

Value Reporting Charity UK

England & Wales · Charity number 1165201

Details

Other names INTEGRATED REPORTING FOUNDATION

Status Registered

Legal form Charitable company

Company number [09696680](#)

Registered 2016-01-19

Register [View on the Charity Commission register](#)

Contact

Address IFRS Foundation
7 Westferry Circus
Canary Wharf
London
E14 4HD

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Activities

Objects: TO PROMOTE FOR THE BENEFIT OF THE PUBLIC THE ART AND SCIENCE OF - INTEGRATED REPORTING BEING A METHOD OR SYSTEM OF COMMUNICATION BY AN ORGANIZATION IN AN INTEGRATED WAY OF INFORMATION ABOUT ITS STRATEGY, GOVERNANCE, PERFORMANCE AND PROSPECTS, IN THE CONTEXT OF ITS EXTERNAL ENVIRONMENT; AND - MANAGEMENT OF AND REPORTING ABOUT THE STRATEGY, GOVERNANCE, PERFORMANCE AND PROSPECTS OF ORGANISATIONS IN EACH CASE IN THE PRIVATE, PUBLIC AND THIRD SECTORS INCLUDING THE STUDY AND DEVELOPMENT OF, AND THE EDUCATION OF THE PUBLIC ABOUT, MANAGEMENT AND REPORTING PRACTICES, PRINCIPLES AND STANDARDS INCLUDING IN PARTICULAR (BUT WITHOUT LIMITING THE FOREGOING) SUCH PRACTICES, PRINCIPLES AND STANDARDS AS PROMOTE TRANSPARENCY, GOOD GOVERNANCE AND RESPONSIBLE BEHAVIOUR IN SUCH ORGANISATIONS.

Activities: Value Reporting Charity UK makes grants to fund initiatives and activities that promote the art and science of organisation management and reporting practices, in particular integrated and sustainability reporting including the study and development of, and the education of the public about such practices, principles and standards as promote transparency, good governance and responsible behaviour.

Classification

- **How:** Makes Grants To Organisations, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Other Charitable Purposes
- **Who:** The General Public/mankind

Geography

- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees	
2024-12-31		£16	£60	-	-
2023-12-31		£16	£60	-	-
2022-12-31		£3,206	£5,480	-	-
2021-12-31		£229,448	£227,940	-	-
2020-12-31		£4,335	£5,379	-	-

Trustees

Name	Role	Appointed
Jonathan Scott Labrey		2021-09-01
Katharine Dawson		2022-12-15

Value Reporting Charity UK

England & Wales - Charity number 1165201

Accounts

**COMPANY REGISTRATION NUMBER 09696680
REGISTERED CHARITY NUMBER 1165201**

**VALUE REPORTING CHARITY UK
(A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS
INTEGRATED REPORTING FOUNDATION**

ANNUAL REPORT

**YEAR ENDED
31 DECEMBER 2021**

**VALUE REPORTING CHARITY UK
(FORMERLY INTEGRATED REPORTING FOUNDATION)
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**VALUE REPORTING CHARITY UK
(FORMERLY INTEGRATED REPORTING FOUNDATION)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Trustees present their report and financial statements for the Value Reporting Charity UK, formerly known as Integrated Reporting Foundation, for the year ended 31 December 2021.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Directors and trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The directors who served during the year and since the year end were:

Warren Allen (resigned 31 August 2021)
Ishaat Hussain (resigned 31 August 2021)
Jonathan Labrey (appointed 1 September 2021)
Richard Sexton (resigned 21 June 2021)
James Singh (resigned 31 August 2021)
Matthew Welch (appointed 1 September 2021)

Charity details

On 7 September 2021 the charity changed its name from Integrated Reporting Foundation to Value Reporting Charity UK.

Charity number: 1165201

Company number: 09696680

Registered office: The Helicon, Third Floor, 1 South Place, London, England, EC2M 2RB

Bankers: CAF Bank Ltd., 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

Structure, Governance and Management

Governing Document

Value Reporting Charity UK is a company limited by guarantee governed by its Memorandum and Articles of Association dated 21 July 2015. It is registered as a charity with the Charity Commission (registered charity number 1165201).

