



Investment  
Property Forum



# Annual Review Report & Accounts 2005

# mission statement

To improve the awareness,  
understanding and efficiency of  
property as an investment, for  
members and others in the  
wider business community, by:

Undertaking research and  
special projects;

Providing education; and

Encouraging discussion  
& debate.

# contents

Management Board and Executive	2
Message from the Chairman	4
Report of the Management Board	6
Report of the Treasurer	18
Acknowledgements	19
2004 / 2005 Events	20
2004 / 2005 Research Publications	25
IPF Committees and Working Groups	26
Financial Statements	31
Principal Officers, Advisors & Addresses	32
Report of the Directors	33
Report of the Independent Auditors	34
Income & Expenditure Account	36
Balance Sheet	37
Notes on the Financial Statements	38

# management board and executive



## President

Alastair Ross Goobey

## Chairman

Andrew Martin

## Vice Chairman

Paul McNamara

## Honorary Treasurer

Andrew Pettit

## Executive

### Executive Director

Amanda Keane

### Assistant Director

Vivienne Wootten

### Research Director

Charles Follows

### Office Manager

Jenny Hooper

### Executive Administrator

Sam Chappell

### Membership Co-ordinator

Pat Johnson

## Members

Rob Bould

Michael Brown

Rupert Clarke

Ian Cullen

Steven Fogel

Peter Freeman

John Gellatly

Andrew Hynard

Ian Marcus

Fiona Morton

Peter Pereira Gray

Nick Ritblat

Rosalind Rowe

Mark Titcomb

Ian Womack

David Wright

Hapri Yorke-Brooks

## Past Chairmen

Adrian Wyatt

Adrian White

Michael Boggis

Richard Catling

Ramsay Mason

Andrew Graham

John Whalley

Phillip Nelson

Mark Burton

Edward Luker

Stuart Beevor

Rupert Clarke

Martin Moore

Rob Bould

Steven Fogel

Ian Marcus



## Life Members

Michael Mallinson

Robert Clarke

John Ritblat

Stuart Beevor

Andrew Graham

Alastair Ross Goobey

John Story

John Plender

John McLachlan

Sir Idris Pearce

Karen Sieracki

Phillip Nelson

## Honorary Members

Louis Armstrong : RICS

Roger Bootle : Capital Economics

Nicola Chennells : Bank of England

David Edwards : Office of the Deputy Prime Minister

Christine Farnish : National Association of Pension Funds

Terry Green : FIABCI

Edward Hartill : Corporation of London

Paul Herrington : Association of British Insurers

Judy Hill : INREV

Digby Jones : Confederation of British Industry

Andrew Main Wilson : Institute of Directors

Guy Morrell : Institute of Actuaries

Liz Peace : British Property Federation

John Rogers : UK Society of Investment Professionals

William Seabrooke : Cambridge International Land Institute

Graham Thomas : Association of Property Bankers

Nick Van Ommen : EPRA

Steven Wechsler : NAREIT

# message from the chairman

## Message from the Chairman

Over the last year we have seen the culmination of a number of debates which will lead to lasting changes for the real estate industry. The fact that the IPF has played an important and leading role in each of these is testament to our growing reputation as we continue to strive to improve the efficiency of the real estate investment industry.

We welcomed the budget announcement on REITs. It showed that the Government recognises the need to provide a tax efficient structure for our UK industry, a trend we are witnessing in the rest of the world. The IPF has been central to this discussion and I am pleased that two of our Board members, John Gellatly and Rosalind Rowe, as well as other key IPF members, have been asked to participate in a small working group with the Treasury.

We also participated in the discussion on upwards only rent reviews with the ODPM. Research carried out as part of our research programme provided us with the ability to give a full view of the market impact and I am grateful to all of our members who actively participated in our discussion groups, and in particular to Dr Neil Turner who led the submission. The resulting announcement by the Minister confirming a decision not to legislate is, however, not the end of the story. Central to our submission was the recognition that elements of the leasing process can create inflexibility, in particular alienation provisions, and so it is these areas we need to tackle. Again working with the BPF, as we did on REITs, I hope we can join with our colleagues representing occupiers to respond to this challenge.

Following the enabling legislation for the creation of property derivatives in the UK, a new market is now up and running. By incorporating the Property Derivatives Users Group into the IPF structure we now have a real platform to service the education and advisory needs of this new market. Demand for these services are ably illustrated by the immediate sell out of the first courses we held.

In all of this work, our involvement has been encouraged and welcomed by Government departments and I hope that this dialogue will enable us to further our role in enhancing the mechanics and efficiencies of our market place.

