



Investment  
Property Forum



# Report & Accounts 2012



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# Management Board & Executive

## Executive

**Executive Director**  
Sue Forster

**Research Director**  
Pam Craddock

**Associate Director**  
Frankie Traylor

**Accounts Manager**  
Jenny Hooper

**Events Manager**  
Barbara Hobbs

**Events Manager**  
Suleen Syn

**Membership Co-ordinator**  
Cheryl Collins

## IPF Management Board

**President**  
Sir David Clementi

**Chairman**  
Phil Clark

**Vice Chairman**  
Amanda Howard

**Honorary Treasurer**  
Philip Ingman

## Board Members

Andrew Brazier  
Stephen Brown  
Chris Carter Keall  
Paul Clark  
Toby Courtauld  
Ian Cullen  
Sue Forster  
Susan Geddes  
John Gellatly  
Andrew Hynard  
Chris Ireland  
Guy Morrell  
Peter Pereira Gray  
Rosalind Rowe  
Max Sinclair  
Andrew Smith  
Michael Stancombe  
Neil Turner

## Past Chairmen

Adrian Wyatt  
Adrian White  
Michael Boggis  
Richard Catling  
Ramsay Mason  
Andrew Graham  
John Whalley (deceased)  
Phillip Nelson  
Mark Burton  
Edward Luker  
Stuart Beevor  
Rupert Clarke  
Martin Moore  
Rob Bould  
Steven Fogel  
Ian Marcus  
Andy Martin  
Paul McNamara  
Ian Womack  
Peter Freeman  
Andrew Hynard  
Peter Pereira Gray  
John Gellatly

## Life Members

Stuart Beevor  
Rob Bould  
Robert Clarke  
Ian Cullen  
John Gellatly  
Andrew Graham  
Michael Mallinson  
Ian Marcus  
Andy Martin  
John McLachlan  
Paul McNamara  
Fiona Morton  
Phillip Nelson  
Sir Idris Pearce  
John Plender  
Sir John Ritblat  
Karen Sieracki  
John Story  
Ian Womack  
Adrian Wyatt

## Honorary Members

Michael Barrie – Association of British Insurers  
Roger Bootle – Capital Economics  
John Cartwright – Association of Real Estate Funds  
Philip Charls – EPRA  
Sir Robert Finch – Property Industry Alliance  
Andrew Goodbody – Association of Property Bankers  
Will Goodhart – CFA Society of the UK  
William Jackson – FIABCI  
Simon Jones – Institute of Actuaries Property Committee  
Richard Kauntze – British Council for Offices  
Andrew Main Wilson – Institute of Directors  
Liz Peace – British Property Federation  
Lydia Romero – University of Cambridge Institute of Continuing Education  
Matthias Thomas – INREV  
Sean Tompkins – RICS  
Steven Wechsler – NAREIT

# Report of the Chairman

It has been both a great honour and pleasure to serve as Chairman of the Investment Property Forum over the past 12 months, a period which has continued to be dominated by macro issues and sovereign debt crises in particular.

When I succeeded John Gellatly as Chairman in June 2011, the outlook for the UK was uncertain, not least because of the on-going crisis within the eurozone, the UK's largest trading partner. Domestically, occupier demand was muted and there were major concerns for the medium term, especially outside London and the south east. We saw positive IPD All Property returns in 2010 – and yet values were still falling on secondary properties; bank-related assets were starting to come to the market at more realistic prices – but debt was difficult to secure for all but the best properties. These challenges were compounded by the additional legislation and regulation on the horizon.

In most instances, the economic and market challenges that were present at the beginning of my term remain unresolved. Indeed, this is perhaps the biggest challenge for our industry; that the effects of the global financial crisis will be with us for some time.

## IPF Vision

Given these unsettled times, it was apposite that, in Spring 2011, the Forum undertook a comprehensive review of its Vision, last updated in the more buoyant period of 2005-06. Under the chairmanship of Neil Turner, the Vision Group sought the views of IPF members as to the important issues for the industry over the next few years. It will come as no surprise that the two 'top' priorities identified were, firstly, to enhance the understanding of how property is financed and funded, including a core focus on bank debt, equity capital flows, the need to engage more fully with the banking sector, and gain a greater understanding of the role of property derivatives.

Secondly, there is need for a greater appreciation of the impact of legislation and regulation. Members thought that the IPF should be far more proactive in both identifying the potential impact on the market of regulatory issues and engaging with the appropriate organisations at an early stage. In order to achieve this, the IPF has established a Regulation & Legislation Working Group, chaired by Ros Rowe, charged with monitoring Westminster, the EU and beyond for any proposals that may impact the property industry.

Three 'high' priorities were also identified in the Vision. These were:

- sustainability – not least because over the next three to five years, the sustainability agenda is expected to centre on policies to reduce carbon emissions and the built environment offers

opportunities to achieve substantial reductions;

- the internationalisation of property, requiring the Forum to provide UK-based investors with an appreciation of other international investment property markets and the non-UK investors with an understanding of the UK investment market in an international context; and
- residential property investment – ensuring that high-quality research and education material is available to the investment community on this asset class.