Structure

The sole member of the company is the Value Reporting Foundation UK (VRF UK), formerly called International Integrated Reporting Council (IIRC), a company limited by guarantee, whose liability is limited to £1 in the event of the Charity being wound up.

In June 2021 IIRC merged with the Sustainability Accounting Standards Board (SASB) Foundation, a US charity, to form the Value Reporting Foundation (VRF). In this merger SASB Foundation changed its name to the Value Reporting Foundation and became the sole member and parent company of the IIRC, which in turn changed its name to Value Reporting Foundation UK. Subsequently, in September 2021 the charity changed its name from Integrated Reporting Foundation to Value Reporting Charity UK.

**VALUE REPORTING CHARITY UK
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In November 2021 at COP26 in Glasgow, the IFRS Foundation announced the formation of the International Sustainability Standards Board (ISSB), which will develop a comprehensive global baseline of high-quality sustainability disclosure standards. Value Reporting Foundation intends to merge with the IFRS Foundation, consolidating our resources to support the launch of the new ISSB. As part of this merger, IFRS Foundation would take over the sole membership of the VRF UK and become its new parent entity, and new ultimate parent of the charity. Post year-end the Trustees of the IFRS Foundation and the Board of Directors of the Value Reporting Foundation voted to approve the merger, and anticipate an effective date of 31 July 2022. The merger has not taken effect by the date of this report.

As set out in the Articles of Association trustees are appointed by ordinary resolution or by a decision of the directors. The directors at the date of this report are also employees of the charity's parent company, VRF UK, or ultimate parent company, Value Reporting Foundation.

The Charity does not employ any staff. Administrative support is provided by VRF UK. Decisions are made by the Trustees.

Objectives and activities for the public benefit

The Charity's objects, during the reporting period, were restricted specifically to the promotion for the benefit of the public of the art and science of:

- integrated reporting, being a method or system of communication by an organisation in an integrated way of information about its strategy, governance, performance and prospects, in the context of its external environment; and
- management of and reporting about the strategy, governance, performance and prospects of organisations

in each case in the private, public and third sectors including the study and development of, and the education of the public about, management and reporting practices, principles and standards including in particular (but without limiting the foregoing) such practices, principles and standards as promote transparency, good governance and responsible behaviour in such organisations.

The trustees have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011 when exercising any powers or duties to which the guidance is relevant.

Grant-making

The charity advances its aims by working in partnership with, including grant-making to, institutions, in particular VRF UK, and other major, corporate reporting frameworks and standards. VRF UK is the author and steward of the International Integrated Reporting Framework (<IR> Framework), which establishes the 'Guiding Principles' and 'Content Elements' of an integrated report and the 'Fundamental Concepts' that underpin them. VRF UK is, therefore, uniquely placed to promote the development of integrated reporting, and in turn promote alignment among frameworks and standards for corporate reporting as integrated reporting itself is the 'umbrella' which provides the connections between other reporting frameworks and standards.

In 2021 the charity made a grant of £216,000 to VRF UK to support its Guide to Reporting on Enterprise Value in Practice project - a collaborative workplan to support the mainstreaming of sustainability reporting, specifically in relation to harmonization of leading voluntary sustainability reporting standards and their connection to financial reporting.

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Achievements and performance - Guide to Reporting on Enterprise Value in Practice Project

This project aimed to leverage the existing networks of organizations in the sustainability reporting ecosystem to achieve alignment and further field rationalization. Critical to the project's inception was the 'Group of Five' work made public in late 2020.

For context, this group of five leading framework and standard-setting organizations - CDP, Climate Disclosure Standard Board, Global Reporting Initiative, IIRC (now VRF UK) and SASB – had announced in September 2020 a shared vision for a comprehensive corporate reporting system that includes both financial accounting and sustainability disclosure, connected via integrated reporting. The joint statement outlined how existing sustainability standards and frameworks could complement generally accepted financial accounting principles. Then, in December 2020, the Group of Five published a prototype climate-related financial disclosure standard that illustrated how the concepts from the joint paper could be applied to climate disclosure and consolidated content and metrics into one practical guide.

