



IFRS Valuation Services

Expertly crafted and audit-ready valuations for your IFRS reporting

<https://numERICAconsulting.com>

NUMERICA GROUP
London

Actuarial & Quant Services

About Numerica

Raising the bar for IFRS valuation and reporting — powered by technology and quantitative expertise.

Financial Modelling Experts

With a team composed primarily of actuaries, you can be confident that every model is built with rigour, clarity, and a deep understanding of financial reporting and regulatory standards.

Multi-Jurisdictional Reach

Serving clients across the Europe, India, the Middle-East and beyond — with experience spanning IFRS-compliant corporates, startups, and financial institutions.

Tech-Enabled, Rapid Delivery

We combine robust modelling in Python, hosted in our cloud native systems, with transparent, auditable outputs, enabling rapid turnaround, and audit governance support.

Flexible, Colaborative Engagements

From one-off valuations to long-term reporting support, we work flexibly to match your timelines, governance requirements, and internal capabilities.

2010

Founding year

400+

Clients in 7 countries

500+

Valuations every year

Our IFRS Valuation Services

We deploy state-of-the-art quantitative models that make the most complex IFRS standards look easy.

Employee Benefits related

IFRS 2

- Valuation of ESOPs, performance shares, and options.

IAS 19

- Actuarial valuations for defined benefit plans, end-of-service benefits.

Financial Instruments

IFRS 9

- ECL provisions on trade and intra-group receivables,
- Valuation of intercompany and third-party loans,
- Discounting of long-term payables/ receivables

Revenue-Linked Liabilities

IFRS 15

- Contract liability modelling for **loyalty points**, deferred revenue

IAS 37

- Provision estimation for **product warranties** and service guarantees

Fair Value & Impairment

IFRS 13

- Valuation hierarchy, DCF, market comparables, option pricing.

IAS 36

- DCF models for value-in-use, CGU impairment testing, goodwill valuation.

Business Combinations

IFRS 3

- Purchase Price Allocation (PPA)
- Intangible asset valuation (brands, tech, customer lists)
- Goodwill estimation and support.

IFRS 2 - Share-Based Payments

Why a valuation is required?

IFRS 2 requires entities to fair value all share-based payment arrangements granted to employees or third parties.

Applies to equity-settled and cash-settled awards, including:

- Employee Stock Options (ESOPs)
- Restricted Stock Units (RSUs)
- Share Appreciation Rights (SARs)
- Performance shares or conditional awards

Valuation is required at:

- Grant date (for equity-settled awards)
- Each reporting date (for cash-settled awards)
- Modification, cancellation, or repricing events

Common pitfalls we help you avoid

- Over-simplified models not aligned with plan terms
- Inconsistent treatment of performance or market-based vesting
- Inadequate documentation for auditors
- Misalignment with tax and local GAAP accounting treatment
- Misalignment with other IFRS standards (e.g. IFRS 13, IAS 12)
- Missing or incorrect disclosure items

How we approach it:

Step	What we do
1. Scheme Review	Analyse plan rules, vesting conditions, grant history, and any modifications
2. Model Selection	Use Black-Scholes, binomial lattice, or Monte Carlo models based on scheme design
3. Input Calibration	Estimate volatility, expected life, risk-free rate, dividend yield, and employee exit rates
4. Performance Conditions	Incorporate market or non-market performance conditions as required
5. Deliverables	Provide comprehensive valuation report, covering all disclosure tables. Additional calculations; e.g. for interim or management accounting can be arranged upon request.

IAS 19 - Employee Benefits

Why a valuation is required?

IAS 19 requires employers to measure and recognise liability and expense in respect of Defined Benefit plans such as:

- Gratuity schemes
- Leave encashment / annual leave accruals
- Long-service awards
- Pension and post-employment medical benefits
- End-of-service benefits (common in GCC & Asia)

Valuation is required at:

- Each reporting date, including for interim periods (if material)
- At inception, modification, or settlement of benefit plans
- On business combination, as part of purchase price allocation under IFRS 3

Common pitfalls we help you avoid

- Use of outdated or inconsistent actuarial assumptions (e.g. discount rates, salary growth)
- Incorrect valuation method (e.g. not using straight-line method when rate of benefit accrual increases with service)
- Lack of sensitivity analysis
- Poorly structured reporting for audit and disclosures
- Inconsistent treatment across entities, jurisdictions, or between group and local books
- Misalignment with related standards (e.g. IFRS 3 for acquisitions, IFRS 13 for market value measurement of assets)
- Lack of explanation regarding movement of liabilities during the reporting period

How we approach it:

Step	What we do
1. Data Preparation	Collect employee data and plan rules; reconcile with HR/finance systems
2. Assumption Setting	Support with market-consistent discount rates, salary growth, withdrawal rates
3. Liability Valuation	Apply projected unit credit method using our proprietary Python/Excel models
4. Roll-forward and Disclosures	Break down current service cost, interest cost, actuarial gains/losses
5. Deliverables	Actuarial report setting out complete and accurate disclosures, and supplementary information helpful for interim booking or management accounting.