In addition to identifying the priorities outlined above, the Management Board approved changes to the IPF's Mission Statement, which now reads:

**To enhance the understanding and efficiency of property as an investment, including public, private, debt, equity and synthetic exposure, for its members and other interested parties, including government, by:**

- undertaking research and special projects and ensuring effective communication of this work;
- providing education; and
- providing a forum for fellowship, discussion and debate amongst our members and the wider investment community.

## IPF Research Programme

The IPF Research Programme underpins much of the Forum's activities and outputs. Its support of the UK property investment market – in delivering objective and high quality market analysis, engaging with the other financial markets, the wider business community and government on a range of issues – remains as important as ever in the current economic climate.

As reported last year, we were successful in refinancing the Research Programme for another four-year period. The IPF would like to thank the 22 organisations, listed in the table overleaf, who agreed to sponsor the Programme from April 2011.

The Programme is run by the Research Steering Group, under the chairmanship of Andrew Smith, who is also Vice Chairman of the Forum, together with the Forum's Research Director, Pam Craddock. This year's outturn from the Programme included:



## IPF Research Programme 2011-15 Sponsoring Organisations

Aberdeen Asset Management	Jones Lang LaSalle
Aviva Investors	Kames Capital
Berwin Leighton Paisner	LaSalle Investment Management
BNP Paribas Real Estate	Legal & General Property
The British Land Company	Nabarro
CoStar UK	Prudential Property Investment Managers
Deloitte	Real Capital Analytics
Eurohypo	Scottish Widows
GIC Real Estate	Investment Partnership
Grosvenor Group	Standard Life Investments
Hammerson	Strutt & Parker
Investment Property Databank	

Regular surveys:

- the UK and European Consensus Forecasts;
- Survey of IFAs' Attitudes to Commercial Property as an Investment; and
- the Lloyds Commercial Property Confidence Monitor.

Additionally, the Property Banking Forum (a joint initiative between the IPF and Association of Property Bankers) Survey of Lending Intentions, launched in 2011, is now conducted on an annual basis.

As well as the regular surveys, the following reports (listed in chronological order) were produced during 2011-12, through both the previous and current IPF Research Programmes:

Short Papers Programme:

- The Outlook for UK CMBS
- The Outlook for Development Finance

Full Reports:

- Depreciation of commercial investment property in the UK
- Real Estate's Role in the Mixed Asset Portfolio: A Re-examination – the summary paper was published in March 2012 and the publication of four working papers from this major piece of research follows in June.

The Forum would like to thank all the contributors to the research projects for their on-going support. All of our completed research projects can be downloaded from the IPF website.

## Membership

I am delighted to report that the combined efforts of the Membership Committee, chaired by Chris Carter Keall, and the Regional Boards in the Midlands, the North and Scotland, together with the new Next Generation initiative (led by Amanda Howard and aimed at people with 5-15 years' experience in the industry), has led to membership numbers reaching nearly 2,000, a net increase of 5% over the year. Given this growth, we were able to hold the annual membership subscription at £195, with the 50% discounted rate for those members who are between jobs remaining in place.

The inaugural event for the Next Generation Group, now chaired by Stewart Womersley, took place in November, where the guest speaker was Graham Emmett of NAMA. Around 150 people accepted the invitation to the launch, of which only 35 were existing IPF members. The second event was held in January, when Philip Ross of Cordless Group spoke about new technology and its effect on the built environment. Since then, there have been two informal discussions on the senior debt market and the current state of the CMBS market.

The Membership Committee continues to target the banking and wider capital markets. We need more members from these areas to ensure that we understand the forces shaping our industry and equally that other areas of the financial markets have an understanding and appreciation of property as an asset class and the role it plays in the economy.

The number of investment surveyors in agency firms as a proportion of the total membership is falling. This is due partly to the separation of the fund management and agency functions within the large firms. However, the Forum aims to recruit more members from the principal investment agency teams.

Existing members in London have had the opportunity for further networking this year through the establishment of the IPF/Property Week Investment Network, kindly sponsored by Pramerica.

The Forum has also set up three LinkedIn Groups covering all members, the Next Generation and the IPF Diploma Alumni.

## Life Members

I was delighted to announce at the Annual Lunch in January that the Forum had decided to bestow life membership on two members of the Management Board retiring this year. Ian Cullen and John Gellatly have made a major contribution to both the Forum and the wider property industry. On behalf of the IPF, I should like to offer them many thanks for all that they have done.

## Education

The programme of seminars and lectures in London, organised by the CPD Group, chaired by Charles Follows, and those in the regions, organised by their respective Boards, provided a large number of events on a wide range of topics.

This year, we ran joint events with a number of industry organisations including the Association of Property Bankers (APB), British Council of Shopping Centres (BCSC), the British Property Federation (BPF), the Industrial Agents Society (IAS), London School of Economics (LSE) and the Society of Property Researchers (SPR).