Our research programme moved into full swing this year. Reports on Liquidity and Opening the Door to Property have been warmly received. I have to thank Charles Follows, our Research Director, for bringing this programme together and all of those who are helping produce a brilliant array of incisive studies on our market. I should also take this opportunity to thank our donors and the IPF Educational Trust for their continued support.





Education is also at the heart of the IPF and the research programme has added to our abilities to provide a strong agenda this year in both London and the regions. Over 30 educational events were held last year. We also added a new International Property Investment module to our Advanced Education Programme which has proved a great success. As our membership grows from strength to strength (we now stand at 1640 individual members) we recognise the need to maintain the quality and excellence of these programmes.

None of this would happen without a superb organisational structure. As always my thanks go to Amanda Keane and her Executive for delivering the expansion of our organisation.

Also we should thank our Management Board for their guidance and enthusiasm over this very exciting year. In particular we owe a special vote of thanks to Rupert Clarke, David Wright and Hapri Yorke-Brooks who will be stepping down from our Board this year. Each have played important roles in our organisation. Rupert, a past IPF Chairman, will be particularly pleased that we are now over 500 members stronger during his tenancy as Chair of our Membership Committee. David Wright's role in advising on legal and fiscal issues has helped hone our structure and he has always provided strong support for Amanda and her team. Hapri was integral in establishing the Midlands region.

One other person who is stepping down this year is our President, Alastair Ross Goobey CBE. Alastair has been our President for 10 years and has presided over the phenomenal growth of this organisation. His name at the top of our notepaper alone gave us importance, but his participation, enthusiasm and counsel will be sorely missed. On behalf of us all, I would like to pay a special note of thanks to Alastair who always managed to find time for this organisation in a very busy schedule.

Thank you to our Regional Boards, led by Andrew Hawkins of Jones Lang LaSalle in the North, Fiona Morton of Ryden in Scotland and Andrew Yates of Pinsent Masons in the Midlands.

In handing over to the IPF's new Chairman, Dr Paul McNamara, I would like to thank you all for your support this year. As real estate investment continues to enjoy increasing interest as an asset class and delivers strong portfolio performance it has been an interesting time to be leading this organisation. The next year should see the outcome of the detailed deliberation by the Treasury on REITs, the new challenges from environmental legislation and moves for greater transparency in indirect markets. I know Paul will enjoy his role as it is an exciting time to be spearheading a great organisation.

Andrew Martin  
Chairman, May 2005

# report of the management board



The Management Board is pleased to present its report for the year ending 31st March 2005.

## Membership

Membership of the Forum continues to grow and in the past twelve months the number of members has increased by 100, giving a total membership of 1640. From the original base of a few hundred investment surveyors who started the Forum 16 years ago, IPF now represents a spread of professionals who come together to form a pre-eminent organisation focused on furthering the knowledge and understanding of commercial property investment.

In addition to the core membership which is London based, the active regional boards in the Midlands, Scotland and the North of England have ensured that regional membership has also grown. Over 30% of members are to be found in the regions.

As the IPF's profile grows, so does the ability to offer members a wider range of benefits and this year members were offered access to over 30 related organisations' events and products, often at a significant discount.

## Education Programme

### Advanced Education Programme

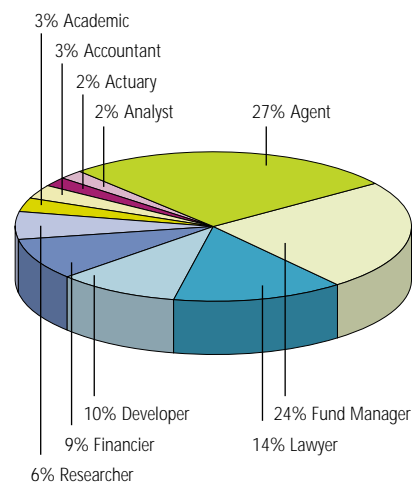
The IPF's formal post graduate course, the Advanced Education Programme (AEP), which runs in partnership with Cambridge International Land Institute, continues in its popularity.

2004 saw the retirement of the Programme Director, Dr Derek Nicholls. Derek was replaced by Dr Bill Seabrooke. Bill was formerly a Senior Lecturer at Reading University, Professor and Head of Department at Portsmouth University and latterly, Professor of Real Estate at Hong Kong Polytechnic University.