The project consisted of five workstreams as set out below.

1. Complementary Tools Paper

Following the merger of IIRC and SASB, the project set out to demonstrate alignment between the Integrated Reporting Framework (<IR> Framework) and SASB Standards and highlight companies using both disclosure tools effectively. Dozens of company interviews were conducted to understand why companies choose to report with the <IR> Framework and SASB Standards and the benefits the tools provide. Using case studies and examples from six specific corporate reporters, an informative publication was produced that highlighted the benefits of the two tools and how they were being successfully implemented. The paper, *Complementary Tools: Using the <IR> Framework and SASB Standards Together*, was published in September 2021.

The paper demonstrates that when the <IR> Framework and SASB Standards are used in conjunction, they enable a positive feedback loop between companies and investors which over time, enables company improvement on critical sustainability issues. The feedback loop demonstrates that sustainability disclosure is more than a communications exercise, it is a means for internal change management and external awareness of company value creation.

The paper was significant as it was the first paper to include case studies and content connecting <IR> Framework and SASB Standards together, and it was supported by the VRF's first promotional video. The video was highly successful, garnering over 1,200 impressions and 500 views on social media in the first few days. It also included an interactive animation - the caption of the feedback loop graphic links to an animation narrated by VRF CEO, Janine Guillot.

2. Response to IASB Management Commentary Consultation

In May 2021, the International Accounting Standards Board (IASB) published the Exposure Draft Management Commentary for public consultation. The Exposure Draft set out the IASB's proposals for a comprehensive new framework for preparing management commentary and targeted several emerging issues. Overall, it aimed to meet evolving investor needs by driving long-term thinking on systemic risks, reflecting intangible resources and relationships, and including ESG factors relevant to value creation. It is important to emphasize that the draft Management Commentary also aimed to provide connectivity to other reports. As a leader in the disclosure landscape, the VRF's response to the consultation was both critical and influential.

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Following extensive market engagement to inform and hone its message, VRF submitted its public comment to IASB's Management Commentary Consultation in September 2021 (final submissions closed in November 2021). This early submission also provided other interested parties and commenters with VRF's detailed views on improving the Exposure Draft. In conjunction, VRF hosted a public webinar outlining its response and the rationale behind it. VRF's response included several key recommendations for IASB. It encouraged further integration of the <IR> Framework and TCFD principles and concepts, including enhancing the connectivity between financial and sustainability standards. It called for a clear definition of value creation and consideration in the context of the (then-proposed) ISSB. Lastly, VRF recommended the repositioning of management commentary to address broader business, performance and prospects.

All responses to the Exposure Draft will be reviewed by the IASB in 2022 and it is anticipated the new Board of the ISSB will also be consulted on further developments.

3. IFRS Technical Strategy Deck

As part of the process leading up to the formation of the ISSB, the IFRS Foundation created the Technical Readiness Working Group (TRWG) of leading organizations with expertise in sustainability and integrated reporting standard-setting focused on meeting investors' needs. It included representatives of the CDSB, the IASB, the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), the VRF and the World Economic Forum (Forum). The International Organization of Securities Commissions (IOSCO) and its Technical Expert Group of securities regulators participated as observers to the TRWG. The purpose of the TRWG was to enable the ISSB to build on the well-established work of long-standing international initiatives focused on enterprise value to drive international consistency of disclosures that inform investors' investment decision-making.

VRF's participation was an important opportunity to shape the ISSB and the next era of sustainability disclosure. Part of its participation was showing key concepts and architecture for incorporating VRF resources, namely the <IR> Framework and SASB Standards, into IFRS infrastructure. In summer 2021, VRF presented an internal strategy deck for the TRWG to educate and encourage the use of VRF tools.

The TRWG published a General Requirements for Disclosure of Sustainability-related Financial Information (General Requirements Prototype) at COP26 in November. These TRWG-recommended general disclosure requirements leveraged the resources, knowledge, and experience of existing frameworks and standards-setters. In addition, the TRWG prepared papers on six other workstreams (as well as the Climate Prototype mentioned below). These other papers have not been published but have been prepared to provide the ISSB Board with recommendations to serve as the foundation of the ISSB's initial work program.