The IPD/IPF Property Investment Conference 'came of age'. The 21st conference was chaired by Malcolm Naish, one of the most experienced and successful fund managers in our industry, who brought his full experience to chairing the two-day event. The strength of demand for attending the conference was a clear indicator that it remains a venue for high-quality debate and industry insight.

A further benefit of membership of the Forum, which we are pleased to continue to provide, are the discounted fees for members on a range of educational events and courses provided by other organisations, including the CPD Institute and IPD.

The IPF Investment Education Programme (IEP), run by the Institute of Continuing Education, a department of the University of Cambridge, has enjoyed a successful year, with 13 professionals completing the full IPF Diploma. More than 600 people have now completed at least one of the modules in the IEP, and over 175 people have been awarded the IPF Diploma for completing all seven main modules in the Programme.

The fully revised IEP online introductory module, Property as an Asset Class (re-named Introduction to Property Investment), is now on the Cambridge University Institute of Continuing Education website. The third-party costs of the rewrite were covered by a grant from the IPF Educational Trust.

We look forward to seeing the Programme continue to develop under the direction of the joint IPF/Cambridge University Programme Advisory Committee, with the support of the IPF Academic Group, chaired by John Story.

## Special Interest Groups

The Forum's five Special Interest Groups, together with the Property Banking Forum, provide a focus for emerging interests within the investment property industry. Their activities include: identifying key areas for research and engaging with the IPF Research Programme; the origination of guides and other information; the provision of seminars and workshops for IPF members and other interested parties; and engagement with the wider industry and government on their areas of specialisation.

The Residential Investment Group, chaired by Robin Goodchild (who has replaced Peter Pereira Gray), held its first seminar this year and worked alongside the BPF and AREF in putting together a considered response to the Sir Adrian Montague Review of institutional investment in the private rented sector.

As well as arranging two seminars this year, the IPF/IIGCC Sustainability Interest Group, chaired by Miles Keeping, also advised the IPF Research Programme on the brief for updating the research carried out by Cyril Sweett (now Sweett) on Costing

Energy Efficient Refurbishments to Existing Commercial Buildings. The report will be published in June 2012.

The International Group, chaired by Michael Stancombe, contributed to the format and content of the annual Outlook for European and Global Property seminars. In October, the Group organised its first seminar at EXPO REAL, held in Munich.

The Indirect Property Funds Group has been reconstituted under the new chair, Graeme Rutter, and worked with the IPF CPD Group in putting together the recent seminar on alternative sources of finance. Members of the Group also worked with other Property Industry Alliance (PIA) organisations to respond to the FSA discussion paper on 'The implementation of the Alternative Investment Fund Managers Directive', submitted in March this year.

The Property Derivatives Interest Group (PDIG) focused on a number of work streams during the year, including looking at the potential role for derivatives in assisting the banks to address the challenges presented by slotting. Will Robson had a short term as chairman before relocating to Abu Dhabi and was replaced by Paul Ogden. The latter part of the year was spent developing a new PDIG Game, in association with BGC Partners. The launch of the Game took place in May 2012.

## Working Groups

As mentioned, the Forum established a new working group (Legislation & Regulation) during the year in order to provide early warning of government, EU and/or global proposals that may impact our industry.

Two other Forum sub-groups should be mentioned. The Global Investment Performance Standards (GIPS) Group, chaired by Iain Reid, surveyed leading fund managers as to whether they were GIPS compliant. The Solvency II Group, under the chairmanship of Alan Patterson, collaborated with INREV and the other five co-sponsors of the research undertaken by IPD as to the volatility of property on a European-wide basis, and hence the appropriate level of capital charge for property under the Solvency II provisions. Following discussions with AREF and the BPF, members of the Group submitted a response in February regarding concerns over land and property in the FSA consultation paper, 'Solvency II and linked long-term insurance business'.

## Property Industry Alliance (PIA)

The Forum continues to work alongside its fellow members of the PIA, namely the Association of Real Estate Funds (AREF), the British Council for Offices (BCO), British Council of Shopping Centres (BCSC), the British Property Federation (BPF), and the RICS.

The PIA Debt Group, co-chaired by Phil Clark and John Gellatly and comprising senior people drawn from banks, property companies, funds and surveying practices, is in the process of undertaking major updates of its reports to the Bank of England Property Forum regarding the state of the property debt market and alternative sources of property finance. The CMBS sub-group

of the Debt Group presented an update of the CMBS paper at the Bank of England Property Forum earlier in the year.

The PIA Research Committee updated the popular pocket-sized, Property Data report and a further edition will follow later this year. The publication provides a useful overview of key data on role of commercial property within the UK economy.

The PIA REITs Group submitted a draft response to the on-going informal consultation by HM Treasury on expanding the REITs regime and attracting more investment to the private rented sector. The gravity of the commercial property debt issues affecting banks and the property industry alike required the PIA Debt Group to produce further reports on the scale and risks still present and the realisation these will not diminish quickly.

