The International Valuation Standards Council (IVSC) is the global standard setter for valuation practice and the valuation profession. We serve the public interest by promoting consistent compliance with, and implementation of, high-quality, internationally accepted standards in the preparation and presentation of valuations around the world.
Contents

Report from the Chair of the Board of Trustees 03
Report from the Chief Executive 06
Our Sponsors 2021/22 08
Board of Trustees 09
Our Members 2021/22 10

Reports:
Standards Boards 14
Chair of the Standards Review Board 16
Chair of the Business Valuation Board 20
Chair of the Financial Instruments Board 22
Chair of the Tangible Assets Board 24
Membership & Market Boards 29
Chair of the Advisory Forum Working Group 31
Chair of the Membership & Standards Recognition (MSR) Board 32
Chair of the MSR Europe Board 34

Financial Statements 40
2021 marked a gradual return to physical meetings at the IVSC after more than a year of pandemic-inflicted restrictions. It has been extremely satisfying and rewarding to see people again – staff and fellow board members alike – to reflect on the importance of face-to-face meetings and the relationships that sustain a global organisation like the IVSC.

As we emerge from the COVID-19 pandemic, our world faces many new and evolving challenges including geopolitical tensions and conflict in Europe, mounting inflationary and supply chain pressures leading to macroeconomic and market uncertainty, and a climate crisis which is growing in ferocity all the time. Like the COVID-19 pandemic, these are challenges that will affect us all and ones that will necessitate collective and collaborative action.

Against this backdrop, the core facets of professionalism – impartiality, integrity, ethics and standards – take on even greater relevance. Confidence is sometimes in short supply. In a world that continues to be defined by great uncertainty, the role of professional valuers and International Valuation Standards in determining reliable asset valuations and bringing confidence to our global financial system is absolutely vital.
A new milestone for valuation standards

Despite the pandemic restrictions, not to mention the huge additional pressures placed upon many of our volunteer board members and stakeholders around the world, we have had another very busy and productive year. In June 2021, we published the latest edition of IVS, which became effective for valuers in January 2022. This followed an extensive public consultation period throughout 2020. The latest edition of IVS marks a significant milestone in the evolution of the standards and the harmonisation of valuation practice worldwide. Since the standards were published, a number of VPOs have issued translations and introduced training programmes to support its uptake by professionals.

The IVS sit at the core of our mission as a global standard setter – to raise standards of valuation practice by setting high-level, internationally agreed standards and by promoting valuation professionalism. The latest iteration supports this goal and is a testament to the expertise and dedication of our technical boards.

The IVS are also referenced extensively in other publications and adopted through valuation standards and guidelines issued by other entities.

In May 2021, following a collaborative project spanning more than two years and involving the IVSC and other valuation bodies, the United Nations Human Settlements Programme (UN-Habitat) published a manual setting out a practical approach to the valuation of unregistered land. IVS forms the basis of this hugely significant publication, which offers hope for millions of people occupying unregistered lands in many of the poorest regions on earth today. The guidelines establish, for the first time, a framework that will allow effective valuation of unregistered lands, allowing for fair land transactions, including development-related displacement. It is also acts as an enabler for land registration and the recognition of occupancy, and as a lever for regional and national economic and social development. Land valuation is part of putting people and places on the administrative and market map, and we can be proud of the part the IVSC is playing in driving this agenda forward.

Improving our engagement

Like many organisations, the IVSC has relied on the power of online platforms to conduct business over the past year, from board meetings to consultation roundtables and market outreach with valuation stakeholders around the world. At times, this has felt somewhat impersonal and less preferential. However, this emphasis on virtual collaboration has had its upsides, certainly in terms of wider and more frequent engagement with constituents around the world and in supporting our efforts to operate on a more sustainable and climate-conscious footing.
Much of this pandemic-initiated ‘legacy’ approach will remain core to our future activities.

In May 2021, we hosted our now annual Valuation Webinar Series, which was sponsored by Kroll. During the five-webinar series, we welcomed more than 3,000 attendees from 91 countries and heard insights from some of the most prominent valuation, business, finance and regulatory leaders in our profession. This series was born out of a need to adapt and find ways to remain connected with our network of member organisations and as a facilitator of valuation thought leadership. It proved, if ever it were needed, that the profession is vibrant, extremely international and filled with professionals who are committed to learning and improving together. We look forward to hosting this series and other online webinars, updates and roundtables in the future.

The value of our people

This year we have also welcomed more than a dozen new board members from around the world. We have appointed board members for the first time in Ecuador, Ireland, Nigeria, Kenya and Uganda. We have also been inundated with offers of support for new working groups - set up to assist our technical boards - tasked with leading exploratory work and outreach on topics which have been identified as core elements of our future technical work programme, including topics such as ‘ESG’ and ‘Social Value’.

It is no secret that the success of IVS is down to the 100+ board and working group members who volunteer huge amounts of time and effort to its cause. In a recent Perspectives Paper issued by our Business Valuation Board we referenced the ubiquitous corporate phrase “our people are our most valuable asset”, posing the question; how do you put a value on what is ostensibly an intangible asset? I would recommend reading that paper if you have not done so already. However, I can say that the contribution of IVSC’s people, through IVS and the continued evolution of the global valuation profession, is certainly very tangible to me and to the IVSC’s Trustees.

The future

The year ahead will present new challenges for our profession and for the world. Extreme climate events, military conflict in Europe, supply chain disruptions, soaring inflation and threats to living standards will spur a backdrop of continued uncertainty. The valuation profession will play an important role in mitigating some of the consequences of these factors, for example by enhancing confidence in asset valuations which underpin global financial markets, and by working collaboratively on frameworks to drive forward important ESG agendas.

Above all, we must continue to work together and with a shared purpose, drawing on the strength of our global network to ensure the valuation profession evolves to improve the world around us.
THE ROLE OF THE VALUER HAS NEVER BEEN MORE IMPORTANT

The role of the valuer has never been more important.

2021/22 proved to be another year that was mainly virtual for most of us. However, it has been good to see indications of the pandemic easing in severity and the opportunity for more of us to start coming together in person as we all look to further the global approach to valuation and the quality professionalism needed in each country.

Regrettably, just as one crisis was becoming more manageable, the world now has to deal with conflict, supply chain stresses, soaring inflation as well as other issues. What is clear from all of this is that uncertainty continues and that investors and our financial system very much rely on valuers to help understand the value of all types of assets, whether as part of the balance sheet or for helping the decision process on whether to acquire an asset – something which impacts everything from an individual buying a house through to a multi-billion dollar business acquisition. The role of the valuer has never been more important.
The last year saw us issue a new version of IVS, which became applicable at the start of 2022 and has already been translated in a number of languages as valuers began to incorporate it into their working practices. My thanks in particular go to the Standards Boards who dedicate so much time and effort as volunteer leaders to ensure the IVS reflect internationally-agreed best practices.

You may also have noticed the increase in key publications such as Perspectives Papers which our Standards Boards issue to explore and stimulate debate within the valuation profession on key issues where the evolution of standards may be needed in the future. To complement this we have also continued to hold quarterly meetings of our Advisory Forum to discuss key valuation issues and trends, as well as webinars involving influential leaders from across the world which can be accessed by anyone through our website.

Engagement and discussions have continued with the IVSC Investors Forum, which brings together valuation leaders from 12 major investors who collectively manage assets of over US$ 5 trillion. We believe it is important to engage with end users to understand the issues they face and encourage their voice in helping shape the international approach to valuation from both a standards and a professionalism point of view.

In a similar vein of engagement with influential end users and stakeholders we have increased our interactions with banks and government entities. One key outcome of this is that we have been able to secure funding for an IVSC Asia Office, which we intend to launch late 2022 in Singapore. This office will help enormously by supporting our global boards develop IVS as well as through local outreach across Asia. IVSC Asia will, over time, cover all asset classes and we will welcome any organisations who wish to help us accelerate this key initiative.

Our engagement with IOSCO has continued, culminating with a major roundtable at the end of March which was chaired by Ashley Alder (IOSCO Chair) and Alistair Darling, and brought together influential leaders from other global standard setters, VPOs, major investors, valuation firms, regulators and auditors. There was broad agreement on the importance of valuation and the need for greater global quality and consistency from a standards, professionalism and provider point of view. We look forward to continuing to work together with IOSCO and all stakeholders on the global approach to valuation.

