



# NEWS ALERT

FOR IMMEDIATE RELEASE (16 August 2004)

## **‘Deloitte IFRS Model Financial Statements support International Valuation Standards’**

Deloitte has published model financial statements to illustrate the typical disclosures of a UK listed company reporting under International Financial Reporting Standards (IFRSs) for 2005. The notes to the accounts for Property, Plant and Equipment and for Investment Property carry the statement: *‘The valuation conforms to International Valuation Standards.’*

Material that has been included to meet specific UK requirements has been highlighted in the model financial statements. Otherwise, Deloitte considers that the model statements are appropriate for entities following IFRSs in any country. Globally, thousands of companies will be moving to IFRS as their primary basis of financial reporting as from 2005. The use of IFRSs becomes mandatory for listed companies in the 25 European Union member states in 2005. About 70 other countries will also be using IFRSs directly or aligning national standards with IFRSs.

John Edge, IVSC Chairman welcomed the publication, “The IVSC has long maintained that use of International Valuation Standards can help in the rigorous and consistent application of International Financial Reporting Standards (IFRS). Valuers who are called upon to prepare a valuation for IFRS accounts should be aware that the auditing profession may require the valuation under International rather than national valuation standards.”

END

## NOTES TO EDITORS

1. For further details, please contact:  
  
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2. The International Valuation Standards can be freely viewed on the IVSC web site (www.ivsc.org), representing the commitment by the International Valuation Standards Committee to ensure that all valuers, from both developed and emerging economies, have access to its standards. The printed version is available at a cost of US\$50 (inclusive of postage and handling charges) and can be ordered on-line.
3. The IFRS Model Financial Statements can be viewed on the Deloitte web site – [www.iasplus.com](http://www.iasplus.com).
4. Relevant extracts from the Model Financial Statements read as follows:

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 20XX**

#### **Significant accounting policies**

##### **Property, Plant and Equipment**

*Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at their revalued amounts, being the fair value at the date of revaluation, determined from market-based evidence by appraisal undertaken by professional valuers, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.*

##### **Investment Property**

*Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.*

#### **16. Property Plant and Equipment**

*Land and buildings were revalued at 31 December 20XX by Messrs. Lacey & King, independent valuers not connected with the Group, on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.*

#### **17. Investment property**

*The fair value of the Group's investment property at 31 December 20XX has been arrived at on the basis of a valuation carried out at that date by Messrs R P Trent, independent valuers not connected with the Group. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.*