

Valuation report checklist

The following checklist provides the minimum inclusions for a valuation report

	Content	Comments
Introduction, scope and purpose		
1	Date of valuation report	
2	Addressee	The party that will use the report and will accept responsibility for the terms of the valuation report
3	Subject heading	Describe the valuation subject
4	Introduction with details of subject to be valued	Example name of company, description of assets etc
5	Valuation Date	Date at which the valuation is to be conducted
6	Reference to the engagement letter by its date	APES 225 requirement
7	Purpose of valuation	Why has the valuation been commissioned, what will the valuation / report be used for
8	Scope of valuation	Include any limitations of scope and definition of valuation in accordance with APES 225 / NES 2
9	Definition of value	Example fair value, market value fair market value. Ensure the definition of value is consistent with the purpose of the valuation
10	Restrictions on parties that can use or access the report	
11	Disclaimer on valuers reliance on various information used by the valuer	Disclaim that the valuation process is not an audit
12	Summary of information used for the valuation	Sources of information, usually refer to an appendix for a listing of the information used
Valuation of subject		
13	Valuation opinion (conclusion)	To be provided as a range
14	Valuation approaches and methodologies considered	
15	Valuation methodology selected (primary and cross check)	
16	Valuation assumptions and calculations	
17	Valuation cross check	
Overview of subject company		
18	Overview of the company / asset being valued	Background and history Management and directors Company / group structure Share capital structure Summary historical financial information Summary forecast financial information Outlook for the company
19	Summary financial information, historical and forecast	

Summary of relevant industry		
20	Summary of relevant industry	Definition of industry, products or services Industry size Major competitors Key success factors Demand and supply factors Stage in lifecycle Trends and outlook
Qualifications and limitations		
21	Statement of standards governing the valuation engagement ie APES 225 / NES 2	Qualifications of valuer Independence of valuer
22	Valuer's qualifications and limitations	Use of report Reliance on information
Appendices		
23	Appendices	Valuation calculations Market data Further disclosure / analysis of financial information List of information sources

Summary minimum information requirements

The following checklist provides the minimum information required for the preparation of a valuation report

Company Information
1. Any presentation material on the business/Company
2. Description of the history and business operations
3. Group structure
4. List of shareholdings/unit holdings by class of security, including any options issued
5. Copies of shareholder agreements
6. Copies of key employment contracts
Historical financial information
1. Monthly management accounts showing sales, cost of goods sold, gross profit, expenses, and net profit before and after tax for the 24 months to [Valuation Date]
2. Statement of financial position as at [Valuation Date]
3. Budgeted versus actual results for the 24 months to [Valuation Date], with explanations of the variance between budgeted and actual results
4. Audited / statutory financial statements for the latest financial year and the prior three years
5. Details of any surplus assets or liabilities
6. Details of any other contingent assets or liabilities
7. Details of intercompany, related party or non-arms-length transactions
8. Details of income and expenses that are not of an operating nature
9. Details of directors' and key management remuneration
10. Cost of borrowings
Forecast/Projected Financial Information
1. Latest business plan
2. Financial projections (financial model), if available
Other Information
1. Brochures, price lists, catalogues or other product information
2. List of top ten customers and their respective percentage of sales for the last year
3. List of top five suppliers and the respective level of purchases during the last year
4. Copies of significant contracts
Market Information
1. Market research reports
2. Copies of lease or rental agreements