Our member and sponsor network has now grown to almost 180 organisations in 2022, which is a sign of the increased engagement in IVSC. We are thankful to all our members and sponsors who provide the support, leadership and skills to help us take the best ideas from around the world to develop IVS, and, in particular, to turn IVS into reality through continually improving quality professionalism and valuation services.
The IVSC is proud to be sponsored by the following organisations:

Sponsors play an essential role in supporting the mission of the IVSC. They share a belief that raising standards of international valuation practice is of benefit to the wider public interest. Better standards improve the transparency and stability of financial markets, contribute to the growth of stronger economies, and lead to improved confidence for investors and users of valuation services.
In 2021-22 the IVSC welcomed 18 NEW MEMBER ORGANISATIONS.

177 member organisations in 2021-22 ACROSS 81 COUNTRIES.
In 2021-22

IVSC MEMBER ORGANISATIONS
2021-22
IVSC MEMBER ORGANISATIONS

- 414 Capital Inc
- 73 Strings SAS
- ACCYBER
- Agency for Land Relations and Cadastre of the Republic of Moldova*
- Al Asmakh Real Estate
- Al Muheet Institute
- All India Institute of Valuers Foundation
- American Institute of Certified Public Accountants (AICPA)
- American Society of Appraisers
- Appraisal Foundation
- Appraisal Institute (US)
- Appraisal Institute of Canada
- Asociación Profesional de Sociedades de Valoración
- Asociación Española de Analisis de Valor
- Assoc of Certified Appraisers Bosnia Herzegovina
- Association of Appraisal Organisations of Uzbekistan*
- Auctioneers & Valuers Association of Australia
- Australian Institute of Business Brokers
- Australian Property Institute
- Australian Valuers Institute
- Austrian Chamber of Tax Advisors and Public Accountants (Kammer der Steuerberater und Wirtschaftsprüfer)
- AVISTA Valuation Advisory Ltd
- Azerbaijan Society of Appraisers
- Bangladesh Survey & Valuation Companies, Firms & Individual Concerns Association
- BDO
- Berkeley Research Group (BRG)
- Bloomberg
- Bosnian & Herzegovinian Property Association
- Brand Finance
- Bureau for Court Expertise, Republic of Macedonia
- Business Valuation Resources
- Chartered Business Valuators Institute (CBV)
- CEV Integral Appraisers Foundation
- CFA Institute
- Chamber of Professional Valuers Bulgaria
- Chamber of Valuation of the Republic of Macedonia
- Chamber of Valuers of Montenegro
- Chartered Accountants of Australia and New Zealand
- Chartered Valuation Analyst Institution*
- China Appraisal Society
- Consiglio Nazionale die Dottori Commercialisti e degli Esperti Contabili (CNDCEC)
- Consiglio Nazionale Geometri Italy
- Costa Rican Valuation Institute
- CPA Australia*
- Croatian Association of Appraisers
- DBS Bank Ltd*
- Deloitte
- Department of Municipal Affairs, Emirate of Abu Dhabi
- DFK International
- Divya Jyoti Valuers Foundation
- Dubai Land Department
- Egyptian Association of Real Estate Appraisers
- Estate Surveyors and Valuers Registration Board of Nigeria
- European Association of Certified Valuators and Analysts
- European Mortgage Federation - European Covered Bond Council
- Expertise Institute for Valuation of Assets of Georgia
- EY
- Federación de Colegios de Valuadores, A.C. (FECOVAL)
- Federation Francaise des Experts en Evaluation
- Financial Reporting Council Bangladesh
- Finnish Assoc for Real Estate Valuation
- Grant Thornton
- Greater China Appraisal Hong Kong
- Hong Kong Institute of Surveyors
- Houlihan Lokey
- HypZert GmbH
- IACVS (Int Assoc of Certified Valuation Specialists)
- ICMAI Registered Valuers Organisation
- IIIV India Registered Valuers Foundation
- Independent Valuers Society of Georgia NNLE
- Indian Inst of Corporate Affairs
- Indonesian Society of Appraisers
- Institut der Wirtschaftsprufer
- Institut des réviseurs d'entreprises (IRE) – Institut van de bedrijfsrevisoren (IBR) (Institute of Registered Auditors)*
- Institute for Mergers, Acquisitions and Alliances GmbH*
- Institute of Certified Accountants of Montenegro
- Institute of Chartered Accountants in England & Wales (ICAEW)*
- Institute of Chartered Accountants of Bangladesh*
- Institute of Chartered Accountants of India
- Institute of Chartered Valuators Bangladesh
- Institute of Company Secretaries of India
- Institute of Cost Accountants of India
- Institute of Finance, School of Business, University of Applied Science and Arts Northwestern Switzerland
- Institute of Philippine Real Estate Appraisers (IPREA)
- Institute of Real Property Valuers in Rwanda
- Institute of Surveyors of Uganda
- Institute of Valuers & Appraisers of Singapore
- Institute of Valuers of Sri Lanka
- Institution of Surveyors of Kenya
- Institution of Valuers India

*Joined in 2021/22
• Institution of Valuers India Registered Valuers Foundation
• Instituto Brasileiro Avaliacoes (IBAPE)
• International Association of Assessing Officers
• International Institute of Business Valuators
• International Real Estate Valuer, owned by Emad Alfaraj
• Japan Association of Real Estate Appraisers
• Japanese Institute of Certified Public Accountants
• Jones Lang LaSalle
• KAF Institute
• Korea Association of Property Appraisers
• Korean Institute of Certified Public Accountants
• KPMG
• Kroll
• Kuwait Real Estate Association
• Latvian Association of Appraisers
• Leventhal School of Accounting, University of S. California
• Lincoln International LLP*
• Malaysian Institute of Accountants
• Mazars
• Multilateral Investment Guarantee Agency (MIGA)
• Min of Land and Resettlement Namibia
• Mongolian Institute of Certified Appraisers
• Nanyang Technological University*
• Nat Association of Valuers of Serbia
• National Association of Romanian Valuers (Asociatia Nationala a Evaluatorilor Autorizati din Romania)
• National Council for Real Estate Investment Fiduciaries (NCREIF)
• National Forensic Bureau of Georgia
• Nepal Valuers’ Association
• Nigerian Inst of Estate Surveyors and Valuers
• Norsk takst
• NRVT
• Office of the Valuer General (South Africa)
• QCBC Bank*
• Panamerican Union of Valuation Associations
• Pan-Ukrainian Association of Valuation Specialists (PUAVS)
• Philippines Association of Realty Appraisers
• Philippines Bureau of Local Government Finance
• Practising Valuers Association of India
• Price Management Dept, Min of Finance Vietnam
• Property Institute of New Zealand
• Real Estate Development and Management, Ankara University
• Real Estate Institute of Botswana
• Real Estate Regulatory Authority, Bahrain
• Real Quality Rating (RQR)
• Registro Nacional de Avaluadores Columbia
• Republican Chamber of Appraisers of Kazakhstan
• RICS
• Royal Institution of Surveyors Malaysia
• Russian Society of Appraisers
• Samfundet för fastighetsekonomi i Sverige AB (Association for Chartered Surveying, Property Evaluation and Transactions)
• Saudi Authority for Accredited Valuers (Taqeem)
• Savills (UK) Ltd
• Sea Group Ltd*
• Self-Reg Inter-regional Appraisers Assoc Russia (SIAA)
• Shanghai Orient Appraisal Company
• SIDREA (Italian Association of Professors in Accounting & Business Administration)
• Singapore Institute of Surveyors and Valuers
• Slovenian Institute of Auditors
• Society of Chartered Surveyors Ireland
• South African Council for Property Valuers Profession (SACPVP)
• South African Institute of Chartered Accountants (SAICA)
• Sparta & Co.*
• Stout Rossius
• Swiss Institute of Real Estate Appraisal (SIREA)
• Taqeeem Advisory*
• Technical Appraisers Corps of Peru (Cuerpo Tecnico de Tasaciones del Peru)
• Techno India University, West Bengal
• Technology University Dublin, School of Surveying and Construction Management
• Thai Valuers Association
• The Authority of Audit, Accounting, Property Valuation and Insolvency Management Lithuania
• The chamber of appraisers -Self-regulated organisation «The Chamber of Professional Independent Appraisers, Kazakhstan
• Tokyo Financial Advisors Co Ltd
• Turkish Appraisers Association
• Ukrainian Fed of Appraisers of Business and Intellectual Property (FOBIS) and Association of Bank Appraisers of Ukraine (ASBOU)
• Ukrainian Society of Appraisers
• Union of Accountants, Auditors & Financial Workers of Federation of Bosnia & Herzegovina*
• Union of Economists of Turkmenistan
• United Overseas Bank Ltd*
• University of Economics, Prague
• University of Malawi - The Polytechnic
• Valuation Research Corporation (VRC)*
• Valuers & Experts Professional Development Centre
• WU (Vienna University of Economics & Business) Financial Accounting and Auditing Group*

*Joined in 2021/22
Over the past year, the IVSC Standards Review Board has continued to meet virtually, using Working Groups (listed below) to help its Technical Boards in their work on several key projects.