IFRS 9 - Financial Instruments

Why a valuation is required?

IFRS 9 requires corporates to classify, measure, and assess impairment of financial instruments:

- Loans and receivables
- Unquoted equity investments
- Embedded derivatives in contracts
- Trade receivables and contract assets

Valuation is required for:

- Fair value measurement of financial assets/liabilities (when not at amortised cost)
- Expected Credit Loss (ECL) provisioning — even for trade receivables
- Discounting of long-term loans or receivables at market rates
- Derecognition, modification, or initial recognition at below-market terms

Common pitfalls we help you avoid

ECL Provisions measurements:

- Inaccurate ECL provisioning due to lack of segmentation or credit risk assessment
- Applying standard ECL rates without supporting data or rationale
- Failing to adjust historical loss rates for forward-looking information
- Ignoring aging profile and payment behaviour in trade receivable provisioning
- Omitting ECL on related party or intercompany trade balances

Loans and other financial instruments:

- Use of nominal or undiscounted values for long-term intercompany balances
- Misalignment with IFRS 13 (fair value) and IFRS 15 (contract assets)

How we approach it:

Step	What we do
1. Instrument Review	Classify financial instruments and assess relevant IFRS 9 requirements
2. Discounting & Fair Value	Value intercompany and external loans using DCF models and market-based discount rates
3. ECL Modelling	Develop or calibrate simplified or 3-stage ECL models for receivables and loans
4. Assumptions & Scenarios	Apply default rates, loss given default, forward-looking overlays (if material)
5. Deliverables	A comprehensive valuation report with fair values, ECL provisions, assumptions, and disclosures. Additional deliverables can be agreed upon request.

IFRS 15 - Revenue From Contracts

Why a valuation is required?

IFRS 15 requires companies to identify and separately account for distinct performance obligations, including:

- Loyalty points, rewards, and rebates
- Vouchers, and conditional entitlements
- Bundled pricing across products and services
- Deferred revenue and contract liabilities

Valuation is required to:

- Allocate transaction price across multiple obligations
- Estimate the fair value of loyalty points or deferred benefits
- Recognise revenue over time, based on expected usage patterns
- Apply breakage estimates where applicable

Common pitfalls we help you avoid

- Incorrect or manual allocation of transaction price across goods and services
- Failing to identify material rights embedded in loyalty or promotional schemes
- Use of static estimates for redemption or breakage rates without data support
- Omitting ECL on contract assets (cross-link with IFRS 9)
- Inconsistent treatment across group entities or jurisdictions
- Incomplete or incorrect disclosures of contract balances and performance obligations

How we approach it:

Step	What we do
1. Contract Analysis	Review contract structures, pricing terms, and customer incentive mechanisms
2. Identify Obligations	Assess whether loyalty points, discounts, or bundled items create separate performance obligations
3. Transaction Allocation	Allocate revenue using relative standalone selling prices or residual methods
4. Redemption & Breakage Estimates	Model expected redemptions, breakage, and timing of revenue recognition
5. Reporting & Outputs	Provide a valuation report with contract liability calculations, assumptions, and disclosures for audit and management use

IAS 37 - Contingent Liabilities and Assets

Why a valuation is required?

IAS 37 requires companies to recognise a provision when:

- There is a present obligation (legal or constructive)
- A reliable estimate of the outflow of resources can be made
- It is probable that the obligation will need to be settled

Common scenarios include **product and service warranties and guarantees**.

Valuation is needed to:

- Estimate the expected value of future outflows by applying probability-weights to likely outcomes
- Support audit, disclosure, and internal governance

Common pitfalls we help you avoid

- No consistent framework for estimating provision values
- Lack of evidence or rationale behind management's assumptions
- Ignoring legal or constructive obligations not explicitly documented
- Overstating or understating provisions due to poor scenario modelling
- Omitting required disclosures for movements, uncertainties, and contingent liabilities
- Misalignment with related standards (e.g. IFRS 3 for acquisitions, IAS 12 for deferred tax)

How we approach it:

Step	What we do
1. Obligation Assessment	Work with finance/legal teams to assess the existence and nature of each obligation
2. Estimation Framework	Choose valuation method: probability-weighted, most likely outcome, or a hybrid
3. Input Calibration	Assess historical patterns, external benchmarks, and internal assumptions
4. Scenario Modelling	Apply ranges or discrete outcomes for litigation, warranty claims, etc.
5. Reporting & Outputs	Deliver a clear report documenting provision logic, assumptions, and disclosure tables for audit and group reporting

IFRS 13 - Fair Value Measurement

Why a valuation is required?