The Green Property Alliance (GPA), comprising the PIA members and other stakeholders including the UK Green Building Council, was established to provide a framework for the members to share information about their sustainability projects, avoid duplication of effort, collaborate on initiatives where appropriate and communicate with the wider industry and government. Under the chairmanship of Bill Hughes, the GPA is about to commission a major piece of research on assessing the effectiveness of energy and carbon penalties and incentives affecting the built environment.

September also saw the launch of the results from the fifth Occupier Satisfaction Survey (OSS), commissioned by the PIA and CoreNet Global UK. The survey collected the views of a range of occupiers, detailing their experience of working with landlords over the past 12 months. A Steering Group from the PIA and CoreNet Global devised the questionnaire and was responsible for emailing the questionnaire to occupiers. As in the previous year, the results were collated, analysed and presented by GVA.

## Other initiatives

A new steering group was launched in May to refine the methodology behind the IPD Sustainable Property Index (ISPI) criteria and weightings and increase the size of the ISPI database, sponsored by K&L Gates, IPF and CBRE. Alongside ISPI, which is intended to provide a sustainability index for the industry in a similar manner to the IPD All-Property Index, work is underway to create a portfolio-wide environmental measurement service, known as EcoPAS. The ISPI Monitor Q4 results were presented at the end of February 2012, when it was also announced that CBRE's valuers will include the collection of data on a limited set of environmental variables relevant to asset value and investment performance in the work they do on their regular site visits. The RICS is now supporting this initiative.

The first Nick Tyrrell Memorial Seminar took place in October 2011. The event, jointly sponsored by the IPF, INREV and SPR,

was in commemoration of Nick Tyrrell's contribution to the three sponsoring organisations and the property investment industry generally. A memorial fund has also been established to fund the Nick Tyrrell Research Prize to recognise innovative and high-quality, applied research in real estate investment. Any donations to the Fund are gratefully received – contact Sue Forster, Executive Director, for more information about this and/or about making submissions to be considered for the Prize.

Also during this year, a committee, chaired by Ciaran Carvalho, undertook to update of the IPF publication, 'Readiness for Sale', aimed at streamlining commercial property transactions, which was first published in 1996. The second edition was published after the year end in May 2012.

## Thanks

I should like to thank the Management Board for its support during my time in office. Particular thanks go to Stephen Brown, Ian Cullen, John Gellatly and Ros Rowe, who will be stepping down from the National Board this year. All of them have contributed a great deal to the Forum during their terms of office.

The regional boards, chaired by Simon Robinson (Midlands), Roy Beckett (North) and Paul Findlay (Scotland) continue to do a great job in terms of recruiting new members and organising seminars and other events in their respective regions. My thanks go to all the regional board members.

My thanks also go to all the members of the committees and groups for their huge commitment of time and effort to the Forum. We really rely on them to provide the wide range of seminars, lectures, and social events etc. that are an essential part of the Forum's offering to members. The Acknowledgements section on pages 8 and 9 of this report lists all those committee and group members.

Also listed are the event sponsors, the organisations that have generously hosted events on our behalf and the individuals that have been speakers, panellists and chairmen at our events. A big thank you to all of you.

Last, but by no means least, I should like to thank the Executive. There were several staff changes in 2010-11, but I am pleased to say that this year has seen no changes to the line-up, with Barbara Hobbs, who was recruited originally as maternity cover, remaining with the Forum in a different role on Suleen Syn's return to work.

It just remains for me to wish my successor, Amanda Howard, all the very best for her coming year in office, along with Andrew Smith, who was appointed Vice Chairman in January. I know that under their leadership that the Forum will thrive, whatever the economic, financial and political outlook.

**Philip Clark**  
Chairman

May 2012



# Report of the Treasurer

As we all predicted, 2011-12 has been another tough year for the property investment market and hence the members of our Forum. The volume of transactions has not appreciably grown and the availability of bank debt has probably become even more constrained and definitely more expensive. We have seen more redundancies in the industry and hence continued pressure on our membership numbers. I am however very pleased to say that the executive and the board have been working hard to keep those membership numbers up, as this is the life blood of the Forum. Numbers at the end of March stood at 1,967, up 100 members on March 2011.

We were running a tight budget as ever, predicting a very small surplus from operations. However, the outturn was a surplus of £81,302, which is an excellent result. Income from subscriptions was up on 2010-11 and up on budget with member numbers now at an all-time high. Income from events was varied with London slightly below forecast and the Midlands pulling in better than expected attendance and hence profit from its annual dinner. The strenuous efforts of the IPF staff and the local boards should be applauded in achieving such a good result. Income from educational events was also marginally up on the previous year, apart from the IPD/IPF conference in Brighton where numbers were slightly down. Overall revenue was up £75,558.

