

Business Valuations Specialisation

Course Framework



Course overview

Course description

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

This course introduces participants to a range of valuation engagements. This is underpinned by an overview of Australian and international standards together with regulations that apply to valuations in Australia.

The course will equip CAANZ members to value portfolio and controlling interests in public and private companies and other enterprises. The specific nuances of performing valuations for mergers and acquisitions vs independent expert's reports vs financial reporting vs taxation purposes are examined.

The most common circumstances that give rise to the need for a valuation will be examined and as well as what is involved in giving expert evidence in court.

Finally, contemporary issues in valuations will be reviewed before completing the final assessment presentations.

The objective of this course aims to build on valuation skills and knowledge which have been consolidated through industry experience. This will be achieved through the presentation of relevant theoretical information complemented by participant discussions and analysis of case studies that represent real-life scenarios.

Course Modules

This course comprises 5 modules including:

Module 1: Regulatory Requirements

Module 2: Valuation Case Studies

Module 3: Financial Reporting & Valuation

Module 4: Expert Reports

Module 5: Expert Witness

Module 6: Contemporary Practices & Issues

Prerequisites

CA ANZ CR6B regulation requirements associated with Business Valuation Specialisation.

Duration

8-week study period including assessment

Mode of delivery

Access to the online modules is via the the Macquarie University Pro-Learn System. Key information which supports the central concepts of each module will be provided through links and the Introductory Webinar.

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. APES 225 standard which CA ANZ members are obliged to comply with when undertaking business valuation engagements as well as AES 2 standard required for New Zealand member. CA ANZ members are also recommended to be familiar with and/or adopt International Valuation Standards which were developed by International Valuation Standards Council.

Candidates should ensure that additional revision is undertaken in any areas in which they have a knowledge gap.

Course material

- Course material will include presentations, case studies and articles associated with each webinar.
- Case studies will be used during the webinars 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)	1 hour orientation session in first week plus 2.5 hours per week for 6 weeks – 16 hours
Non directed CPD hours (includes all informal learning activities which are self-directed)	10 hours
Assessment CPD hours (includes personal study, assessment preparation and examination completion)	14 hours
Total CPD hours	40 hours

Course assessment

There are three assessment tasks included in this course assessment. These include:

- End of module knowledge assessments 20%
- End of module application discussion tasks 20%
- Presentation on identified valuation issue 60%.

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

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

Specialisation Program contact details

Phone: 1300 137 322 (within Australia),
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Email: specialisation@charteredaccountantsanz.com

Module Framework

Module Overview

Week 1 Introduction

Orientation & 1 hour introduction session includes tasks to review assumed knowledge of valuation methods used in business situations, looking closely at the circumstances where each are used, data sources and the assumptions behind them.

Assumed Knowledge Valuation Methods

Areas of focus	Learning Outcomes (LO)
1 Refresh understanding of valuation methods <ul style="list-style-type: none"> – review understanding of models and methods (eg CAPM, Multiples etc) – potential for knowledge assessment in Week 1 	1.1 Assess the applicability of different valuation methods as they can be applied to business situations
2 Examine cases of valuations (assess criticism of a valuation)	2.1 Discuss examples of valuation and critically assess the decisions and assumptions involved
3 Pros and cons of valuation methods	3.1 Critically assess valuation models used in business situations
4 Sources of data	4.1 Assess the suitability of data sources and assumptions commonly used in valuations

Week 2 Module 1 – Regulatory Requirements

This module is a review of the regulatory environment for valuations in Australia, New Zealand and global standards. We will look at the circumstances where a valuation may be subject to regulation and the different valuation approaches that are prescribed by each regulator or statutory body. We will discuss the importance of valuations in tax compliance, the relevant guidelines and review scenarios that may require valuations such as tax restructures, divestments, tax consolidations and employee share schemes.

Areas of focus	Learning Outcomes (LO)
1 Regulatory environment for valuations in Australia	1.1 Understand the regulatory environment for valuations in Australia
	1.2 Discuss the role of the International Valuations Standards Council and Accounting Professional & Ethical Standards Boards
	1.3 Understand circumstances where valuations may be required in Court.
2 When might a valuation be required by a regulatory requirement	2.1 Assess the circumstances where regulatory requirements determine a valuation is required
	2.2 Identify the rules and regulations which govern such valuations
3 Valuation methods required and relevant standards and/or legislation	3.1 Determine the methods prescribed or recommended by regulatory and other authorities including: <ul style="list-style-type: none"> – APES225, – International Valuation Standards Council, – Australian Securities & Investments Commission, – Australian Accounting Standards Board, – Australian Taxation Office, and – Office of State Revenue.
	3.2 Review relevant standards and/or legislation

Module Overview

Week 3 Module 2 - Valuation Case Studies

This module reviews some valuation case studies, covering the nuances of valuing private companies as opposed to public companies, and look at how to deal with the additional risks typically inherent in private companies. We will also consider valuation in the context of mergers and acquisitions, including where they fit into the process, relationship with due diligence and the ultimate deal structure.