IFRS 13 defines how fair value is measured across multiple standards — not when. It applies wherever another IFRS requires or permits fair value, such as:

- IFRS 2 – Share-based payments
- IFRS 3 – Business combinations (purchase price allocation)
- IFRS 9 – Financial instruments (e.g. unquoted equity, intercompany loans)
- IAS 36 – Impairment testing (value in use as a comparison to fair value)
- IAS 40 / IAS 41 / IFRS 16 – Investment property, biological assets, lease modifications (if applicable)

Common pitfalls we help you avoid

- Misclassifying inputs within the fair value hierarchy (Levels 1–3)
- Using entity-specific cash flows instead of market participant assumptions
- Inconsistent application of valuation techniques across similar assets
- Lack of documentation for inputs, assumptions, and sensitivity
- Confusing fair value with transaction price or carrying amount
- Misalignment with other IFRS standards that rely on IFRS 13 (e.g. IFRS 2, IFRS 9, IFRS 3)

How we approach it:

Step	What we do
1. Asset/ Instrument Review	Determine if fair value measurement is required under the applicable standard
2. Hierarchy Classification	Assess input observability and classify under Level 1, 2, or 3
3. Method Selection	Choose between income approach (DCF), market comparables, or cost-based method
4. Input Calibration	Determine if observable data will be used for setting an input value, or document expert judgment where not
5. Fair Value Report/ Policy Document	Provide a comprehensive fair value report with methodology, assumptions, hierarchy level, and other applications of the standard

IAS 36 - Impairment of Assets

Why a valuation is required?

IAS 36 requires companies to test whether the carrying amount of assets or cash-generating units (CGUs) exceeds their recoverable amount — the higher of:

- Fair value less costs of disposal, and
- Value in use (VIU), typically calculated via discounted cash flow (DCF) modelling.

Common triggers for impairment testing include triggers such as decline in market performance or profitability, or annual goodwill impairment testing

Valuation is required for:

- Goodwill, intangible assets, and property, plant and equipment (PPE)
- Investments in subsidiaries, joint ventures or associates

Common pitfalls we help you avoid

- DCF models that rely on entity-specific assumptions instead of market participant expectations
- Inflated cash flows not aligned with historical or forecasted performance
- Inappropriate or outdated discount rates (WACC)
- Ignoring the requirement for pre-tax cash flows and discount rates
- Lack of reconciliation between financial forecasts and impairment model inputs
- Incomplete or non-compliant disclosures of sensitivity and key assumptions

How we approach it:

Step	What we do
1. Scope & Trigger Review	Assess whether impairment testing is required and at what level (asset or CGU)
2. Cash Flow Forecasting	Validate business plan assumptions and ensure consistency with management expectations
3. Discount Rate Calibration	Estimate WACC or IRR aligned with industry and geography; ensure pre-tax adjustment
4. DCF Modelling	Build value-in-use model with appropriate terminal value and scenario sensitivity
5. Reporting & Outputs	Deliver a comprehensive report with methodology, assumptions, and audit-ready disclosures

IFRS 3 - Business Combinations

Why a valuation is required?

IFRS 3 requires acquirers to allocate the purchase price (consideration transferred) to the identifiable assets and liabilities of the acquiree at fair value as of the acquisition date. This process is known as Purchase Price Allocation (PPA).

Valuation is typically required for:

- Tangible and intangible assets (e.g. customer lists, brands, technology, contracts)
- Contingent liabilities and earn-outs
- Non-controlling interest, if applicable
- Goodwill calculation as the balancing figure

Use cases include M&A transactions, internal group restructurings, and first-time IFRS adoption

Common pitfalls we help you avoid

- Omitting or misclassifying intangible assets that must be separately identified (e.g. customer relationships)
- Over-reliance on book values instead of fair value estimation
- Failure to document valuation techniques used for Level 3 inputs (IFRS 13 alignment)
- Inconsistent treatment of earn-outs, contingent consideration, or put options
- Misalignment with tax treatment or deferred tax impacts under IAS 12
- Inadequate support for goodwill computation and allocation to CGUs

How we approach it:

Step	What we do
1. Transaction Review	Understand the structure of the deal and assess whether it qualifies as a business combination
2. Asset & Liability Identification	Identify and separate tangible and intangible assets and liabilities acquired
3. Valuation of Identifiable Items	Use appropriate methods (e.g. DCF, relief-from-royalty, excess earnings)
4. Goodwill Calculation & Allocation	Compute residual goodwill and align with post-deal CGUs under IAS 36
5. Reporting & Outputs	Deliver a complete PPA valuation report with methods, assumptions, and IFRS-compliant disclosures

Partner With Us

Let's simplify your IFRS valuations — clearly, confidently, and on your terms.

Next Steps

1. Explore your needs

Book a free no-obligation 30-min call with a Numerica consultant to discuss whatever kind of valuation issue you wish to discuss

[Book a call](#) >>

2. Proposal & Timeline

Receive a tailored proposal outlining scope, timeline, and deliverables

3. Kickoff & Data Request

Project begins with a structured onboarding and data checklist

Engagement Options

Valuation-Only	One-off support for IFRS 2, 3, 9, 13, 15, 36, or 37 reports
Annual Support	Recurring year-end and interim valuation assistance
IFRS Onboarding	Support for first-time IFRS adoption or group-wide rollout
Audit Response	Independent review or audit support for existing models
Advisory Add-Ons	Tax alignment, system automation, or internal policy design (optional)



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