On the costs side we came in below that budgeted at the start of the year, due to savings across the board especially on the events and the office running costs. Again, thanks to the IPF executive team for their efforts in running a tight ship.

In the coming year we have set a budget that still reflects the difficult economic climate but also ties into the new Vision statement for the Forum. Part of our Forum's future health is

about the Next Generation – an initiative spearheaded by Amanda Howard and already showing great results. This does not mean we can forget the general membership drive, which still needs effort, not just to boost income but to broaden our membership to encompass the changing nature of our industry. The changing shape of finance, internationalisation, residential, sustainable investment assets and an increasingly regulated market are all areas where we need to attract new members.

We have decided to hold subscriptions to £195 for another year which was only possible given the excellent membership numbers we have achieved.

This year was also the first in the 2011-15 Research Programme. As reported last year, we have 22 sponsors providing a total commitment of £1.1m over the four-year period. This year's receipts amounted to £220,000.

The industry still has a hard time ahead, with no sign in the next year or so of the market significantly improving. Thus our Forum members will still be feeling the pain. Membership is, as ever, the key and the combined efforts of the executive, the boards and committees and not forgetting the Next Generation Group, will need to continue to bring that new blood into your Forum and both grow and widen our membership base.



**Philip Ingman**  
Honorary Treasurer

May 2012

# Acknowledgements

We would like to acknowledge the contribution made by the following individuals:

Michael Acratopulo	Paul Clark	Stuart Heath	Gary McNamara	Graeme Rutter
David Adler	Phil Clark	Claire Higgins	Paul McNamara	Graham Sanders
Mark Alexander	Hugo Clark	Geoffrey Hill	Karen McNicholls	Ben Sanderson
Catriona Allen	Peter Clarke	Darren Hobson	Fraser McPhail	Nicholas Scarles
David Allen	David Clementi	Amanda Howard	Alan Meakin	Julian Schiller
Katerina Allen	Kelly Cleveland	Nicholas Howe	Guy Morrell	Alistair Seaton
Andrew Appleyard	Kim Coffin	Scott Howie	Michael Morris	Lee Sheldon
Stuart Atkinson	John Condlisse	Bill Hughes	Fiona Morton	Bryan Sherriff
Jason Baggaley	Caspar Cook	Catherine Hughes	Malcolm Naish	Ian Sherry
Asli Ball	James Cooksey	Timothy Hurdiss	Philip Nell	Gary Sherwin
Andrew Banks	Justin Cornelius	Brian Hutcheson	Steven Newlands	Rob Short
Colin Barber	Peter Cosmetatos	Andrew Hynard	Paul Ogden	Karen Sieracki
Richard Barkham	Toby Courtauld	Philip Ingman	Andrew Osborne	Max Sinclair
Bill Bartram	Siobhan Cross	Christopher Ireland	Charles Ostroumoff	David Skinner
David Baskeyfield	Ian Cullen	David Jackson	Robert Page	Vicky Skinner
Dan Batterton	Andrew Dickman	Tom Jackson	Philip Parnell	David Smith
Phillip Bayliss	Paula Dillon	Nicholas Jenkins	Rawle Parris	Andrew Smith
Roy Beckett	Richard Donnell	Max Johnson	Kiran Patel	Andy Smith
Matthew Bird	Timon Drakesmith	Geraint Jones	Alan Patterson	Michael Stancombe
Ashley Blake	Paul Duffy	Peter Kasch	Richard Payne	Julian Stocks
Claudine Blamey	Bob Dyson	Miles Keeping	Richard Pellatt	John Story
Richard Bloxam	Stephen Elliott	Kultar Khangura	Jose Pellicer	Neil Sturmey
Gerald Blundell	Louise Ellison	Mark Kildea	Mark Pendower	Stuart Tait
Tatiana Bosteels	Charles Fairhurst	Peter Kirk	Peter Pereira Gray	Juliet Thomas
Sylvia Bowden	James Fairweather	Richard Kolb	Christopher Perkins	Rod Till
Andrew Brazier	Paul Findlay	Lynette Lackey	Andrew Pettit	Mark Titcomb
Anne Breen	Richard Fisk	Stafford Lancaster	Stephanie Pfeifer	Matthew Tombs
Christopher Brigstocke	Linda Fletcher	Tom Leeming	Caroline Philips	Michael Tremayne
Adrian Brown	Charles Follows	Colin Lizieri	Andrew Quinlan	Edward Trevillion
Stephen Brown	John Forbes	Philip Ljubic	Grant Rawlinson	Neil Turner
Justin Brown	Andrew Franck-Steier	Deborah Lloyd	Iain Reid	Marieke Van Kamp
James Bryer	Malcolm Frodsham	Oliver Lovat	Dominic Reilly	Cathryn Vanderspar
Mark Bunney	John Gardiner	Anne Lucking	Paul Richards	Mark Vernon
Graham Burnett	Susan Geddes	Simon Mallinson	Andrew Richardson	Kenneth Waitt
Mark Callender	John Gellatly	Ian Marcus	Ben Roberts	Charlie Walsh
Jonathan Cantor	Robert Gibson	Julia Martin	Paul Robinson	Adrian Watson
Simon Carter	William Gloyn	Rob Martin	Simon Robinson	Andy Watson
Christopher Carter Keall	Andrew Goodbody	Jon Masters	Paul Robson	Henrie Westlake
John Cartwright	Robin Goodchild	Patrick McAllister	Steve Robson	Steve Williamson
Ciaran Carvalho	Patrick Hanlon	James McDonald	Will Robson	Stewart Womersley
Mark Charlton	Andrew Hann	Martin McGann	Gary Rouse	Tony Yu
Ailish Christian	Andrew Hawkins	Shelagh McKibbin	Rosalind Rowe	