SRB Working Groups

- AVM, Data and Modelling Working Group
- ESG Working Group
- Glossary Working Group
- IFRS 16 Working Group
- IVS 101 to IVS 105 Working Group
- Social Value Working Group

The Working Groups have provided the SRB with the means to bring in external specialists for key projects and have enabled the board to push forward on these projects without the need for physical meetings.

This additional means of virtual communication has been particularly important during the coronavirus crisis. In addition, the SRB has also set up Discussion Boards for the Technical Boards and Working Groups to allow members to engage in virtual conversation and share documents and files.

During 2021, the main focus of the Standards Review Board has been as follows;

- Publication of International Valuation Standards (effective 31 January 2022)
- Environmental, Social and Governance (ESG)
- Future changes to International Valuation Standards to aid future integration of the revised IVS 500 Financial Instruments
- Publication of Perspectives Papers on key issues (ESG, Goodwill, Market Value, Social Value)
- Increased market engagement with Key stakeholders

In respect of the publication of IVS (effective 31 January 2022), and further to the publication of the International Valuation Standards (IVS) Agenda Consultation in October 2020, the SRB published the IVS Agenda Consultation Summary of Responses on 30 April 2021, which included a revised gap analysis highlighting key topics for future standard setting and Perspectives Papers.
In January 2021 the IVS Additional Technical Revisions Exposure Draft went into consultation until 30 April 2021 and provided stakeholders with the opportunity to comment on potential revision to IVS. IVS (effective 31 January 2022) was published on the 30 July 2021 in both black and red line versions. The IVS Basis of Conclusions was published on 31 August 2021 and provides the rationale of the SRB and Asset Boards for changes to IVS.

Towards the end of 2021 and during 2022 further market communications were made to stakeholders via presentations and eNews, advising them that from the 31 January 2022 IVS formally comes into effect. The latest edition of IVS incorporates the following changes:

- Includes core valuation standard-setting and valuation principles for all VPOs
- Additional definitions
- New section on Allocation of Value (IVS 104)
- Revised scope for Businesses and Business Interests (IVS 200)
- New chapter on Inventories (IVS 230)
- Revised Scope for IVS 400 Real Property Interests to incorporate unregistered land

Another key topic for the SRB over the past year has been the development of Perspectives Papers on ESG, which can potentially act as a precursor to standards setting.

During the year the Standards Review Board oversaw the publication of five Perspectives Papers; ESG, Real Estate Valuation, Market Value, Personal Property, and Intangible Assets.

Perspectives Papers are drafted and issued by the IVSC’s technical boards and focus on pertinent topics which are shaping the valuation profession.
Even though the requirement to incorporate ESG in the valuation process is already an implicit requirement in IVS the SRB is planning to make this requirement more specific in the next edition of IVS.

As an interim step the Standards Review Board has overseen the publication of following ESG-related Perspectives’ Papers, which consider the quantification of ESG from both a business valuation and tangible assets perspective.

- ESG and Business Valuation (March 2021)
- A Framework to Assess ESG Value Creation (May 2021)
- ESG and Real Estate Valuation – October (2021)

Further Perspectives Papers are due to be published this year considering topics such as ESG and infrastructure valuation and development properties. The SRB has appointed an ESG Working Group, who have prepared separate survey questions for firms, investors, and valuers to understand the current consideration and demand for further consideration of ESG within the valuation process. The survey will run until 30 April 2022. Following on from the survey responses received the SRB will publish a report, which will provide further information on the current consideration of ESG across all markets and specialisms and will act as guidance for future revisions within IVS.

In addition, during the past year the SRB has provided several presentations and panel discussions relating to ESG.

The SRB is currently focused on the full integration of a revised IVS 500 Financial Instruments chapter and have overseen the publication of the first half of IVS 500 Financial Instruments Exposure Draft. The second IVS Financial Instruments Exposure Draft is due to go into consultation later this year. The SRB have noted that some of the proposed sections within IVS 500, such as valuation governance, including the parties and roles involved, valuation modelling, data management and data control, valuation uncertainty and risk and proportionality, are applicable to all areas and therefore some overarching principles in relation to these matters will be incorporated into the next edition of IVS within the General Standards.

In addition to this work, the SRB's AVM, Data and Modelling Working Group, Glossary Working Group and 101 to 105 Working Group are working on revisions to IVS to aid integration between the IVS General Standards and the forthcoming new IVS 500 Financial Instruments chapter. The future changes to IVS to aid the integration of IVS 500 Financial Instruments will continue to be a key project for the SRB during the next year.
The SRB continues to view market engagement with key stakeholders as a key part of its role and aims to continue to expand its outreach during 2022/2023. Finally, I would like to take this opportunity to thank all members of the Board and the members of the three technical boards and Working Groups for their expertise, time, and dedication to development of new standards and Perspectives Papers. The effort is collaborative and centred on the development of international best practice which is collectively agreed and implementable across jurisdictions. I believe our processes also reflect international best practice. I also want to thank our various stakeholders for their invaluable input as we respond to the latest developments in our profession.

- Appraisal Institute of Canada (AIC),
- American Institute of Certified Public Accountants (AICPA)
- Appraisal Foundation (TAF)
- Chartered Financial Analyst Institute (CFA)
- European Mortgage Federation (EMF)
- European Financial Reporting Advisory Group (EFRAG)
- European Public Real Estate (EPRA)
- Financial Accounting Standards Board (FASB)
- European Association for Investors in Non-Listed Real Estate Vehicles (INREV)
- International Accounting Standards Board (IASB)
- International Auditing and Assurance Standards Board (IAASB)
- International Mineral Valuation Committee (IMVAL)
- International Public Sector Accounting Standards Board (IPSASB)
- United Nations
- U.S. Securities and Exchange Commission (SEC)
In 2021 the Business Valuation (BV) Board continued to focus on the primary issues facing the profession. By the beginning of 2022, the BV Board had completed nearly all of the standard setting priorities as identified by the 2017 Agenda Consultation including: 1) additional language on discount rate derivation, with particular focus on company-specific risk premiums, 2) substantial additions to capital structure considerations, 3) the introduction of an entirely new chapter for Non-Financial Liabilities, IVS 220, and 4) the introduction of an entirely new chapter, IVS 230 – Inventory, which became effective in 2022.

With major standard setting priorities substantially complete, the BV Board continued to address emerging issues critical to the profession, as well as to various stakeholders in the broader capital markets. Although the BV Board completed work on its three-part series on goodwill, the Board continued to actively engage with stakeholders around the world. Just recently in June 2022, the FASB US Financial Accounting Standards Board (FASB) unanimously decided to end the four-year project that had aimed at simplifying how companies calculate goodwill impairments. The BV Board is very pleased to have played a critical role in this process and help represent IVSC stakeholders around the world.

With ESG becoming central tenets for both investor analysis and enterprise corporate strategy, the BV Board published initially two Perspective Papers on ESG in 2021. In our first article on ESG, ESG and Business Valuation, we began to explore how ESG characteristics are, or can be, incorporated into the value measurement process. In the second article, A Framework to Assess ESG Value Creation, we analysed the impact of ESG on value creation and explored how such a framework may be incorporated into the capital allocation process and bring much needed financial discipline to ESG investments. The BV Board continues to work closely with stakeholders in this critical area, including the newly formed International Sustainability Standards Board. We look forward to continuing our dialogue with stakeholders, and tangibly contributing to these efforts in the coming year.
Over the last year, the BV Board has also continued to focus our thought leadership series on intangible asset value creation, *Time to Get Tangible About Intangible Assets*. To date we have published three articles in the series, with a fourth upcoming article on brands and reputational assets. This broader debate also continues to coalesce with broader discussions and efforts on ESG.

I would like to put on record my thanks to all members of the Board for their hard work and dedication to the IVS and the global valuation profession. I would also like to give a special mention and thanks to Kevin Prall who, in his role as Technical Director to the Board, continues to support and contribute enormously to the work of the BV Board.

"The effects of the pandemic have made the role of valuation even more pertinent in today’s world. I believe that a key takeaway from the pandemic is an emphasis on the adoption of International Valuation Standards."