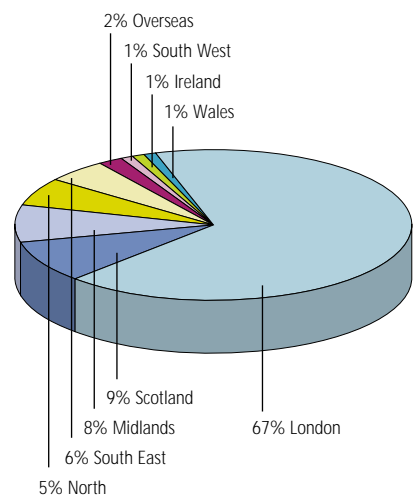
Dr Seabrooke has been tasked with introducing a range of improvements and updates to the course throughout 2005 and 2006. These will include the enhanced use of elearning, introduction of new modules, and the further development of the course materials.

In November 2004, the new three day International Property Investment module was run for the first time under the leadership of Ben Sanderson of Prudential Property Investment Managers. As investment strategies become increasingly global, the

### Membership by occupation:



### Membership by region:





objective of this module is to provide a framework for property professionals to develop an appreciation of how to develop an international property investment strategy. It has been designed to provide an understanding of the contextual differences between key international real estate markets and to give an overview of current trends and themes in international markets. Due to its popularity, it will be re-run in May 2005.

The AEP has now attracted over 340 participants and in 2005 the 80th IPF Diploma will be awarded. The course comprises the following modules:

- Property as an Asset Class
- Accounting and Taxation for Property Investors
- Introduction to Investment Valuation & Portfolio Theory
- Financial Instruments & Investment Markets
- Advanced Property Investment Appraisal
- Advanced Property Finance & Funding
- Advanced Portfolio Management
- International Property Investment.

In 2004, prizes for outstanding performance on the AEP were awarded to:



- David Wasserberg (left)  
Grosvenor  
IPF Educational Trust  
Module Prize for performance  
in a Module
- John Danes (right)  
Arlington Property Investors  
IPF Educational Trust  
John Whalley Prize for  
performance in the Diploma

IPF Diplomas in 2004 were awarded to:

- Nigel Binmore, Knight Frank
- John Danes, Arlington Property Investors
- John Duxbury, Prudential Property Investment Managers
- Naomi Green, Henderson Global Investors
- Stan Lersch, Westdeutsche Immobilienbank
- Alasdair McGowan, Grosvenor Ltd
- Michael Morris, ING Real Estate Investment Management
- Cameron Murray, Scottish Widows
- Nick Moore, Warner Estate Holdings Plc
- Julia Middleton, Cushman & Wakefield Healey & Baker
- Julian Norbury, Chase & Partners
- Alex Price, Palmer Capital Partners.

# report of the management board (continued)

## **Lectures and Workshops**

In excess of 30 lectures, technical briefings, workshops and member only meetings were run this year. Events were held in London, Scotland, the Midlands and the North. A detailed list is contained on pages 20-24.

For the first time, a new format was introduced - Technical Briefings. These sessions are designed to go 'back to basics' in key investment topic areas.

In response to demand, a new one-day workshop was developed: Introduction to Property Derivatives. This will be run regularly from April 2005.

## **Other courses**

The IPF's objective is not only to offer educational activities itself, but also to publicise a range of other courses and events, all working towards achieving the Forum's principle aim to enhance the knowledge and understanding of property as an asset class. In addition to the Forum's Advanced Education Programme, there are a number of other post-qualification courses that the IPF recognises as providing the relevant skills necessary for those operating in the property investment market.

Postgraduate courses recognised by the IPF include:

- MSc Property Investment, Cass Business School
- RICS Post Graduate Diploma Property Investment, College of Estate Management
- MSc Real Estate Finance & Investment, The University of Reading
- MSc Real Estate Economics & Finance, London School of Economics
- MPhil Real Estate Finance, The University of Cambridge

Automatic membership is given to all graduates of these courses provided that the graduate also has a minimum of two years relevant experience in the property investment industry. This allows for a fast track membership compared to IPF standard provisions.



## Research and other projects

### Research

The IPF research activities during the year were funded and commissioned under the auspices of the IPF Educational Trust and IPF Joint Research Programme. The three year programme supports the IPF's wider goals of enhancing the knowledge, understanding and efficiency of property as an investment class. The initiative provides the UK property investment market with the ability to deliver substantial, objective, and high quality analysis on a structured basis. It enables the industry to engage with the other financial markets, wider business community and government on a range of complementary issues.

The programme is funded by a cross-section of 16 businesses, representing key market participants – see Figure 1.

During the year the Joint Research Programme completed the research project **Opening the Door to Property**. These results were submitted to HM Treasury in connection with the debate about the creation of UK REIT. It identified potential demand of about £35bn from small investors if a suitable REIT vehicle were introduced. The report was well received and a series of members' events held around the country reporting on the results.