## Event sponsors:

Abstract Land	CoStar Group	Hortons' Estates	Lloyds Bank	Miller Developments
Barclays Corporate	DLA Piper	Knight Frank	Corporate Markets	Rider Levett Bucknall
Chase & Partners	Dundas & Wilson	Langham Hall	Lockton	Valad

## Event hosts:

Addleshaw Goddard	The Cube	JP Morgan	Pinsent Masons
Allen & Overy	DLA Piper	K&L Gates	PRUPIM
Aruna	DTZ	Knight Frank	PwC
Barclays Corporate	Eversheds	Land Securities	Reed Smith
Berwin Leighton Paisner	Freshfield Bruckhaus Deringer	Linklaters	Royal Bank of Scotland
Biggart Baillie	Grant Thornton	London School of Economics	Schroders
BNP Paribas	Grosvenor Group	Maclay Murray and Spens	Squire Sanders
Brabners Chaffe Street	GVA	Morton Fraser	Standard Life
Bruntwood Estates	Handelsbanken	Nabarro	University of Aberdeen
CBRE	Heron International	Norton Rose	Wragge & Co.
CMS Cameron McKenna	Hogan Lovells	Nottingham Trent University	Yorkshire Bank
Cobbetts	Jones Lang LaSalle	Olswang	

## Conference, lecture and seminar chairmen, speakers and panellists:

Matthew Abbott	Phil Clark	Jonathan Goldstein	William Maunder-	Colin Ross
Sandra Aken	Peter Clarke	Robin Goodchild	Taylor	Francis Salway
Richard Akers	Roger Clarke	Pamela Grant	Bill Maxted	Graham Sanders
Mike Alderton	Mark Collins	Chris Grigg	James McCann	Nick Sanderson
David Allen	Caspar Cook	Sandy Gumm	Tony McGough	Neil Saunders
Peter Anderson	Tim Cooper	Andrew Hallissey	Paul McNamara	Isabelle Scemama
Henry Angell James	Pam Craddock	David Hardcastle	Graeme McNaughton	David Short
Mark Anslow	James Crookes	Amelia Henning	Paul Mitchell	Karen Sieracki
Clive Ashcroft	Christina Cudworth	Stuart Heslop	Stuart Morley	Mark Simpson
David Atkins	Ian Cullen	Claire Higgins	Guy Morrell	Max Sinclair
Jason Baggaley	Peter Denton	Steve Hollis	Elma Morris	David Skinner
Gregor Bamert	Andrew Dickman	Bill Hughes	Stewart Murray	Jon Sleeman
John Barakat	Paula Dillon	Malcolm Hunt	Julian Naylor	David Smith
Mark Barrow	Richard Donnell	Tim Hurdiss	Philip Nell	Pernille Stafford
Phil Bayliss	Timon Drakesmith	Norman Hutchison	Matthew Oakeshott	Eva Steiner
Roy Beckett	Peter Drummond	Glynn Jones	Nick Orbell	David Stewart
Jim Berry	Neil Edgington	Peter Kasch	Gareth Osborn	John Story
Nick Berry	Louise Ellison	Anne Kavanagh	Kai Oulds	Van Stults
Neil Berry	Simon Emery	Gerald Kaye	Rachel Page	PJ Thibault
John Betteridge	Graham Emmett	Miles Keeping	Alistair Parker	Bruce Thompson
Rob Bingen	Dave Farebrother	Alex Kemp	Neil Parker	Sotiris Tsolacos
Matt Birch	Andrew Fenlon	Hans Thomas Kessler	Philip Parnell	Neil Turner
Neil Blake	Peter Ferrari	Marcus Kilby	Alan Patterson	Lisette van Doorn
Sylvia Bowden	Paul Findlay	Nils Kok	Adrian Penfold	James Walton
Ari Boyd	Chris Finney	Wilson Lee	Chris Perkins	Andy Watson
Andrew Brazier	Timothy Forse	Jasmine Lim	Caroline Philips	Adrian Watson
Chris Brigstocke	Sue Forster	Colin Lizieri	Olivier Piani	Matt Webster
Clive Bull	Steffan Francis	Philip Ljubic	Martin Plocica	Matthew Webster
Martin Callan	Malcolm Frodsham	Pete Lowrie	Craig Pollock	Mark Williams
Mark Callender	Ioannis Ganos	Julian Lyon	Carl Potter	John Young
Colin Campbell	Helen Garthwaite	Bryan MacGregor	Dominic Reilly	
Simon Carter	Nigel George	Rob Martin	Ben Roberts	
Alex Catalano	Michael Giliberto	Andy Martin	Steve Robson	
Ralph Charlwood	Natale Giostra	Ian Mason	Bridget Rosewell	