SRIVIDYA GOPAL
MANAGING DIRECTOR AND SOUTHEAST ASIA LEADER
KROLL
The Financial Instruments Board (FI Board) has been focused on addressing the comments received on the first Exposure Draft on IVS 500 that include the proposed guidance on Governance and Data. In addition, the Board has also been deliberating the guidance on Methods and Models, and Controls and Reporting that are to be included in the final Exposure Draft on IVS 500. To progress the deliberations, there are four working groups that are active addressing the following areas:

- Governance;
- Data;
- Methods and Models; and
- Controls and Reporting.

Each working group is chaired by a Board member with participation from both external experts and other Board members.

During the period the FI Board also welcomed four new Board members.

Based on comments received to the Exposure Draft the Board identified two key issues that impact all of the above sections.

The first issue that has been the focus of deliberations is ensuring that the Standard includes adequate guidance to enable entities to assert compliance with IVS 500. Accordingly, the Board decided to structure the Standard around the valuation process that entities need to follow for financial instruments and include guidance on each element of the process such that constituents are able to ensure and assert compliance for each of the elements in the Standard.

The second concerns the ability of all types and different sized entities to be able to apply the Standard. Specifically, constituents requested specific guidance on how the Standard could be applied by small entities and small valuers. In view of the comments the Board decided that for each of the proposed sections there will be simplifications, where applicable, such that the Standard can be applied equally by large and small entities across all industry sectors, as well as valuation professionals employed as part of an entity’s valuation process.
These simplifications would be guided by the concept of proportionality in the application of IVS 500. The FI Board is in the process of developing this principle which will enable constituents to apply the guidance i.e. implement systems and processes to assert compliance with the requirements in IVS 500 based on i) the complexity of the financial instrument being valued (valuation risk), and ii) the impact of an error in valuation on the use of the valuation (valuation risk appetite).

In addition, the FI Board has also been working with the SRB to adapt the concepts used in the sections on Governance and Data included in the previous Exposure Draft on IVS 500 such that they can be made applicable to all valuations in general. This was specifically requested by certain commentators to the previous Exposure Draft on IVS 500.

The Board has continued to work diligently to both address the valuable feedback received from the first Exposure Draft, as well as developing materials for the new sections in the forthcoming second Exposure Draft. I would like to thank all Board members as well as members of our Working Groups for their continued invaluable contribution. With effect from 31 March 2022 I will step down as Chair of the Board as a result of other commitments, although I will remain an active member of the Board itself. I wish Thomas Lee all the success as incoming Chair, and offer him my full support.
During 2021 to 2022 the technical work of the Tangible Assets Board has been focussed on:

- Publication of IVS (effective 31 January 2022)
- Environmental, Social and Governance (ESG)
- Market Value
- Prudential Value
- Unregistered Land
- Leases

During 2021 the Tangible Assets Board (TAB) has focussed on the responses emanating from the IVS Agenda Consultation to determine the IVSC TAB Agenda over the next few years, the IVS Additional Technical Revisions and the publication of IVS (Effective 31st January 2022). The TAB completed work on the harmonisation of IVS with established standards in the US (USPAP) and Canada (CUSPAP) and the agreed Core Principles of Valuation Standard Setting and Core Principles of Valuation are now incorporated in IVS and referred to in a number of other guidance notes issued by IVS members. The TAB also amended IVS 400 Real Property Interests to include further reference to agriculture and land, whether registered or unregistered, and to include informal tenure rights for communal/community and/or collective or tribal land and urban/rural informal settlements or transition economies, which can take the form of possession, occupation, and rights to use. This work has now been recognised by the UN Habitat and references to both the IVSC and the IVS are contained within the practice manual for the Valuation of Unregistered Land.

Environmental, Social and Governance (ESG) has also been a key focus for the TAB during the past year and towards the beginning of 2021 the TAB set up an IVSC TAB ESG Working Group to focus on the drafting of a series of Perspective Papers focusing on the quantification of ESG within tangible assets valuation prior to the inclusion of more explicit requirements within the IVS Tangible Assets Standards (IVS 300, IVS 400 & IVS 410). In October 2021 the TAB in conjunction with the IVSC TAB ESG Working Group published the first Perspective Paper in the series on ESG and Real Estate Valuation, which provided further
clarification on the quantification of ESG within valuation and highlighted the elements within a discounted cash flow that needed further consideration in relation to ESG. The TAB also provided a panel discussion on this topic at the IVSC AGM in October 2021 and have provided presentations on this paper to a number of IVS stakeholders.

In January 2022 the TAB, in conjunction with the Working Group published the first in a series of Perspectives Papers on Challenges to Market Value. This was partly due to the fact that market value faced a number of challenges during the coronavirus crisis, partly emanating from the illiquid state of the market and the scarcity of comparable information and partly emanating from the fact that in some instances market value was being used for purposes for which it was not intended. The Perspectives Paper was well received in the market but there were some questions in relation to this paper that needed to be resolved. In November 2021 the TAB published the second Perspective Paper in the series titled Market Value: An Established Basis of Value. The TAB is now considering further Perspective Papers in this series.

The TAB have been considering the potential adoption of a conservative market value by the European Union (EU) as part of Basel 3 implementation. In a recent development the EU has decided to adopt the Basel 3 definition of prudential value but there is currently no recognised accepted valuation methodology to value on this basis. The TAB is part of ongoing discussions in relation to the development of a sustainable value or long-term value process. This is a key project for the TAB and over the next two years the IVSC will have an important role in bringing together stakeholders and valuation professional organisations to discuss and agree the methodology for prudential value. The TAB have also been working in conjunction with the IVSC European Membership and Standards Recognition Board on this project and it seems likely that if this requirement is adopted by regulators in Europe it will also spread to other markets.

In relation to unregistered land The Manual for Valuation of Unregistered Land was presented as a webinar at the IVSC AGM in October 2021 and continues to attract significant interest. The TAB are a key part of the working group leading this initiative, which includes the World Bank and UN Habitat. The project facilitates the adoption of the IVS in markets where informal occupation is present. This topic will become increasingly important as informal urban populations increase due to migration and also where remote areas of the world are used for carbon offset purposes. The TAB is planning to continue to work with partners on this ground-breaking area of expertise over the course of the next year.
In respect of leases the IFRS cross-specialism Working Group met with the technical staff of the International Accounting Standards Board (IASB) to discuss potential changes to the leasing standard as part of their post implementation review. The Working Group are awaiting the results of post implementation review before continuing discussions in relation to this project.

Furthermore, the TAB has participated in all the SRB cross-specialism Working Groups and during the past year the TAB has set up the following working groups to explore and issue Perspectives Papers on key topics, which can often act as a precursor to standard setting:

- Automated Valuation Models Working Group
- ESG Working Group
- Inventory Working Group
- IVS 300 Income Approach Working Group
- Market Value Working Group
- TAB and BVB Trade Related Property Working Group

The Automated Valuation Models (AVM) Working Group was set up to discuss use of AVM for secured lending, particularly in residential valuations and emerging markets. The working group are exploring whether partially automated valuations can be IVS compliant and are aiming to issue a Perspective Paper on this topic later this year.

In June the United Nations Human Settlements Programme (UN-Habitat) published a manual setting out a practical approach to the valuation of unregistered land. The IVSC contributed extensively to this work and the new guidelines reference IVS throughout.

In many developing countries, only 30 per cent of land rights are registered and the rest are unregistered lands that may be held by poor people. Yet there is a dire need for governments and individuals to be able to value these lands. Valuation is necessary to improve control over land and property in a way that builds equitable access to financial services and mobilizes resources for economic growth and poverty reduction.
Further to the publication of the Perspective Paper on *ESG and Real Estate Valuation* in October 2021 the ESG Working Group is now considering further Perspectives Papers within this series. During the next year the working group is planning to issue additional ESG-related Perspectives Papers exploring issues such as ESG rating, benchmarking and measurement schemes, ESG and development property valuation and ESG and plant and machinery, and Infrastructure Valuation.

In relation to inventories the TAB recently set up a Working Group to explore the valuation of real property inventories, which lie outside IVS 230 Inventories. The Working Group are currently in the initial stages of reviewing the need for real estate inventory standards for assets such as agricultural property, development property, land, etc.

The IVS 300 Plant and Equipment working group are currently reviewing IVS 300 to meet market needs and to reflect changes in plant and equipment valuation which include the increasing use of the income approach for infrastructure and utilities.

Further to the publication of the perspectives paper on *Market Value: An Established Basis of Value* the Market Value Working Group is now considering a further Perspective Papers in this series on the issue of prudential value.

