valuations against different methodologies for overall reasonableness.
8 Completion of valuation process	8.1 Discuss the need to crosscheck valuations against different methodologies for overall reasonableness.
9 Brands	

Module Overview

Module 4 – Valuation of listed companies – minority and controlling interests

This topic covers the valuation framework for publicly listed companies, although the concepts are also relevant to privately owned companies, which are explored further in Topic 6. This topic examines the types of issues that need to be considered by analysts and valuers, depending on the exact nature of the particular asset being valued.

The valuation of a public company will differ depending on the ownership perspective. Ownership covers the spectrum of a small minority interest of less than 5% through to 100% ownership. Ownership of 100% of a company's capital is referred to as a 'controlling interest' and ownership of a small minority holding is referred to as a 'minority interest'. The valuation of a controlling interest will typically be higher than a minority interest as it incorporates a premium for control.

Areas of focus	Learning Outcomes (LO)
1 Valuation from an ownership perspective	1.1 Explain the concept of a control premium
	1.2 Critique the differences between the valuation of a minority or controlling interest
2 Valuation of minority interests	2.1 Explain how specific issues may give rise to a discount for lack of marketability of a listed security.
3 Valuation of controlling interests	3.1 Explain how specific issues may give rise to a discount for lack of marketability of a listed security.
4 Contrasting minority and control valuations	4.1 Explain the differences between minority and controlling interest valuations
5 Intermediate levels of ownership	5.1 Explain the differences between minority and controlling interest valuations
6 Unlisted companies	6.1 Critique the differences between the valuation of a minority or controlling interest

Module Overview

Module 5 – Valuation of private companies

This topic outlines the valuation considerations for privately owned businesses, supplementing the concepts described in Topic 5.

This topic examines the various discounts/premiums applied, relative values and the value of goodwill in these situations.

Areas of focus	Learning Outcomes (LO)
1 Small business valuations	1.1 Compare how methodologies differ between valuing private companies and large public companies
	1.2 Determine the most appropriate valuation methodology
	1.3 Explain the commonly required adjustments to accounts.

Be a Difference Maker

Register your interest

events.charteredaccountantsanz.com/BusVal-ROI

Email us

specialisation@charteredaccountantsanz.com

Read more

charteredaccountantsanz.com/learning-and-events/specialisations/business-valuation

For further information and enquiries

Phone: 1300 137 322



[@Chartered_Accts](https://twitter.com/Chartered_Accts)



[@Chartered Accountants Member LinkedIn group](#)



DIFFERENCE
MAKERS™