# Financial Statements

## Investment Property Forum (a company limited by guarantee)

Year ended 31 March 2012

### Principal Officers, Advisors and Addresses

**Company Secretary**  
S Forster

**Registered Office**  
Emerald House  
East Street  
Epsom  
Surrey KT17 1HS

**Independent Auditors**  
BDO LLP  
Emerald House  
East Street  
Epsom  
Surrey KT17 1HS

**Solicitors**  
Nabarro LLP  
Lacon House  
84 Theobald's Road  
London WC1X 8RW

**Bankers**  
National Westminster Bank PLC  
1-4 Berkeley Square House  
Berkeley Square  
London W1A 1SN

**Company Number**  
2763992

## Report of the Directors

The directors submit their report together with the audited financial statements for the year ended 31 March 2012.

### Principal Activity

To enhance the understanding and efficiency of property as an investment, including public, private, debt, equity and synthetic exposure, for its members and other interested parties, including government, by:

- undertaking research and special projects and ensuring effective communication of this work;
- providing education; and
- providing a forum for fellowship, discussion and debate amongst our members and the wider investment community.

### Results

The income and expenditure account is set out on page 13 and shows the results for the year.

The company is prevented by its constitution from distributing any excess of income over expenditure.

### Directors

The following directors have served throughout the year.

P J Clark (Chairman)  
A Brazier  
S Brown  
C Carter Keall  
P S Clark (appointed 16 June 2011)  
T Courtauld  
I Cullen  
S Forster  
S Geddes (appointed 16 June 2011)  
J Gellatly  
A Howard  
A Hynard  
P Ingman  
C Ireland  
G Morrell  
P Pereira Gray  
R Rowe  
M Sinclair  
A Smith  
M Stancombe  
N Turner

### Directors' Responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

On Behalf Of The Board

**P J Clark**

Director

Date: 29 May 2012

## Independent Auditor's Report to the members of Investment Property Forum

We have audited the financial statements of Investment Property Forum for the year ended 31 March 2012 which comprise the income and expenditure account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime.

**Andrew Stickland** (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor  
Epsom  
Surrey  
United Kingdom

Date: 29 May 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Income and Expenditure Account for the year ended 31 March 2012

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
<b>Income</b>				
Subscriptions	342,376	–	342,376	322,346
Bank interest receivable	16,778	1,016	17,794	16,288
Social events	305,708	–	305,708	273,087
Education	85,540	–	85,540	63,408
Research	–	222,000	222,000	61,000
Other income	516	–	516	1,440
	<u>750,918</u>	<u>223,016</u>	<u>973,934</u>	<u>737,569</u>
<b>Expenditure</b>				
Social events	197,541	–	197,541	179,963
Education	21,434	–	21,434	12,496
Research	–	244,632	244,632	234,539
Administration and salaries	391,110	–	391,110	377,375
Professional and audit fees	14,358	–	14,358	14,116
Bank charges	7,899	–	7,899	3,970
Website and publications	36,016	–	36,016	29,845
Irrecoverable VAT	1,258	–	1,258	21,099
	<u>669,616</u>	<u>244,632</u>	<u>914,248</u>	<u>873,403</u>
<b>Surplus / (deficit) income over expenditure and retained surplus / (deficit) for the year</b>	81,302	(21,616)	59,686	(135,834)
Transfer between funds	–	–	–	–
<b>Retained surplus / (deficit) after transfer</b>	81,302	(21,616)	59,686	(135,834)
Retained surplus brought forward	598,235	67,976	666,211	802,045
<b>Surplus carried forward</b>	<u>679,537</u>	<u>46,360</u>	<u>725,897</u>	<u>666,211</u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the income and expenditure account.

The notes on pages 15 and 16 form part of these financial statements.

## Balance Sheet at 31 March 2012

Company Number 2763992	Note	2012 £	2012 £	2011 £	2011 £
<b>Fixed assets</b>					
Tangible assets	5		–		2,850
<b>Current assets</b>					
Debtors	6	90,041		92,887	
Cash at bank and in hand		<u>1,048,062</u>		<u>865,700</u>	
		1,138,103		958,587	
<b>Creditors: amounts falling due within one year</b>					
	7	<u>412,206</u>		<u>295,226</u>	
<b>Net current assets</b>			<u>725,897</u>		<u>663,361</u>
<b>Total assets less current liabilities</b>			<u>725,897</u>		<u>666,211</u>
<b>Reserves</b>					
Unrestricted funds					
General funds			666,621		585,319
Designated funds	9		<u>12,916</u>		<u>12,916</u>
			679,537		598,235
Restricted funds	8		<u>46,360</u>		<u>67,976</u>
			<u>725,897</u>		<u>666,211</u>

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

These financial statements were approved by the board, signed on its behalf by and authorised for issue on 29 May 2012.