The TAB have also recently set up a joint Working Group with the Business Valuation Board on trade related property valuation and are planning to issue a Perspective Paper later this year. The Working Group recognises that these valuations are often undertaken by either business valuers, plant and machinery valuers of tangible asset valuers and the perspective paper will explore the similarities and differences in the valuation approaches adopted to provide more transparency and avoid double counting of risk.

In addition to the above and further to the publication of the IVS Agenda Consultation and the summary of responses the TAB will be focussing on the following topics during the course of the next year;

- Automated Valuation Models
- Commercial Leases (Tenants)
- Environmental Social and Governance (ESG)
- Inventory for tangible assets (ie development properties)
- IVS 300 Plant and Machinery Valuation
- Long Term Value (Prudential Value)
- Personal Property
- Portfolio Valuation
- Social Value
- Trade-Related Property (joint project with BVB)

Finally, the Board views market engagement with key stakeholders and other standard setters as a key part of its role and has not only provided numerous presentations on IVS and IVS Perspectives
Papers to member organisations or potential member organisations such as the Chamber of Valuers of Montenegro, Datscha UK Limited, European Financial Reporting Advisory Group (EFRAG), European Mortgage Federation (EMF), German Art Experts Society, International Accounting Standards Board (IASB), the Institute of Cost Accountants of India (ICMAI), International Mineral Valuation Committee (IMVAL), International Public Sector Accounting Standards Board (IPSASB), Namibian Association of Valuers and the Zimbabwe Association of Valuers. The TAB has also provided internal presentations to the European Membership and Standards Recognition Board, the Investors Forum, and Universities on behalf of the IVSC. The TAB aims to continue to expand its outreach during the next year.

I would like to take this opportunity to thank my fellow TAB members for their time and commitment to the IVSC and for the expertise they contribute to the International Valuation Standards. I would also like to thank them for their flexibility in adjusting to various forms of virtual communication and for continuing to progress key projects. I look forward to hopefully being able to meet everyone in person again this year.

I would also like to thank Alex Aronsohn for the enormous amount of work and his valued technical input into all the work the TAB undertakes.
EUROPE BOARD

YANN MAGNAN
FRANCE

FRANK BOLLMANN
GERMANY

GIAMPIERO BAMBAGIONI
ITALY

JESUS VALERO GIL
SPAIN

KARTHIK BALISAGAR
UK

MARC BROEKEMA
NETHERLANDS

OLESYA PEREPECHKO
RUSSIA

THOMAS DIMOPOULOS
CYPRUS

JOSE MANUEL GOMEZ DE MIGUEL
SPAIN

KLAUS RABEL
AUSTRIA

WOLFGANG KAELBERER
GERMANY

CHRISTIAN LUFT
UK

JAVIER ZOIDO
IBERIA
platform for knowledge-sharing and an opportunity to gain insights on the challenges being faced by valuers in different jurisdictions. As the world gets to grips with the pandemic, the AFWG will continue to host quarterly webinars, focusing on ‘hot topics’ which have been identified through a survey of members.

The AFWG as a group remains committed to working with all VPOs and stakeholders across the IVSC network to provide support where we can. Principally, we can do this by facilitating dialogue between the valuation profession and the various technical boards of the IVSC as they pursue a transparent and consultative standard-setting process.

A key focus for the AFWG in the year ahead will continue to be the adoption of IVS by VPOs. Over the last year a significant amount of work has been done in this regard, not least between IVSC, the Appraisal Foundation (US) and the Appraisal Institute of Canada, to achieve greater alignment with IVS within national standards. We have also seen the latest IVS translated into several other languages.

I would like to thank members of the AFWG for their ongoing dedication and support. I would also like to thank, in particular, Aida Dedajic at the Appraisal Foundation for her huge contribution to the running of the AFWG.
At the same time, we bid farewell to three founding members of the MSRB, Gheorghe Badescu of ANEVAR, Eleanor Joy of CBV Institute, and Jeannette Koger of AICPA, who have retired from the Board. We would like to commend the notable efforts of these Board members. Since the inception of the Associate VPOs partnering programme in 2017, Gheorghe has contributed tirelessly to this initiative, providing valuable advice, sharing experience, and assisting numerous Associate VPOs in attaining full VPO membership status. In 2019, Eleanor led the MSRB committee in the consultation process for the IVS Adoption Recognition Mark project and presented the committee’s recommendations to the Trustees. Since joining the Board, Jeannette has been actively involved in the IVSC membership admission process and worked closely with the Trustees in the deliberation of potential new IVSC members. On behalf of the Board, I would like to express our heartfelt gratitude to Gheorghe, Eleanor, and Jeannette for their invaluable contributions over the years.

During 2021, the Board has continued to contribute towards the admissions process and expansion of IVSC’s membership base. Board members who are involved in the Associate VPOs partnering programme have guided and supported Associate VPOs in achieving higher standards of professionalism. On the standards recognition front, stemming from a collaboration with the Europe Board and
a webinar was conducted in November 2021 to engage Universities in the Asia & Oceania regions to create awareness of IVSC and IVS. We would like to thank our Board members Phil Western for taking the lead in organising the event and Cao Zhong, for rendering assistance in coordinating with the VPOs. We are also grateful to Olesya Perepechko of the Europe Board for her support and advice, and to Richard Stokes and Alexander Aronsohn of IVSC for contributing to the success of this webinar.

In January 2022, following the onboarding of new Board members, the MSRB reviewed its strategy directions. The Board will continue to invest resources in the ongoing Associate VPO partnering and the academic outreach programmes. There will be greater focus in increasing awareness of IVS with regulators, audit profession, and the legal fraternity. The Board will also seek to engage prospective members in Africa, Caribbean, Central/South America, and China.

I would like to thank all my Board members for their tireless dedication and efforts in the Board’s initiatives, despite the challenges we faced during the year. The Board will continue to work with stakeholders across all markets to promote recognition and adoption of IVS.

On behalf of the Board, I would like to express our sincere gratitude to Nick Talbot and the team at the IVSC for their support in relation to the MSRB’s ongoing efforts to advance the global valuation profession.

Our Investor Forum was set up in May 2021 and brings together valuation and risk leaders from many of the world’s largest investors and pension funds. The Forum meets regularly to discuss valuation trends and challenges of relevance to investors, and to provide end-user input to public consultations.
It is the Board's intention that we use the opportunity of physical meetings, wherever they may take place in Europe, to engage local stakeholders and learn more about the local valuation profession, as well as any areas of mutual interest.

In Madrid, we were able to meet representatives of the Bank of Spain and the National Securities Market Commission (CNMV). During these interactions we discussed the quality of asset valuations and efforts to enhance professionalism. These were fascinating and very timely meetings which sew the seeds of a more developed and ongoing dialogue.

An unfortunate consequence of the pandemic has been the significant rise in corporate insolvencies. In this context, it is increasingly relevant that in 2019 the European Union adopted the EU Directive on Restructuring and Insolvency. The Directive seeks to minimise discrepancies between Member States concerning the range of restructuring tools available to debtors in financial distress, as well as prevent the insolvency of viable businesses by facilitating early access to preventive restructuring frameworks. The Directive is now being transposed across the EU and clearly there is a significant valuation component.

During the last year the Board has been engaged in a number of initiatives, including a collaborative project to explore valuation challenges in the context of the EU's implementation of Basel III; outreach with legal professionals in relation to the transposition of the EU's Directive on restructuring; and engagement with accounting and regulatory bodies in European countries.

To support transposition efforts, the Board hosted a webinar in May 2021 which brought together leading professionals in the fields of insolvency, restructuring, academia, and valuation. The webinar focused on the
role of valuation standards as a means of mitigating valuation disputes. Expert speakers from France, Germany, Netherlands and Spain shared their insights and provided updates on national efforts to implement the Directive.

Where EU policies and Directives have a valuation component the Board will continue to collaborate with valuation stakeholders and identify opportunities to facilitate dialogue and knowledge-sharing. The Board will meet again, in person, in Brussels later this year and will take the opportunity to meet key personnel within EU institutions to discuss some of these topics further.

I would like to thank all members of the Board for their energy and enthusiasm as well as their commitment to IVS and the valuation profession in Europe and beyond.

"Comparability across jurisdictions around the globe is an overarching principle that policy makers should pursue, as it supports greater transparency and facilitates a better functioning of capital markets."

SASKIA SLOMP
CEO, EUROPEAN FINANCIAL REPORTING ADVISORY GROUP (EFRAG)
The Trustees present their report and financial statements for the year ended 31 March 2022.
INTERNATIONAL VALUATION STANDARDS COUNCIL
TRUSTEES' REPORT & STATEMENT OF RESPONSIBILITIES
YEAR ENDED 31 MARCH 2022

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS
The International Valuation Standards Council (IVSC) is the global standard setter for the valuation profession. Its mission is to set and maintain effective, high quality global standards for the performance of valuations by the valuation profession and to contribute to the development of the worldwide valuation profession, thereby serving the public interest.