Seven projects were also started during the year:

### Depreciation in UK Commercial Property Markets

Depreciation is an important factor affecting the returns from commercial real estate. Despite this, the measurement of depreciation and its influence on property performance is still poorly understood. This project reviews the measurement and benchmarking framework for depreciation and studies the Investment Property Databank to attempt to identify the impact of depreciation on both rental and capital values and returns.

Initial results were reported at the 2004 IPD/IPF Annual Conference and at an evening lecture in February 2005. The full research findings will be published in Spring 2005.

Figure 1. The IPF and IPF Educational Trust gratefully acknowledge the contributing organisations:

- Capital & Regional
- Donaldsons
- Grosvenor
- GVA Grimley
- Investment Property Databank
- KPMG
- La Salle Investment Management
- Land Securities
- Lovells
- Morley Fund Management
- Nabarro Nathanson
- Prudential Property Investment Managers
- Quintain Estates & Development
- Scottish Widows Investment Partnership
- SJ Berwin
- Strutt & Parker.

# report of the management board (continued)



## **Global Investment Performance Standards and the Property Performance Record**

The IPF Property Performance Record is being reviewed having regard to the new Global Investment Performance Standards for Real Estate (2005). This is the UK standard for reporting managers' track records of past performance. The group will publish recommendations for best practice by the end of 2005.

## **The Size and Structure of the UK Commercial Real Estate Investment Market**

This project follows up a recommendation, contained in the IPF's 2004 Liquidity in Commercial Property Markets final research report, that more work is needed to establish a robust estimate of the size and composition of the UK commercial investment market. The project aims to establish a well-defined, transparent and robust method for determining the overall value of the stock of commercial investment property in the UK. So far as possible from existing sources of data, the study will produce breakdowns of that overall figure by the principal property types, market locations, and types of investor. It will also compare the size of the commercial investment market with the total stock of commercial property, and other salient comparisons such as the market value of residential stock, quoted equities, bonds and other asset classes. It is hoped the work will establish a base for future monitoring and updating of the size of the market, including recommendations for extensions of the underlying data sources and refinement of the methodology.

## **Lease Styles and Income Growth**

The research investigates the effects of changing lease structures on the investment performance of real estate portfolios. The project is split into a number of tasks. First, a thorough overview of existing research on the pricing of variations in lease terms. Second, a basic empirical analysis of property databases to examine how variations in lease structures have produced disparities in the level and pattern of income growth and total return. Third, simulation approaches will be applied to model the impact and implications of variations in lease structures focusing on the effects of differences in portfolio size, sector and geographical spread, lease structure mix, holding period and market conditions on real estate performance. The project will seek to address the effects of changes in leasing practices within the wider context of the role of real estate in the multi-asset portfolio in terms of inflation hedging, duration, diversification, and risk.

The first stage of this project was central to the IPF response to the ODPM consultation on 'Options for Outlawing Upward Only Rent Reviews'.

### **Institutional Investment in Regeneration: Necessary Conditions for Effective Funding**

The key theme of this research is to enhance understanding of the investment needs of financial institutions, particularly for Government, and to identify the likely constituents of a working model suitable for encouraging institutional investment into regeneration. The research will consider the views of a range of investing institutions and will adopt a cross asset perspective, enabling an in depth understanding of both the decision-making process and the key criteria used in the investment selection procedure. By considering the views of the key decision makers in the various investment teams - bonds, equities and property - a profile will be drawn up of the key factors that need to be addressed in designing a working model attractive to the institutions. Additional funding, alongside the Joint Research Programme, was secured from the BPF, English Partnerships and British Urban Regeneration Association.

### **Behavioural Influences on Property Stock Selection**

This project is an examination and analysis of the way in which information variables are selected and applied in investment decision making, centred on stock selection decisions about acquisition and disposal of direct real estate assets. The study builds on previous research on the judgemental dimensions of the property forecasting process. It seeks to identify both good practice and the risks that may lead to sub-optimal decision making.

### **Forecast Disagreement in UK Property Markets**

This project involves an investigation of the IPF's dataset of forecasts to examine variations in forecasts (performance) between individual organisations. The research will analyse patterns in, and the information content of, the distribution of the individual forecasts and to assess variations in the performance of the forecasting organisations contributing to the IPF's quarterly survey.

## **Quarterly Surveys**

### **Consensus Forecasts**

The IPF Consensus Forecasts continue to be a unique service, well received and well supported by members and contributors. Four editions were published over the year. In February 2005 the forecasts were significantly enhanced to include consensus forecasts across four main sectors of the UK property market: offices, industrial, standard shops and retail warehouses. Shopping centres will be added in May 2005, and it is hoped that some consensus forecasts for Central London offices will be published in the coming 12 months. Contributors now provide, in addition to forecasts for the current year and the next two years, compound average forecasts for a five-year period.