**P J Clark**  
Director

The notes on pages 15 and 16 form part of these financial statements.



## Notes on the Financial Statements

### 1 Accounting policies

#### Basis of accounting

The financial statements are prepared under the historical cost convention.

#### Fund accounting

The Unrestricted fund represents funds for use at the company's discretion.

Designated funds are unrestricted funds earmarked by the directors for particular purposes (see note 9).

Restricted funds are subject to restrictions on their expenditure imposed by the sponsors (see note 8).

#### Income

Subscriptions arise annually from 1 April and the income is recognised in the period in which the subscription relates to. Income arising from social events is recognised in the period in which the event took place. Research Programme income arises from sponsors in accordance with their contractual obligations. Other income is recognised during the period in which the goods were delivered or the service provided.

#### Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rate:

Office equipment – 50% per annum

### 2 Company Status

The Forum does not have a share capital and its liabilities are limited to the guarantee of the members, who are the directors, up to a maximum of £1 each. At 31 March 2012 there were 1,969 members (2011 – 1,867 members).

### 3 Surplus / (deficit) of income over expenditure

	2012	2011
	£	£
This has been arrived at after charging:		
– Depreciation	2,850	2,850
– Auditors' remuneration	7,750	7,750
	<u>10,600</u>	<u>10,600</u>

### 4 Directors Remuneration

The directors, with the exception of S Forster, do not receive any remuneration for their services as a director. S Forster's remuneration, during the year is as follows:

	2012	2011
	£	£
Emoluments	105,000	93,500
Payments to defined contribution pension scheme	9,500	8,500
	<u>114,500</u>	<u>102,000</u>

### 5 Tangible Fixed Assets

	Office Equipment
	£
<b>Cost</b>	
At 1 April 2011	5,700
Additions	–
Disposals	–
At 31 March 2012	<u>5,700</u>
<b>Depreciation</b>	
At 1 April 2011	2,850
Provided for the year	2,850
At 31 March 2012	<u>5,700</u>
<b>Net book value</b>	
At 31 March 2012	–
At 31 March 2011	<u>2,850</u>

### 6 Debtors

	2012	2011
	£	£
Amounts receivable within one year:		
Debtors	–	30,470
Other debtors and prepayments	90,041	62,417
	<u>90,041</u>	<u>92,887</u>

## 7 Creditors

	2012	2011
	£	£
Trade creditors	25,567	20,917
Deferred income	271,823	162,129
Other taxes and social security costs	23,308	32,397
Accruals and other creditors	91,508	79,783
	<u>412,206</u>	<u>295,226</u>

## 8 Restricted Funds

	Balance 2011 £	Income £	Expenditure £	Transfer Between Funds £	Balance 2012 £
Research Programme Fund	<u>67,976</u>	<u>223,016</u>	<u>(244,632)</u>	<u>–</u>	<u>46,360</u>

The third IPF Research Programme began on 1 May 2011, with 22 sponsors each contributing £10,000 for the year 2011-12. However, a number of the research projects completed during the year were committed and funded by the earlier Programme that expired in April 2011. In order to make a clear distinction between reports commissioned by the second or third Programmes, particularly given that the two groups of sponsor organisations are not identical, the research report format for the new Programme was completely redesigned. All research that originated under the second Programme has been therefore published in the 2006-09 format, with the sponsors of that programme listed on the inside cover.

There is no research outstanding from the second Programme but the costs of printing etc. of completed research awaiting publication have been accrued.

## 9 Designated Funds

	Balance 2011 £	New Designations £	Utilised/ Released £	Balance 2012 £
Special projects	<u>12,916</u>	<u>–</u>	<u>–</u>	<u>12,916</u>

In 2006, Hermes Real Estate Investment Management donated the proceeds of the 'Property Derivatives Trading Forum' to the IPF with a further donation received in 2010. The Management Board has allocated this sum to a designated fund for use to finance any special projects the IPF may wish to pursue from time to time. No monies were released during the year.

The IPF Research Programme is an important provider of high-quality, independent research focused specifically on property investment. We can only continue to fulfil this role due to the support of our 22 research sponsors. We are very grateful to this group of companies for their support of the 2011-2015 Programme.





Investment  
Property Forum



Investment Property Forum  
New Broad Street House  
35 New Broad Street  
London EC2M 1NH

Tel: 020 7194 7920  
Fax: 020 7194 7921  
Email: [ipfoffice@ipf.org.uk](mailto:ipfoffice@ipf.org.uk)  
[www.ipf.org.uk](http://www.ipf.org.uk)