In addition to the wider commentary on IVSC business activity contained in our Annual Report, there is obviously a significant change to the business environment and we continue to monitor the tragic consequences of Covid-19 which are having an impact on all organisations around the world. The economic crisis stemming from this highlights the importance of consistent quality valuations which will be a critical component in helping restore investor confidence, and we are fulfilling our role in highlighting best practice in times of uncertainty. It creates an uncertain environment, and we have taken steps to contain costs in order to better position ourselves to deal with the potential consequences.

IVSC will continue to review the ongoing situation regularly, with a view to fulfilling our public interest remit and providing as much support as possible to the valuation, investor and regulator communities, whilst taking whatever steps are necessary to ensure financial stability.

AUDITOR
Crowe U.K. LLP has indicated its willingness to be reappointed.

Approved and authorised for issue on 20 June 2022 by the Board of Trustees and signed on its behalf by:

Alistair Darling
Chairman

Nicholas Talbot
CEO
The Trustees are responsible for the preparation the financial statements in accordance with applicable law and regulations.

The Bylaws of the IVSC require the Trustees to be responsible for the preparation of the financial statements for each financial year. Under the Articles of Incorporation the Trustees have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and applicable law.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the IVSC’s financial position, financial performance and cash flows. This requires faithful representation of the effect of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board’s ‘Conceptual Framework for Financial Reporting’ issued in March 2018. In virtually all situations, a fair presentation will be achieved by complying with all applicable IFRSs.

In preparing these financial statements, the Trustees are also required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of the transactions, other events and conditions on the IVSC’s financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the IVSC will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the IVSC. They are also responsible for safeguarding the assets of the IVSC and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
Opinion

We have audited the financial statements of The International Valuation Standards Council (IVSC) for the year ended 31 March 2022 which comprise the Income Statement, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows and the related notes numbered 1 to 15, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

In our opinion, the financial statements:

- give a true and fair view of the state of the IVSC’s affairs as at 31 March 2022 and of its surplus for the year then ended;
- have been properly prepared in accordance with IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the IVSC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on IVSC’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.
INTERNATIONAL VALUATION STANDARDS COUNCIL
INDEPENDENT AUDITOR’S REPORT TO THE BOARD OF TRUSTEES OF
INTERNATIONAL VALUATION STANDARDS COUNCIL (CONTINUED)
YEAR ENDED 31 MARCH 2022

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report therein. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Trustees

As explained more fully in the Trustees’ responsibilities statement set out on page 4, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the IVSC’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the IVSC or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the IVSC operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context was taxation legislation.
INTERNATIONAL VALUATION STANDARDS COUNCIL
INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF
INTERNATIONAL VALUATION STANDARDS COUNCIL (CONTINUED)
YEAR ENDED 31 MARCH 2022

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, inappropriate revenue recognition and recoverability of trade receivables. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, corroborating balances recognised to supporting documentation on a sample basis and ensuring accounting policies are appropriate under the relevant accounting standards.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at www.frc.org.uk/auditorresponsibilities. This description forms part of our auditor’s report.

Use of our report

This report is made solely to the Trustees, as a body, in accordance with our agreed terms of engagement. Our audit work has been undertaken so that we might state to the IVSC’s Trustees those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the International Valuation Standards Council and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP
Statutory Auditor
London

Date: 20 June 2022
INTERNATIONAL VALUATION STANDARDS COUNCIL
INCOME STATEMENT
YEAR ENDED 31 MARCH 2022

<table>
<thead>
<tr>
<th>Notes</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Income</td>
<td>3</td>
<td>1,533,630</td>
</tr>
<tr>
<td>Standard setting and professional development</td>
<td>4</td>
<td>(1,157,714)</td>
</tr>
<tr>
<td>Publications and associated costs</td>
<td></td>
<td>(37,866)</td>
</tr>
<tr>
<td>OPERATING SURPLUS</td>
<td></td>
<td>338,050</td>
</tr>
<tr>
<td>Interest on lease</td>
<td></td>
<td>(1,968)</td>
</tr>
<tr>
<td>OPERATING SURPLUS BEFORE TAX</td>
<td>4</td>
<td>336,082</td>
</tr>
<tr>
<td>Tax expense</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>SURPLUS FOR THE YEAR</td>
<td></td>
<td>336,082</td>
</tr>
</tbody>
</table>

There was no other comprehensive income for the year.

INTERNATIONAL VALUATION STANDARDS COUNCIL
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2022

<table>
<thead>
<tr>
<th></th>
<th>Retained surplus</th>
<th>Foreign exchange reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Balance at 1 April 2020</td>
<td>794,393</td>
<td>70,352</td>
<td>864,745</td>
</tr>
<tr>
<td>Total recognised surplus for the year</td>
<td>348,473</td>
<td>-</td>
<td>348,473</td>
</tr>
<tr>
<td>Balance at 31 March 2021</td>
<td>1,142,866</td>
<td>70,352</td>
<td>1,213,218</td>
</tr>
<tr>
<td>Balance at 1 April 2021</td>
<td>1,142,866</td>
<td>70,352</td>
<td>1,213,218</td>
</tr>
<tr>
<td>Total recognised surplus for the year</td>
<td>336,082</td>
<td>-</td>
<td>336,082</td>
</tr>
<tr>
<td>Balance at 31 March 2022</td>
<td>1,478,948</td>
<td>70,352</td>
<td>1,549,300</td>
</tr>
</tbody>
</table>

The notes on pages 11 to 19 form part of these financial statements.
INTERNATIONAL VALUATION STANDARDS COUNCIL  
STATEMENT OF FINANCIAL POSITION  
YEAR ENDED 31 MARCH 2022

<table>
<thead>
<tr>
<th>Notes</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>6</td>
<td>2,853</td>
</tr>
<tr>
<td>Right of use assets</td>
<td>6</td>
<td>62,337</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>65,190</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>2,072</td>
<td>2,072</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>10</td>
<td>307,639</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>20,761</td>
<td>1,665</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>11</td>
<td>1,706,306</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>2,036,778</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>2,101,968</td>
</tr>
<tr>
<td><strong>CAPITAL AND RESERVES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained surplus</td>
<td>14</td>
<td>1,478,948</td>
</tr>
<tr>
<td>Foreign exchange reserve</td>
<td>14</td>
<td>70,352</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>1,549,300</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred income</td>
<td>12</td>
<td>180,026</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>12</td>
<td>309,486</td>
</tr>
<tr>
<td>Lease liability</td>
<td>13</td>
<td>53,770</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>552,668</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease liability</td>
<td>13</td>
<td>9,386</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td></td>
<td>2,101,968</td>
</tr>
</tbody>
</table>

The financial statements on pages 8 to 10 were approved by the Board of Trustees and have been authorised for issue on 20 June 2022 and were signed on its behalf by:

Alistair Darling, Chairman  
Nicholas Talbot, CEO

Company registration number: FC030067

The notes on pages 11 to 19 form part of these financial statements.
<table>
<thead>
<tr>
<th>Description</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total operating surplus</td>
<td>336,082</td>
<td>348,473</td>
</tr>
<tr>
<td>Depreciation</td>
<td>19,263</td>
<td>933</td>
</tr>
<tr>
<td>Interest on leases</td>
<td>1,968</td>
<td>-</td>
</tr>
<tr>
<td>Decrease in trade and other receivables</td>
<td>75,195</td>
<td>13,319</td>
</tr>
<tr>
<td>(Increase)/ Decrease in prepayments</td>
<td>(19,096)</td>
<td>46,846</td>
</tr>
<tr>
<td>Increase in deferred income</td>
<td>34,307</td>
<td>10,602</td>
</tr>
<tr>
<td>Increase in trade and other payables</td>
<td>86,876</td>
<td>50,385</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td>534,595</td>
<td>470,558</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(1,157)</td>
<td>(2,552)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td>(1,157)</td>
<td>(2,552)</td>
</tr>
<tr>
<td>Payments of lease liabilities</td>
<td>(16,992)</td>
<td>-</td>
</tr>
<tr>
<td>Cash payments for the interest portion of lease liabilities</td>
<td>(1,968)</td>
<td>-</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM FINANCING ACTIVITIES</strong></td>
<td>(18,960)</td>
<td>-</td>
</tr>
<tr>
<td><strong>NET INCREASE IN CASH AND CASH EQUIVALENTS</strong></td>
<td>514,478</td>
<td>468,006</td>
</tr>
<tr>
<td>Opening cash and cash equivalents</td>
<td>1,191,828</td>
<td>723,822</td>
</tr>
<tr>
<td><strong>CLOSING CASH AND CASH EQUIVALENTS</strong></td>
<td>1,706,306</td>
<td>1,191,828</td>
</tr>
</tbody>
</table>

The notes on pages 11 to 19 form part of these financial statements.
1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH IFRS

The International Valuation Standards Council was incorporated on 1 April 2004 as a not-for-profit corporation in Illinois, USA.