# report of the management board (continued)



The IPF is extremely grateful for the continuing support of the contributors to the consensus forecasts. The publication is only possible thanks to the provision of the individual forecasts.

Discussions continue with PEPCIG (Pan European Property Common Interest Group) about the potential for the IPF to coordinate and launch consensus forecasts for the leading European markets. Plans are well advanced and a trial publication will be prepared in the coming months.

## **Investment Intentions**

The Research Steering Group reviewed this publication during the year with the help of a workshop made up of leading users, researchers and data providers. As a result the IPF suspended the publication, after the August 2004 edition, while it revamped the survey. A new version of the survey will start later in 2005.

## **Transaction Report**

The Research Steering Group continues to work with Property Data to establish a quarterly transaction report to provide regular and timely updates on activity in the UK direct property markets. The ambition remains to launch a quarterly transaction report during 2005.

## **Government Consultation**

### **Real Estate Investment Trusts (REITs)**

The IPF worked closely with HM Treasury throughout 2004 and 2005 on the introduction of a new unitised, tax transparent real estate investment vehicle within the UK. This culminated in the Budget 2005 announcement.

Included in the Chancellor's Budget Statement, HM Treasury and the Inland Revenue published the latest stage in the Government's consideration of the introduction of UK REITs in a paper entitled: UK Real Estate Investment Trusts: a discussion paper. It is clear that the Government remains committed to the concept and to discussing the way forward with the industry. The IPF also are pleased to note that the Government has set out a firm timetable, anticipating their legislative introduction in Finance Bill 2006.

The Government has, however, highlighted the need to find workable solutions to complex tax issues to ensure that there is no loss of revenue to The Exchequer. To resolve these points and to ensure that the process progresses in line with the proposed timetable, HM Treasury / Inland Revenue have established a small technical working group drawn from the industry upon which a number of IPF members are represented.



### **Commercial Property Leases: options for deterring or outlawing the use of upward only rent review clauses**

In May 2005 the ODPM issued a consultation document entitled “Commercial Property Leases: options for deterring or outlawing the use of upward only rent review clauses”. They invited, among other organisations, the IPF to make a submission on their proposals. Dr Neil Turner of Alecta, coordinated the detailed preparation of the IPF response. The IPF commissioned independent research from the University of Reading and IPD to provide quantitative estimates of the potential impacts of the options on property total returns and volatility. This research formed the first stage of a wider IPF research project Lease Styles and Income Growth.

In preparing the response, the IPF assembled a multi-disciplinary working group including occupiers, investors, actuaries and professional advisors, chaired by Andrew Martin. In addition, the IPF consulted with the British Property Federation and the RICS.

In addition, the IPF arranged a free members event at which Neil Crosby, who was leading the University of Reading ongoing research on behalf of the Government into the monitoring the Code of Practice for Commercial Property Leases, presented his interim findings.

## **Special Interest Groups**

In 2005 the IPF introduced the first of its new special interest groups. The objective of the special interest groups is to provide a subject based forum for discussion, debate, education and research for IPF members and non members.

### **Property Derivatives Interest Group (PDIG)**

The Property Derivatives Interest Group (PDIG) is the reformed Property Derivatives User Association (PDUA), and the first special interest group of the IPF. The objective of PDIG is to enhance the status of property as an investment asset class by promoting the use of derivative contracts within the market so as to provide more efficient and cost effective means of managing risk and investment strategy by the adoption of long and short positions.

Having obtained the necessary legislative and regulatory changes to allow a property derivatives market, PDIG is now focussing efforts on education of potential users and also encouraging the use of property derivatives. PDIG believes that a large proportion of the individuals who will be instrumental in making decisions to take long and short derivative positions are members of the IPF. Bringing these people together to the decision point will grow the market most effectively.

PDIG will focus on communication and education. These twin aims will be driven through: a website, newsletters, meetings and workshops.

# report of the management board (continued)

## Conferences

### IPD/IPF Annual Conference 2004

The joint IPD/IPF Annual Conference took place on the 18th and 19th of November 2004 and attracted over 400 property professionals.

Day one of this year's conference followed on from last year's session on the allocation of funds to property in a multi-asset portfolio. In last year's hypothetical pension fund, conference delegates allocated 21% to property with just 50% in equities and 29% in bonds. Drilling down into this 21% allocation, this year the allocation of capital within the property portfolio itself was addressed. After hearing expert "bids" on why funds should be allocated into a particular sector / location / investment method, delegates were offered the chance to vote. The final part of the day looked at how funds will hold real estate in 2010 – and how REITs might be a part of the changing investment landscape.

