

Purchase Price Allocation

Workshop Outline

Day 1	Day 2
<ul style="list-style-type: none">■ IFRS requirements<ul style="list-style-type: none">■ Business combinations under IAS 27■ Acquisition accounting under IFRS 3■ Valuing tangible assets■ Preparing to value intangibles<ul style="list-style-type: none">■ Identify and recognise intangibles■ Analyse forecasts and IRR■ Remaining useful lives■ Extend forecasts■ Valuing intangible assets<ul style="list-style-type: none">■ Market method■ Cost method■ Income models<ul style="list-style-type: none">■ Royalty relief model■ MEEM model	<ul style="list-style-type: none">■ Valuing intangible assets (cont)<ul style="list-style-type: none">■ Contributory asset charge■ Decay (attrition) of intangibles■ Tax amortisation benefits■ Recognise and review goodwill<ul style="list-style-type: none">■ Accounting issues■ Deferred taxes■ Implied return on goodwill■ Constructing a PPA model<ul style="list-style-type: none">■ Entry of cash flows and balance sheets■ WACC and IRR■ Valuation of intangibles■ Deferred taxes and goodwill■ Post-acquisition balance sheets■ Weighted Average Return on Assets