#4 - Prototype Climate Standard

In addition to the General Disclosure Prototype, the TRWG also published a Climate-related Disclosures Prototype (Climate Prototype) that builds on the TCFD recommendations and the climate prototype published by the Group of Five in December 2020. The Climate Prototype is the culmination of six months of work by the TRWG and aims to provide the foundation for the ISSB's climate disclosure standards by leveraging the knowledge and work of existing players in the disclosure landscape.

The Climate Prototype was released at COP26 in November 2021. If furthered through ISSB due process, it would require an entity to disclose information that enables users of financial reporting to

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assess the entity's governance processes, strategies in the short, medium and long-term, risk management, and metrics and targets with regards to climate-related risks and opportunities. The Climate Prototype has since been issued as an exposure draft by the ISSB in 2022.

#5 - Human Capital Research

Diversity, equity and inclusion (DEI) has surfaced as a top priority for VRF and market stakeholders. Companies and investors alike are looking for guidance and understanding around the value of workforce diversity and how to measure it. As part of this project, representatives from Unilever and Anglo American were interviewed on DEI. These companies narrated their unique approaches to DEI disclosure, the pitfalls and areas for improvement. For example, Unilever, a consumer goods company, noted the benefits of a diverse workplace that reflects the customer base and regions where they operate, but monitoring diversity is challenging given the large number of countries where they operate, each with distinct cultural values. Anglo American, a mining company based in South Africa, has seen a substantial increase in external interest in gender and race disclosure especially in the last two years. As a result, they are developing protocol around how to appropriately address and monitor this information.

Following the IIRC-SASB merger, these interviews have also been incorporated into the SASB Standards Human Capital research project. That project aimed to evaluate the broad range of human capital issues and how they impact enterprise value creation. Moving forward, information from these interviews continues to help VRF approach and investigate human capital issues. That basis of understanding likewise informs how VRF hire additional staff to focus on emerging issues and how human capital will be integrated into the ISSB human capital standard setting agenda.

Financial review

The charity secured a grant of £216,037 in the year, which was to fund the Guide to Reporting on Enterprise Value in Practice project.

The charity does not raise funds from the general public. The charity will continue to seek grant funding to allow it to continue its grant-making to advance its objectives.

Key risks and uncertainties, and reserves

The charity has only a small number of sources of funding, which are largely non-recurring grants. They are at the discretion of the funders whether these are renewed. Therefore, there is high uncertainty about future funding. On the other hand, the charity does not have significant financial commitments and VRF UK has committed to provide administrative support pro bono on an ongoing basis. Therefore, if funding were not to be forthcoming in the near future the charity would still be able to operate, but it would not be able to make significant progress towards its aims without receiving further funding.

As a result, the Charity does not need to hold a significant level of reserves. Total funds of £2,470 were held at the year-end, all of which was unrestricted, which the Trustees consider sufficient in light of the above.

Though the COVID-19 pandemic is continuing to impact the global economy, the charity is not unduly exposed. Similarly, the charity does not have direct exposure to the economic impact of the war in Ukraine which commenced in February 2022 and is ongoing at the time of this report. The charity is reliant for administrative support on VRF UK, whose income streams are also not unduly exposed to these macroeconomic shocks, and having assessed the VRF UK's level of cash reserves and cash flow forecast through June 2023, the Trustees have not identified material uncertainty

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regarding the VRF UK's, and therefore the Charity's, ability to continue as a going concern.

In November 2021 the Value Reporting Foundation and the IFRS Foundation announced their intent to merge in the first half of 2022. As part of this merger, IFRS Foundation would take over the sole membership of the VRF UK, so becoming the charity's ultimate parent entity. At the date of this report a merger has not been completed, and no decision on the future of the charity has been made.