The IVSC was registered on 15 February 2011 under the Companies Act 2006, with company registration number FC030067, as having an establishment in the United Kingdom.

Basis of preparation

The IVSC's financial statements have been prepared in accordance with International Financial Reporting Standards published by the International Accounting Standards Board (IFRS) and applicable law.

The IVSC is funded principally through members' subscriptions and additionally through sponsorships and donations. Management produce annual budgets and forecasts and, additionally, regular management information which is reviewed by the Trustees during the course of the year.

The Covid-19 global pandemic has not had a significant impact on the IVSC's ability to continue its work and operations, although the Trustees are mindful that this may change given present levels of uncertainty that exist. Management continues to have regular dialogue with members and sponsors and also to assess the immediate and future cash needs of the IVSC.

Having regard to the above, the Trustees believe it appropriate to adopt the going concern basis of accounting in the financial statements.

The principal accounting policies adopted by the IVSC are set out in note 2. The policies have been consistently applied to all years presented, unless otherwise stated.

2. ACCOUNTING POLICIES

Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the IVSC and the income can be reliably measured. All such income is reported net of discounts and value added and other sales taxes.

Donations and sponsorships

Donations and sponsorships are recognised in accordance with the period stated in the donor or sponsor agreement.

Income relating to sponsorship periods which fall beyond the financial year end are recognised as deferred income.

Membership subscription fees

Membership subscription fees are recognised in accordance with the membership subscription period (1 April to 31 March).

Publications

Publications income is recognised when the control of ownership of the goods has passed to the buyer and the amount of income can be measured reliably.
2. ACCOUNTING POLICIES (continued)

Royalties
Royalty income arising from the use of the intangible property rights of the IVSC is accounted for in accordance with the relevant contracts for the use of those rights by third parties.

Foreign currency exchange
Transactions in currencies other than the functional currency of the IVSC are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Gains and losses arising on retranslation are included in net surplus or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

Tax
For UK tax purposes, the IVSC has sought and received confirmation from H M Revenue and Customs that all income received from members is not taxable. The IVSC is only subject to corporation tax on its surplus from interest receivable and other income.

For US tax purposes, the IVSC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Contributions to the IVSC are deductible for income tax purposes within limitations of the law.

Property, plant and equipment
Items of fixtures, fittings and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses. All tangible fixed assets are depreciated over their estimated useful lives using the straight-line basis.

Furniture, fittings and equipment are depreciated on a straight-line basis over three years.

Lease Accounting

This is the first set of the Council’s annual financial statements in which the IFRS 16 Leases have been applied.

The Council previously elected to take the exemption from IFRS 16 for short leases (being less than 12 months) and accounted for leases as operating leases whereby lease payments associated with these leases were expensed on a straight-line basis over the lease term.

During the year, the Council entered into an 18-month lease period (which is due to expire in May 2023) and therefore adopted IFRS 16. The Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use lease is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset.
2. ACCOUNTING POLICIES (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the incremental borrowing rate of the Council. The incremental borrowing rate used for discounting at the date of transition for property is 8%.

Trade and other receivables

Trade and other receivables denominated in currencies other than the functional currency are recorded at the rates prevailing on the dates of the transactions. At each statement of financial position date, trade and other receivables denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position. Allowances are made for any uncollectable or impaired amounts.

Other receivables are recognised at fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits. Short-term deposits are defined as deposits with an initial maturity of three months or less.

Trade and other payables

Trade and other payables are measured at amortised cost.

Impairment of financial assets

The IVSC has two types of financial asset which are subject to IFRS 9’s expected credit loss model:

- Trade receivables for sponsorships, donations, memberships, grants and publications.
- Other receivables

The IVSC has applied the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all relevant receivables.

Estimates and judgements

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Debts are written off when they are identified as being non-recoverable.

3. INCOME

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Donations, Sponsorships and Grants</strong></td>
<td>1,004,636</td>
<td>1,032,260</td>
</tr>
<tr>
<td><strong>Membership subscription fees</strong></td>
<td>497,972</td>
<td>424,247</td>
</tr>
<tr>
<td><strong>Publications and related activities</strong></td>
<td>30,970</td>
<td>45,220</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>52</td>
<td>480</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>1,533,630</td>
<td>1,302,207</td>
</tr>
</tbody>
</table>
4. OPERATING SURPLUS

Operating surplus is stated after charging the following:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>19,263</td>
<td>933</td>
</tr>
<tr>
<td>Net foreign currency losses</td>
<td>22,569</td>
<td>51,281</td>
</tr>
<tr>
<td>Rental expense</td>
<td>33,720</td>
<td>67,109</td>
</tr>
<tr>
<td>Auditor’s remuneration – audit services</td>
<td>13,200</td>
<td>12,750</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Included in standard-setting and professional development:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>881,765</td>
<td>801,581</td>
</tr>
<tr>
<td>Depreciation</td>
<td>19,263</td>
<td>933</td>
</tr>
<tr>
<td>Net foreign currency losses</td>
<td>22,569</td>
<td>51,281</td>
</tr>
</tbody>
</table>

5. EMPLOYEE EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>749,566</td>
<td>661,571</td>
</tr>
<tr>
<td>Post-employment expense for defined contribution plans</td>
<td>40,713</td>
<td>62,263</td>
</tr>
<tr>
<td>National insurance costs</td>
<td>91,486</td>
<td>77,745</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>881,765</strong></td>
<td><strong>801,581</strong></td>
</tr>
</tbody>
</table>

**Key management compensation**

During the period the key management personnel was comprised of the Chairman and Chief Executive Officer. Their aggregate remuneration for the year ended 31 March 2022 was £349,791 (2021: £323,449).
6. PROPERTY, PLANT AND EQUIPMENT

<table>
<thead>
<tr>
<th></th>
<th>Computer Equipment £</th>
<th>Right-of-use assets £</th>
<th>Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2020</td>
<td>6,852</td>
<td>-</td>
<td>6,852</td>
</tr>
<tr>
<td>Additions</td>
<td>2,552</td>
<td>-</td>
<td>2,552</td>
</tr>
<tr>
<td>To 31 March 2021</td>
<td>9,404</td>
<td>-</td>
<td>9,404</td>
</tr>
<tr>
<td>Additions</td>
<td>1,157</td>
<td>80,148</td>
<td>81,305</td>
</tr>
<tr>
<td>To 31 March 2022</td>
<td>10,561</td>
<td>80,148</td>
<td>90,709</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2020</td>
<td>5,323</td>
<td>-</td>
<td>5,323</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>933</td>
<td>-</td>
<td>933</td>
</tr>
<tr>
<td>To 31 March 2021</td>
<td>6,256</td>
<td>-</td>
<td>6,256</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>1,452</td>
<td>17,811</td>
<td>19,263</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>To 31 March 2022</td>
<td>7,708</td>
<td>17,811</td>
<td>25,219</td>
</tr>
<tr>
<td><strong>Net Book Value</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To 31 March 2020</td>
<td>1,529</td>
<td>-</td>
<td>1,529</td>
</tr>
<tr>
<td>To 31 March 2021</td>
<td>3,148</td>
<td>-</td>
<td>3,148</td>
</tr>
<tr>
<td>To 31 March 2022</td>
<td>2,853</td>
<td>62,337</td>
<td>65,190</td>
</tr>
</tbody>
</table>

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the IVSC expose the IVSC to a number of financial risks. Management continuously monitors these risks with a view to protecting the IVSC against the potential adverse effects of these financial risks. There has been no significant change in these financial risks since the prior year.

Reserves policy

The IVSC defines the capital that it manages as the IVSC’s retained surplus. The IVSC’s objectives when managing capital are:

- to safeguard the IVSC's ability to continue as a going concern, so that it can continue to lead as the global standard setter for the valuation profession; and
7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

- to maintain sufficient financial resources to mitigate against risks and unforeseen events.