Day two was devoted to three main themes: The limits to direct investment: obsolescence & depreciation and active management & development; sustainability; and development of regional cities and urban regeneration.

### IPF Scottish Conference

Entitled: The Future Shape of Property Investment – Responding to Investor Demand, this half-day conference took place on 10 June 2004 and was attended by over 120 members and non-members. Presentations were given by:

- Ian Marcus of Credit Suisse First Boston
- David Hunter of Arlington Property Investors
- Ian Hally of Scottish Widows Investment Partnership
- Pauline Bradley of Bank of Scotland
- Eleanor Buckle of Deloitte
- John Kennedy of Kenmore Property Group.

This highly successful event was widely applauded and plans are already underway for a similar event in September 2005.





## Property Investment Awards

The IPF supported the Estates Gazette Property Investment Awards in July 2004. Hosted by Lovells, members were invited to attend a champagne reception, which followed the short presentation at which the fund managers of the best performing funds, as measured by IPD, were presented with certificates.

The 2004 winners were:

### **Insurance Company Life Funds (above £1000m, Dec 03)**

Manager: AXA Real Estate Investment Managers (UK) Ltd

Winning Fund: AXA Sun Life

### **Insurance Company Life Funds (above £50m and below £1000m, Dec 03)**

Manager: Threadneedle Property Investments

Winning Fund: Eagle Star Life Fund

### **Segregated Pension Funds (above £200m, Dec 03)**

Manager: DTZ Investment Management

Winning Fund: Imperial Tobacco Pension Fund

### **Segregated Pension Funds (above £50m and below £200m, Dec 03)**

Manager: CB Richard Ellis Investors

Winning Fund: Akzo Nobel (CPS) Pension Scheme

### **Unitised Funds (above £200m, Dec 03)**

Manager: Schroder Property and Pillar Property

Winning Fund: Hercules Property Unit Trust

### **Unitised Funds (above £50m and below £200m, Dec 03)**

Manager: Schroder Property

Winning Fund: Schroder Emerging Retail Property Unit Trust

### **Property Companies, Limited Partnerships, Traditional Estates and other Specialist Funds (above £50m, Dec 03)**

Manager: Arlington Property Investors

Winning Fund: Regent Retail Parks Partnership

### **Small Funds (below £50m, Dec 03)**

Manager: Prudential Property Investment Managers

Winning Fund: Prudential Distribution Bond

### **Risk Adjusted Return: All funds with a full ten year IPD performance track record**

Manager: Threadneedle Property Investments

Winning Fund: Allied Dunbar Life Unit Linked Property Fund

# report of the management board (continued)

## Social Events

In London, the Annual Dinner, the largest event in the IPF calendar, took place in June at the Grosvenor House. Over 1,500 guests attended the event at which the Rt Hon William Hague MP provided the after dinner entertainment. After the formal proceedings, guests participated in the charity casino. All profits raised at the casino were donated to two charities: the IPF Educational Trust and this year's Chairman's charity, Muscular Dystrophy.

In January 2005, the IPF Annual Lunch was held at the London Hilton on Park Lane. At this event guests heard from Alastair Ross Goobey who will be retiring as President of the IPF after 10 years. Over 1,000 IPF members and their guests attended this event.

In the Midlands, the Regional Annual Dinner was held in October at the ICC in Birmingham. Following the dinner, Ian Coull of Slough Estates addressed an audience of 600 guests. In addition, a Members Lunch, held at the Botanical Gardens in Birmingham, was attended by over 120 members. Patrick Derham, Headmaster of Rugby School, gave the attendees an interesting insight into life at one of the country's foremost public schools.

In the North of England, the inaugural Members Lunch was held at Manchester United Football Club. Peter Freeman and David Partridge of Argent Group were guest speakers.

## Membership Communication

Effective communication with the membership is key to the success of the IPF, and the objective is to do so in the most appropriate and cost-effective manner.

The monthly e-News bulletin, now transmitted in both html and text-based format, is highly popular with members. Some events are now publicised by email alone and the almost instant 'sell-out' response has meant that there is no need to print and send a hard copy of the event flyer. Cost savings have been made here so that the budget can be used elsewhere for the ongoing benefit of members.

Forum View was also enhanced with the appointment of a Consultant Editor – Sue Forster of Freeman Business Information. Forum View will be further developed over the next year with the intention of producing a fuller compendium of IPF research and education outputs.



