

Business Valuation Report Tiers



CHARTERED PROFESSIONAL
ACCOUNTANTS

DMCL offers business valuation services at three tiers, aligned with the Canadian Institute of Chartered Business Valuators (CICBV) standard valuation reports: Comprehensive, Estimate, and Calculation.

Comprehensive

- The most thorough, detailed and time-intensive type of valuation report.
- Includes a comprehensive review and analysis of the business, its industry, and all other relevant factors.
- Provides a conclusion of value based on a comprehensive review and analysis of the business and its industry.
- Provides the highest level of assurance for the valuation.
- Usually required for complex or contentious situations, such as litigation, arbitration, regulatory requirements, or take private transactions.

Estimate

- A more detailed type of valuation report than a Calculation Report, but not as thorough as a Comprehensive Report.
- Provides a conclusion of value based on a limited level of review, analysis, and corroboration performed by the valuator.
- May be accepted by some third parties or courts, depending on the circumstances.
- May be suitable for external purposes, such as tax compliance, shareholder disputes, matrimonial settlements, or financial reporting (e.g., purchase price allocation, impairment test, stock options, etc.).

Calculation

- The simplest and least costly type of valuation report.
- Provides a conclusion of value based on minimal review and analysis, and little or no corroboration of relevant information.
- May not be accepted by third parties or courts, and is generally not appropriate in a sale situation.
- Suitable for tax purposes such as internal reorganizations and estate freezes. Also commonly used when there will be less scrutiny around the valuation results (e.g., amicable management buyouts or preliminary negotiations).

For more information, visit dmcl.ca.