- Website: value, a tool or an asset?

Domain or website: are they asset?

Which types?

- Intangible?
- Tangible?

Which types?

- Fixed?
- Others (Tools etc)?

Value

- Could it be transfer, sold by auction?
- Could it be priced?

•Application and infrastructure development
•Graphical design development
•Content development
•Operating

Is website an asset?

- SIC-32 clarifies that **a website developed by an entity using internal expenditure**, whether for internal or external access, is an internally generated intangible asset as defined in IAS 38. Such a web site can be recognised as an intangible asset if, and only if, in addition to complying with the general requirements of IAS 38, the entity can demonstrate how its web site will generate probable **future economic benefits**. Further, all expenditure to develop a web site solely or primarily for promoting and advertising an entity's own products and services is recognised as an expense when incurred.
- **Future economic benefits**: IAS 38.57(d): the website is capable of generating revenues, including direct revenues from enabling orders to be placed.
- **internal expenditure:** note 5 stages of website development: planning, application and infrastructure development, graphical design development, content development, operating.
  - To the extent that content is developed for purposes other than to advertise and promote an enterprise's own products and services, are similar in nature to the development phase in IAS 38.57-.64.

Source: IFRS, Deloitte

How to calculate website value?

Income approach

- the primary methodology used in valuing websites.
- calculates the net present value of future income attributed to the website
- using a discounted cash flow methodology.

The market approach

- similar websites and the differences are adjusted for parity using benchmark valuation ratios such as value per registered user, per visitor, P/E multiples and revenue multiples.
- The value of websites with similarities is also considered to arrive at a comparable website value.

The cost approach

- to valuing websites calculates the amount invested in creating the website, such as the cost of the domain name registration, hosting, site building, website content creation and marketing of the website and business

Source: Intangible business

Income approach

- royal fees
- Damodaran

Some tools to calculate website value – market approach

- https://www.worthofweb.com/calculator/
- yourwebsitevaluation.com/
- https://dinhgiaweb.net/
- https://bid.pavietnam.vn/