The IPF website continued to play a central role in providing information on the activities of the IPF to both members and non-members. In addition, members were able to use the website as a conduit for exchanging ideas. Several members' responses to the Government consultation on REITs were posted on the website and could be reviewed. The resources section in the members only area has also expanded over the past year to include all presentations given at IPF events.

IPF Management Board  
May 2005

# report of the treasurer



As reported elsewhere in this Annual Report, this has been a very significant year for the IPF. There has been a continued focus on the core objectives of the organisation, providing the property investment community with a focused and balanced cocktail of high quality research initiatives, comprehensive and relevant educational programmes and key events in the property market's social calendar on a nationwide basis.

Financial and logistical challenges arose in 2004/5 as a result of the full implementation of the research programme, the further development of the activities of the IPF in the regions and the continuing commitment to a wide ranging and relevant educational sessions. However, despite these welcome challenges, I am pleased to be able to report that we were able to generate a significant contribution to reserves during the financial year, further strengthening the IPF balance sheet. This solid result, which was considerably ahead of budget, can be attributed on the revenue side to continued strong growth in subscription revenues (+14% year on year) as we continue growing membership numbers towards our nationwide target of 2,000 members by 2008. In addition, 2004/5 was marked by a successful series of educational and social events in both London and the regions.

In addition, we must pay tribute to the Executive, led superbly by Amanda Keane, who have tirelessly continued to strive for and achieve operational efficiencies whilst expanding the ambit and quality of services offered to members. We are also grateful for the support of the IPF Educational Trust and the donors of the research programme that has made so much progress in 2004/5, quickly becoming a vital and objective voice on the issues facing the property industry today. One key financial challenge for 2005/6 will be to secure funding for the next three year cycle of research funding that will see a continuation of the programme into the next decade. We are also once again indebted to the RICS for continuing to provide a base for the IPF at Cadogan Gate and to the numerous organisations providing facilities and other support to the IPF during the year.

Bearing in mind the relatively strong financial condition of the IPF at this time, and pending an ongoing strategic review by the board of the organisation's medium term goals and consequent resource requirements, the board has recommended that subscriptions should be frozen for 2005/6. We continue to believe that the annual subscription represents excellent value for money and we look forward to your continued support as active members over the next 12 months in this exciting time for the UK property investment market.

Andrew Pettit  
Honorary Treasurer, May 2005

# acknowledgements

The IPF would like to thank the following organisations that hosted IPF lectures and events this year:

Beachcroft Wansboroughs	Berwin Leighton Paisner
The British Land Company	Cobbetts
Credit Suisse First Boston	Cushman & Wakefield Healey & Baker
Dechert	Deloitte & Touche
Denton Wilde Sapte	DLA
DTZ Debenham Tie Leung	Dundas & Wilson
Ernst & Young	Freeth Cartwright
Freshfields Bruckhaus Deringer	Grosvenor
GVA Grimley	Herbert Smith
INVESCO Real Estate	Jones Lang LaSalle
KPMG	Lawrence Graham
Linklaters	Macquarie Capital Partners
Pinsent Masons	SJ Berwin
Stonemartin	Wragge & Co

In addition, the IPF would like to thank the following organisations that have sponsored the annual lunches and dinners:

Midlands Lunch 2004 : AMEC
Annual Dinner 2004 : Knight Frank and Propex
North West Lunch 2004 : First Title
Midlands Dinner 2004 : First Title
Annual Lunch 2005 : Chase & Partners and PricewaterhouseCoopers

# 2004 / 2005 events



## Lectures, Workshops and Technical Briefings: London

### The Depth and Breadth of Property Vehicles and Their Tax Implications

**Dr Karen Sieracki** (Chairman) : KASPAR Associates Ltd  
**Cathryn Vanderspar** : Berwin Leighton Paisner  
**John Cartwright** : Prudential Property Investment Managers  
**Nick Kershaw** : Ogier & Le Masurier

### Derivatives: Countdown to Launch?

**Charles Weeks** (Chairman)  
**Phil Nicklin** : Deloitte & Touche  
**Guy Ratcliffe** : Abbey National Financial Products

### Property GIPS: Nowhere to Hide?

**Iain Reid** (Chairman) : Protego Real Estate Investors  
**Ian Cullen** : IPD  
**Gary Neale** : Morley Fund Management  
**Simon Latham** : ING Real Estate

### Unlocking Improved Property Returns Through Customer Service

**Francis Salway** (Chairman) : Land Securities  
**Howard Morgan & Andy Schlaugh** : Kingsley Lipsey Morgan  
**John Keogan** : Industrious  
**Matthew Punshon** : Landflex/Land Securities

