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APESB releases guidance note on Valuation Services

APESB has today released a Guidance Note, APES GN 20 *Scope and Extent of Work for Valuation Services* (APES GN 20), to provide guidance to valuation practitioners on the application of APES 225 *Valuation Services*.

The purpose of APES GN 20 is to provide guidance on the application of APES 225 *Valuation Services* in determining the scope and extent of work for the applicable valuation service. The Guidance Note provides guidance for professional accountants in relation to the nature of valuation services and the associated valuation approaches, valuation methods and valuation procedures to be utilised. Importantly, there is guidance as to the level of evidence that a professional accountant may consider obtaining for the different types of valuation services.

The Guidance Note has been issued following refinements to the exposure draft based on feedback from the accounting profession, accounting firms and professional accountants. In particular, APES GN 20 now states that it is the responsibility of the employer or client to select the type of valuation service that is appropriate for their circumstance and the need for them to consider the benefits, costs and risks involved with each type of service.

APESB Acting Chairman Stuart Black says “APES GN 20 provides a useful planning tool for professional accountants undertaking valuation services as it will help inform discussions with clients or employers about the three different types of valuation service that can be provided under APES 225 and to determine the type of valuation service that is appropriate in the circumstance.”

APES GN 20 also includes guidance on matters that valuation practitioners should consider discussing with the client or employer at the planning stage of a valuation service such as the significance of the matter, number of users of the valuation report and whether the valuation report will be publicly available.

Mr Black says “APES GN 20 identifies the key areas of work which valuation practitioners should address, namely the external environment, entity specific financial and non-financial information, the valuation context and valuation assessments.”

APES GN 20 also includes four illustrative examples which provide guidance on how to apply the Guidance Note in different circumstances.

To obtain a copy of APES GN 20 or the Basis for Conclusions please visit www.apesb.org.au.

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Notes to Editors: APESB is the National Standards Setter that sets the code of ethics and professional standards by which members of Australia’s three major professional accounting bodies (CPA Australia, the Institute of Chartered Accountants Australia and the Institute of Public Accountants) are required to abide.