

**FRS 113 - FAIR VALUE MEASUREMENT
SCOPE OF WORK**

MINIMUM CONTENTS OF VALUATION REPORT

1. Identification of the client and any other intended users.

The Valuation Report should state the engaging client and the intended users of the valuation report. The Valuation Report should also state any limits or exclusion of liability to parties other than the client.

2. Any consent to, or restrictions on, publication.

The Valuation Report should state whether the valuer has provided consent to or restriction on the publication of the Valuation Report. If consent has been provided, the parties or publication to which the Valuation Report could be made available should be stated.

3. Purpose of valuation.

The Valuation Report should state its specific purpose, its terms of reference, and if there are any limitations on its use for other purposes. The Valuation Report should indicate the relevant financial reporting standards under which the valuation exercise is required.

4. Subject of the valuation.

The Valuation Report should state the subject of the valuation, including background of the subject company, asset or liability and the circumstances from which the valuation requirement has arisen.

5. Interest to be valued.

The Valuation Report should state the interest to be valued (e.g. equity stake, tranches of loans, number of warrants issued and outstanding, etc)

6. Type of asset or liability and how it is used, or classified, by the client.

The Valuation Report should state the type of asset or liability to be valued and the use or classification of such by the client.

7. Standard and Premise of Value

The Valuation Report should state the standard of value being used (Fair Value as defined in FRS 113) clearly, It should also state the premise of value, e.g. whether value is based on a going concern or liquidation.

8. A statement of the valuation approach and reasoning.

The Valuation Report should set out the valuation approaches, the selected approach and the reasoning for the selection. If there is any change in method, the rationale for that change should be set out.

9. Valuation date.

As the valuations are likely to fluctuate over time, the value should ensure that the opinions expressed and the valuation provided is consistent with circumstances as at the valuation date.

10. Disclosure of any material involvement, or a statement that there has not been any previous material involvement;

The Valuation Report should state whether there is any material involvement by the valuer, or that there has not been any previous material involvement.

11. Where appropriate, the currency that has been adopted.

The report should state the currency adopted, the exchange rates applied at the respective dates, and the source of such information.

12. Any assumptions, special assumptions, reservations, special instructions or departures.

The Valuation Report should set out a concise summary setting out the key data and important assumptions made and the conclusions drawn by the valuer, qualified if necessary according to the insufficient or inadequate information. The Valuation report should also set out any special assumptions, reservations, and special instructions from the client, or any departure from instructions.

13. The extent of the valuer's investigations.

The Valuation Report should state the extent of investigations carried out by the valuer to support or check valuation assumptions and conclusions. It should also state the limitations to the extent of investigation, and the limitations to the valuer's responsibility to perform investigations.

14. Nature and source of information relied on by the valuer.

The Valuation Report should state all material information and data used. Subject to any confidentiality or regulatory requirements and the need to obtain consents, adequate references to relevant published and unpublished reports and records used must be provided. It may also be necessary to cite reports, data and records that were either available or known and were possibly Material but which were not used, and the reasons why there were not used.

15. The opinions of value.

The Valuation Report must state the opinions of value(s) determined. To the extent that it may affect the valuation and if the available data permits, a range (high/low) of values should be determined and stated, reflecting any uncertainties in the data and the interactions of the various key assumptions made.

However, the range should not be so wide as to render the valuation meaningless.

16. Disclosure requirements

The Valuation Report shall also contain any information that the reporting entity is required to disclose by the relevant Financial Reporting Standards. Examples of disclosure required about fair value measurements include methods and significant assumptions used in the measurement and, or whether, the measurement was determined by reference to observable prices or recent market transactions. Some standards also require information about the sensitivity of the measurement to changes in significant inputs.

17. Signature (valuer's individual name) and date of the report.

18. Identity and qualifications of the valuer responsible for the valuation.

The Valuation Report should state the names, qualifications, relevant experience, and relevant professional affiliations of the valuer responsible for the valuation.