

Purpose and Scope Document

Asset Valuation Reporting

1. Introduction

This document outlines the purpose and scope of the asset valuation report prepared for [Client/Entity Name]. The valuation serves as an independent assessment of the fair value of the specified assets as of [Valuation Date].

2. Purpose

The primary purpose of this valuation report is to provide an objective and credible estimate of value for the assets listed herein. The report may be used for the following purposes:

- Financial reporting and accounting
- Regulatory compliance
- Transaction support (e.g., merger, acquisition, divestment)
- Securing loans or financing
- Internal management decision-making

3. Scope

The scope of this valuation covers the following:

- Type of assets to be valued: [Specify, e.g., real estate, equipment, intangible assets]
- Location of assets: [Insert location or relevant jurisdiction]
- Valuation date: [DD/MM/YYYY]
- Assumptions, limitations, and exclusions specific to this engagement
- Basis of value used (e.g., market value, fair value)
- Valuation methodologies applied

4. Methodology

The valuation has been conducted using established professional standards and appropriate techniques, including but not limited to market comparison, income approach, and cost approach, based on the nature of the assets.

5. Assumptions & Limitations

- The information provided by the client is assumed to be accurate and complete.
- No physical inspection was performed unless specifically stated.
- The valuation does not account for unforeseeable market or economic changes after the valuation date.
- Legal title or encumbrances have not been independently verified unless noted.

6. Reference Documents

- [List any relevant source documents, reports, or standards referred]

Important Notes:

- Purpose and scope documents help set clear expectations and boundaries for the valuation process.
- Explicitly stating assumptions and limitations protects both the valuer and the client.

- This document should always be tailored to the specific assets and context of the valuation engagement.
- The clarity of purpose and scope improves transparency and reduces the risk of misunderstandings.