The IVSC's reserves policy is to hold a minimum of £500,000 as cash or cash equivalents to meet the IVSC's financial risk management objectives. This is the general policy but it is normal that the balance may occasionally go below for short periods of time.

Credit risk

The IVSC generates revenue principally from recognised entities and institutions. The IVSC's exposure to credit risk arises from payment default. The IVSC carries out regular checks on outstanding balances to ensure the risk of exposure to bad debts is minimised. When calculating its impairment provision, the IVSC assesses, on a forward-looking basis, the expected credit losses associated with its financial assets. For trade receivables, the IVSC applies the simplified approach permitted by IFRS 9 which requires expected lifetime losses to be recognised from the initial recognition of the receivables.

Liquidity risk

The Board of Trustees is responsible for liquidity management.

Management of liquidity risk is achieved by monitoring budgets and forecasts and actual cash flows.

Interest rate risk

The IVSC maintains surplus funds in liquid bank current accounts. The average interest rate on these bank current accounts is negligible, and none of the bank current accounts have an original maturity of more than three months.

For a change in interest rates of 1%, the gross interest earned would be negligible.

Currency risk

The IVSC monitors currency risk closely and considers that its current policies meet its objectives of managing exposure to currency risk.

While the majority of IVSC's costs are in Sterling, the majority of the receivables are denominated in US Dollars and are therefore exposed to changes in the underlying exchange rates applicable upon initial recognition, subsequent measurement and/or settlement. To mitigate this exposure the IVSC transfers amounts received to the British Sterling account as soon as practically possible. Since April 2019 the IVSC has begun to issue invoices to non-US based members and sponsors in GBP sterling where feasible. Further to this the IVSC aims to retain sufficient US Dollar funds to cover any US Dollar denominated expenses.

Covid-19 financial risk

The financial downturn caused by Covid-19, whilst raising the importance of consistent high quality valuations internationally, also increases the risk of aged debt or non-payment.

In addition to liquidity risk management through monitoring budgets, forecasts and the cash flow on a regular basis, IVSC could take further cost-cutting steps should there be a need.
8. FINANCIAL ASSETS AND LIABILITIES

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>Carrying amount</th>
<th>Fair value</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
<td>2021</td>
<td>2022</td>
<td>2021</td>
</tr>
<tr>
<td>UK £ Current Account 1</td>
<td>1,562,352</td>
<td>963,099</td>
<td>1,562,352</td>
<td>963,099</td>
</tr>
<tr>
<td>UK £ Current Account 2</td>
<td>101,232</td>
<td>77,309</td>
<td>101,232</td>
<td>77,309</td>
</tr>
<tr>
<td>UK £ Current Account 3</td>
<td>4,057</td>
<td>8,903</td>
<td>4,057</td>
<td>8,903</td>
</tr>
<tr>
<td>US $ Current Account</td>
<td>38,665</td>
<td>142,517</td>
<td>38,665</td>
<td>142,517</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>307,639</td>
<td>382,834</td>
<td>307,639</td>
<td>382,834</td>
</tr>
</tbody>
</table>

Financial liabilities
Trade and other payables

<table>
<thead>
<tr>
<th>Financial liabilities</th>
<th>Carrying amount</th>
<th>Fair value</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
<td>2021</td>
<td>2022</td>
<td>2021</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(309,486)</td>
<td>(222,610)</td>
<td>(309,486)</td>
<td>(222,610)</td>
</tr>
</tbody>
</table>

9 RELATED PARTY TRANSACTIONS

Associations with members or sponsors

The following Trustees have been identified as being associated with members or sponsors during the financial year as indicated below;

Jay Fishman (Member Emeritus, Business Valuation Committee, American Society of Appraisers; Fellow, RICS),
Zhang Genghua (Secretary General, China Appraisal Society),
Ethiopis Tafara (Vice President and Chief Risk, Legal and Administrative Officer, Multilateral Investment Guarantee Agency (MIGA))
Isao Pasquali (Chief Business and Integration Officer, Deloitte)

No Trustees, other than the Chairman, are remunerated but are reimbursed for out-of-pocket expenses incurred while undertaking work on behalf of the International Valuation Standards Council.

10. TRADE AND OTHER RECEIVABLES

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Receivable from sponsors and members</td>
<td>285,161</td>
<td>350,952</td>
</tr>
<tr>
<td>Other receivables</td>
<td>10,800</td>
<td>10,800</td>
</tr>
<tr>
<td>Other receivables – VAT</td>
<td>11,678</td>
<td>21,082</td>
</tr>
<tr>
<td></td>
<td>307,639</td>
<td>382,834</td>
</tr>
</tbody>
</table>
10. TRADE AND OTHER RECEIVABLES (continued)

Amounts receivable from sponsors and members are non-interest bearing. The ageing of the amounts receivable from sponsors and members is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30 days</td>
<td>154,550</td>
<td>152,280</td>
</tr>
<tr>
<td>31-60 days</td>
<td>(2,282)</td>
<td>1,451</td>
</tr>
<tr>
<td>61-90 days</td>
<td>892</td>
<td>-</td>
</tr>
<tr>
<td>Greater than 90 days</td>
<td>135,796</td>
<td>203,488</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>288,956</strong></td>
<td><strong>357,219</strong></td>
</tr>
</tbody>
</table>

As stated under currency risk the IVSC invoices the majority of its receivables in US Dollar and is therefore exposed to exchange rate volatility as they are not hedged. The IVSC is mitigating this risk by invoicing in GBP Sterling where possible. Of the above debts, 49.6% (2021: 46.9%) was invoiced in US Dollar and the remaining 50.4% (2021: 53.1%) in GBP Sterling.

Trade receivables are shown net of bad debts and lifetime expected loss provision. The total impairment charge for the year amounts to £39,937 (2021: £77,775).


The movement in the lifetime expected loss provision is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision brought forward</td>
<td>6,267</td>
<td>1,257</td>
</tr>
<tr>
<td>(Decrease)/ Increase in provision</td>
<td>(2,472)</td>
<td>5,010</td>
</tr>
<tr>
<td>Provision carried forward</td>
<td>3,795</td>
<td>6,267</td>
</tr>
</tbody>
</table>

11. CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank</td>
<td>1,706,306</td>
<td>1,191,838</td>
</tr>
</tbody>
</table>

The US $ account was revalued at the closing rate of 1.31385 (2021: 1.37832).

For the purposes of the statement of cash flows the above constitute cash and cash equivalents.

12. TRADE AND OTHER PAYABLES

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payable to trade suppliers</td>
<td>73,906</td>
<td>84,812</td>
</tr>
<tr>
<td>Other payables</td>
<td>81,654</td>
<td>1,326</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>60,696</td>
<td>87,222</td>
</tr>
<tr>
<td>Tax payable – PAYE &amp; NI</td>
<td>93,230</td>
<td>49,250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>309,486</strong></td>
<td><strong>232,610</strong></td>
</tr>
</tbody>
</table>
13. LEASE LIABILITIES

The lease liabilities have arisen on adoption of IFRS 16 and are secured by the underlying assets.

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current lease liabilities</td>
<td>£53,770</td>
<td>-</td>
</tr>
<tr>
<td>Non-current lease liabilities</td>
<td>£9,386</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>63,156</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

14. RESERVES

The retained surplus reflects the accumulated surplus from the IVSC's activity to date. The reserve is used to fund the current and future activities of the IVSC.

The foreign exchange surplus reflects the differences arising upon the retranslation of the net assets and historical retained surplus from US Dollar to UK Sterling effective from 1st April 2016.

15. CONTRIBUTION OF SERVICES IN KIND

During the financial period and beyond, the IVSC has and will continue to benefit from a contribution of services in kind from specific sponsors as follows;

<table>
<thead>
<tr>
<th>Position</th>
<th>Time contributed</th>
<th>Sponsor</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Director</td>
<td>1 ¾ days per week</td>
<td>BDO</td>
<td>April 2021 to Sept 2021</td>
</tr>
<tr>
<td>Technical Director</td>
<td>1 ¾ days per week</td>
<td>EY</td>
<td>Oct 2021 to Mar 2022</td>
</tr>
<tr>
<td>Technical support</td>
<td>1 day per week</td>
<td>Bloomberg</td>
<td>Apr 2021 to Mar 2022</td>
</tr>
<tr>
<td>Technical support</td>
<td>1 day per week</td>
<td>Lincoln Int</td>
<td>Dec 2021 to Mar 2022</td>
</tr>
</tbody>
</table>

Additionally, volunteers to the IVSC contributed approximately 842 days of service in kind in the period April 2021 to March 2022 (740 days in the period April 2020 to March 2021).