Finally, we will cover the key differences between portfolio interests and controlling interests in companies, together with control premiums paid in takeover transactions.

Areas of focus	Learning Outcomes (LO)
1 Private companies: nuances of valuing private companies.	1.1 Understand the key challenges of valuing private companies and how best to deal with them
	1.2 Assess the financial reporting and corporate governance requirements of private companies
	1.3 Determine appropriate earnings multiples/discount rates, particularly where there are few or no comparable listed companies
2 M&A Valuations: where they fit into acquisitions, due diligence and the final deal structure	2.1 Understand the importance of valuations in mergers & acquisitions
	2.2 Assess the requirements for indicative valuations to support non-binding offers, how due diligence findings can impact valuations and common strategies used to bridge valuation gaps in merger & acquisition transactions
3 Portfolio interests v controlling interests, together with control premiums & discounts	3.1 Critically assess the differences between portfolio interests and controlling interests, and why their valuations might be different
	3.2 Understand how control premiums can be calculated from market data
	3.3 Critically assess empirical evidence on historical levels of control and how and where to apply control premiums/minority discounts

Week 4 Module 3 – Financial Reporting & Valuation

Valuation has an important role to play in fair value reporting and this module looks at examples of accounting standards that provide specific valuation guidance. We will also consider public company annual reports as an example of how valuation information is disclosed in key balance sheet and income statement items.

Areas of focus	Learning Outcomes (LO)
1 Valuations & fair value reporting	1.1 Understand the concept of fair value reporting and determine the main circumstances where valuations are required in financial reporting
2 Accounting standards with specific valuation guidance	2.1 Analyse accounting standards where specific valuation guidance is provided including share-based payments, purchase price allocations and impairment reviews
3 Requirements for valuing intangibles	3.1 Determine the requirements for valuing intangible assets
4 Public company reports and presentation of information	4.1 Assess the requirements for how valuations are represented in financial reports

Module Overview

Week 5 Module 4 - Expert Reports

This topic explores the circumstances for which it is advisable to commission Independent Expert's Reports and review the key requirements for their preparation. This module will include an examination of past Independent Expert's Reports.

Areas of focus	Learning Outcomes (LO)
1 Review when Expert Reports are required	1.1 Understand the circumstances in which an Independent Expert's Report is mandatory or recommended. <ul style="list-style-type: none">– Review of ASIC Regulatory Guide III .– Discuss independence requirements of experts.
2 Review the key requirements of Independent Expert's Reports	2.1 Understand the role of an expert witness
	2.2 Understand the types of circumstances where a valuer might be called upon to be an expert witness
3 What is in an independent expert's report?	3.1 Critically Assess examples of independent expert reports
4 Expert witness requirements	4.1 Understand the requirements for commissioning third party experts

Week 5 Module 5 - Expert Witness

This module covers the circumstances where a valuer may be required to provide a written expert report for Court or give oral evidence in Court, and the practical how these things are done.

Areas of focus	Learning Outcomes (LO)
1 Requirements for Court mandated expert reports	1.1 Understand the main requirements of written expert reports for Court
2 Expert court testimony	2.1 Understand the role of an expert witness
	2.2 Understand the types of circumstances where a valuer might be called upon to be an expert witness
3 Appointment processes and roles	3.1 Review the process for appointing experts and receiving instructions
	3.2 Understand what is required when giving oral evidence
4 Relevant case law and resources	4.1 Review relevant case law and determine the resources available to an expert witness

Week 6 Module 6 - Contemporary Practices & Issues

This module provides an opportunity for examination of cases from current practice and current issues and application of areas covered in previous modules in preparation for the final project presentations.

Areas of focus	Learning Outcomes (LO)
1 Controlling interests	1.1 Critically assess contemporary examples of valuations issues within the areas of focus 1.2 Present findings on these issues to the class
2 Common errors in reports	
3 ESG / Climate Risk / Stranded Assets	

Week 7 Team Presentation Preparation (no webinar)

Week 8 Team Presentations

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specialisation@charteredaccountantsanz.com

Read more

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