Statement of trustees' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The directors are responsible for ensuring that Value Reporting Charity UK keeps adequate accounting records that are sufficient to show and explain the Charitable Company's transactions, discloses with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board on 20 July 2022 and signed on its behalf by



Matthew Welch
Director

**VALUE REPORTING CHARITY UK
(FORMERLY INTEGRATED REPORTING FOUNDATION)
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF VALUE REPORTING
CHARITY UK
FOR THE YEAR ENDED 31 DECEMBER 2021**

I report to the trustees (who are also Directors for the purpose of company law) on my examination of the financial statements of Value Reporting Charity UK ('the charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and Basis of Report

As the trustees of the charitable company you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

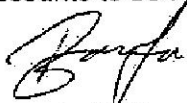
Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 ('the 2011 Act') and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Barry Au FCA
Wisteria Audit Ltd
Chartered Accountants & Statutory Auditors
The Grange Barn, Pikes End, Pinner, London, HA5 2EX
Date: 20 JULY 2022

VALUE REPORTING CHARITY UK
(FORMERLY INTEGRATED REPORTING FOUNDATION)
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE
ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds	Restricted funds	Total funds	Prior year funds
		£	£	2021 £	2020 £
INCOMING RESOURCES					
Income and endowments from:					
Donations and legacies	3	13,411	216,037	229,448	4,335
Total income		13,411	216,037	229,448	4,335
RESOURCES EXPENDED					
Expenditure on charitable activities:					
Guide to Reporting on Enterprise Value in Practice Project		11,903	216,037	227,940	5,379
Total expenditure	5	11,903	216,037	227,940	5,379
Net income/(expenditure) and net movement in funds		1,508	-	1,508	(1,044)
Reconciliation of funds					
Total Funds brought forward		962	-	962	2,006
Total funds carried forward		2,470	-	2,470	962

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

All brought forward funds at 1 January 2020 and carried forward at 31 December 2020 were unrestricted.

VALUE REPORTING CHARITY UK
BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	Total funds 2021 £	Total funds 2020 £
Current assets:			
Cash at bank and in hand		4,125	7,442
Debtors	7	4,845	-
Total current assets		8,970	7,442
Current liabilities:			
Creditors falling due within one year	8	6,500	6,480
Net assets		2,470	962
The funds of the charity:			
Unrestricted funds		2,470	962
Total charity funds		2,470	962

The notes on pages 12 to 17 form part of these accounts.

For the year ending 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The member has not required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and authorised for issue on 20 July 2022 and signed on its behalf by



Matthew Welch
Director

Company registration number: 09696680

VALUE REPORTING CHARITY UK
(FORMERLY INTEGRATED REPORTING FOUNDATION)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Total funds 2021 £	Total funds 2020 £
Net movement in funds	1,508	(1,044)
Increase/(decrease) in creditors	20	(302,273)
(Increase)/decrease in debtors	(4,845)	301,673
Net cash provided by/(used in) operating activities	(3,317)	(1,644)
Change in cash and cash equivalents in the year	(3,317)	(1,644)
Cash and cash equivalents at the beginning of the year	7,442	9,086
Cash and cash equivalents at the end of the year	4,125	7,442

**VALUE REPORTING CHARITY UK
(FORMERLY INTEGRATED REPORTING FOUNDATION)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Value Reporting Charity UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Though the COVID-19 pandemic is continuing to impact the global economy, the charity is not unduly exposed. Similarly, the charity does not have direct exposure to the economic impact of the war in Ukraine which commenced in February 2022 and is ongoing at the time of this report. The Charity is reliant for administrative support on VRF UK, its parent undertaking. Having assessed VRF UK's level of their cash reserves and cash flow forecast through June 2023, the Trustees have not identified material uncertainty regarding the VRF UK's, and therefore the Charity's, ability to continue as a going concern. Accordingly, the Trustees are satisfied that the financial statements should be prepared on the going concern basis.

In November 2021 at COP26 in Glasgow, the IFRS Foundation announced the formation of the International Sustainability Standards Board (ISSB), which will develop a comprehensive global baseline of high-quality sustainability disclosure standards. Value Reporting Foundation intends to merge with the IFRS Foundation, consolidating our resources to support the launch of the new ISSB. As part of this merger, IFRS Foundation would take over the sole membership of the VRF UK and become its new parent entity, and new ultimate parent of the charity. Post year-end the Trustees of the IFRS Foundation and the Board of Directors of the Value Reporting Foundation voted to approve the merger, and anticipate an effective date of 31 July 2022. The merger has not taken effect by the date of this report.

The functional and presentational currency is UK Sterling.

b) Income recognition

Donations and grants are recognised in income when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

c) Donated services and facilities

Donated services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

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1. ACCOUNTING POLICIES (continued)

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; when there is no direct evidence of an open market value for an equivalent item a value may be derived from the cost of the item to the donor. A corresponding amount is then recognised in expenditure in the period of receipt.

d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant award this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant.

e) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

f) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. The basis on which support costs have been allocated to charitable activities is set out in note 5.

g) Charitable activities

Costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 5.

h) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES (continued)

k) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

l) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the directors' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

m) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are held at amortized cost.

2. LEGAL STATUS

The Value Reporting Charity UK is a company limited by guarantee and has no share capital. It is incorporated in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. INCOMING RESOURCES

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2021	2021	2021	2020
	£	£	£	£
Donations and legacies:				
General grants provided by other charities	-	216,037	216,037	-
Donations from individuals	8,788	-	8,788	-
Donated services	4,623	-	4,623	4,335
Total	13,411	216,037	229,448	4,335

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4. DONATED GOODS, FACILITIES AND SERVICES

The Value Reporting Foundation UK (VRF UK), formerly called the International Integrated Reporting Council (IIRC), provided administrative support to the charity free of charge in the year. The value of these services, shown in note 3, has been derived from the cost to the VRF UK of the time spent by their staff on providing these services.

5. EXPENDITURE

The charity undertakes its charitable activities through grant making and has awarded grants to the VRF UK, approved by the board of directors in furtherance of its charitable activities.

Support costs attributable to charitable activities have been allocated to the Guide to Reporting on Enterprise Value in Practice Project, being the only grant awarded during the year.

Analysis of expenditure on charitable activities:

	Grant funding of activities 2021 £	Support costs 2021 £	Total 2021 £	Total 2020 £
Expenditure on charitable activities:				
Guide to Reporting on Enterprise Value in Practice Project	216,000	11,940	227,940	-
Corporate Reporting Dialogue Alignment Project	-	-	-	5,379
Total expenditure	216,000	11,940	227,940	5,379

6. SUPPORT COSTS

	Governance related costs 2021 £	Other support costs 2021 £	Total support costs 2021 £	Total support costs 2020 £
Donated services - administrative support	4,623	-	4,623	4,335
Independent examiner's remuneration	6,500	-	6,500	480
Other	721	96	817	564
Total	11,844	96	11,940	5,379

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7. DEBTORS

Debtors falling due within one year	2021	2020
	£	£
Other receivables	4,845	-
Total	4,845	-

Other receivables consist of an amount owed by HSBC being the outstanding balance of a bank account that was previously closed down.

8. CREDITORS

Creditors falling due within one year	2021	2020
	£	£
Accruals	6,500	-
Amounts owed to group undertakings	-	6,000
Trade creditors	-	480
Total	6,500	6,480

9. RELATED PARTIES

Trustees

The key management personnel of the charity comprise the trustees. None of the trustees during the year were paid any remuneration or received any other benefits from the charity in the year, nor were they reimbursed expenses by the charity during the year, nor did they receive payment for professional or other services supplied to the charity.

VRF UK

The Value Reporting Charity UK forms part of a group, along with its parent undertaking the VRF UK, and its ultimate parent undertaking Value Reporting Foundation, a charity based in the USA. VRF UK and Value Reporting Foundation each prepare consolidated financial statements. VRF UK is the sole member of the charity and shares the same registered office, place of business and country of incorporation. VRF UK controls the Value Reporting Charity UK by way of having the right to appoint and remove its directors.

The charity made grants totalling £216,000 in the year (2020: £nil) to the VRF UK.

Income and expenditure includes administrative support services donated to the charity by the VRF UK in the year to the value of £4,623 (2020: £4,335).

The charity received donations from board members of Value Reporting Foundation in the year totalling £8,788 (2020: £nil)

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10. TAXATION

The charity is exempt from tax on income and gains falling within sections 466 to 493 Corporation Tax Act 2010 (CTA 2010) to the extent that these are applied to its charitable objects.