### Commercial Property Investment: The Dawn of a New Era or Riding for a Fall?

**Mike Brown** (Chairman) : Helical Bar  
**Tony Key** : Cass Business School  
**Adrian Ellwood** : Eurohypo  
**Rupert Clarke** : Hermes Property Asset Management Ltd  
**Robert Fowlds** : Merrill Lynch

### Alternative Retail Investments: Unlocking Value

**Andrew Smith** (Chairman) : Aberdeen Property Investors  
**Alice Breheny** : Henderson Global Investors  
**Andrew MacGregor** : FPD Savills  
**Vince Prior** (Panellist) : Jones Lang LaSalle  
**Dr Angus McIntosh** (Panellist) : King Sturge

### Property Applied Spreadsheets & Systems

**Natalie Bayfield** : Bayfield Training

### Property Applied Spreadsheets & Systems II

**Brett Robinson & Stephen Palmer** : Seven Dials Consulting

### Demystifying International Accounting Standards

**Dr Richard Barkham** (Chairman) : Grosvenor

**Craig Hughes** : Ernst & Young

**Jane Harrison** : AXA Real Estate Investment Managers

**Tim Budden** : Grosvenor

**Michael Brodtman** (Panellist) : CB Richard Ellis

### Will Flexible Leases Damage Income Growth?

**Professor Andrew Baum** (Chairman) :  
Oxford Property Consultants

**Malcolm Frodsham** : Legal & General Investment Management

**Dr Neil Turner** (Consultant) : Alecta Investment Management

### Opening the Door to Small Investors: Finding the Investors with £35 Billion to Spend on Commercial Property Investment

**Charles Follows** (Chairman) : Investment Property Forum

**Stephen Palmer** : Seven Dials Consulting

**Clive Shore** : Experian Business Strategies

**Philip Ingman** : SPREFS

### Hot Property: European Logistics Warehouse Investment

**Rory Hardick** (Chairman) : Macquarie Capital Partners

**John Duggan** : Gazeley Properties

**Steve Meyer** : ProLogis Trust

**Ralf Wessel** : Equity Estate BV

### High Street Under Threat

**Mike Brown** (Chairman) : Helical Bar

**Tony Shiret** : Credit Suisse First Boston

**Richard Hyman** : Verdict

**Andy Allen** : Savills Fund Management

### You Can't Help Getting Older, But You Don't Have to Get Old! A Proper Appreciation of Property Depreciation!

**Andrew Baum** (Chairman) : Oxford Property Consultants

**Neil Crosby** : The University of Reading

**John Gellatly** (Panellist) : Credit Suisse First Boston

**Malcolm Frodsham** (Panellist) : Legal & General  
Investment Management

**Tim Roberts** (Panellist) : British Land

### Property Shocks and How to Survive Them

**Richard Barkham** (Chairman) : Grosvenor

**Dennis Turner** : HSBC

**John Calverley** : American Express Bank

**Nick Tyrrell** : JP Morgan Fleming

### European Real Estate Investment: Two Visions

**Richard Plummer** (Chairman) : Rockspring

**Peter Hobbs** : Deutsche Bank Real Estate

**Sue Foxley** : Jones Lang LaSalle

**James Clifton Brown** (Panellist) : CB Richard Ellis Investors

**Charles Follows** (Panellist) : Investment Property Forum

**Jose Luis Pellitzer** (Panellist) : Rockspring

# 2004 / 2005 events

(continued)



## Know Your MPT From Your ALM. How Do Asset Allocators Determine Appropriate Asset Allocations for Investors?

**Charles Follows** (Chairman) : Investment Property Forum

**Martin Cumberworth** : Prudential M&G

**David Bowie** : Hyman Robertson

## Understanding European Commercial Mortgage Backed Securities

**Ian Marcus** (Chairman) : Credit Suisse First Boston

**Hans Vrenson** : Moodys Investors Service

## Free Members' Meetings

London

### The Lease Code: Interim Report to the ODPM

**Andrew Martin** (Chairman) : Strutt & Parker

**Professor Neil Crosby** : The University of Reading

### The UK Commercial Property Lending Market

**Liz Peace** (Chairman) : BPF

**Bill Maxted** : De Montford University

**Peter Cummings** : Bank of Scotland

## Financial Innovation in the Property Markets: Current Trends and Future Prospects and New Ways to Make Money

**Dr Karen Sieracki** (Chairman) : KASPAR Associates

**Colin Lizeri** : The University of Reading

**Simon Clark** (Panellist) : Linklaters

**Paul Herrington** (Panellist) : ISIS Property Asset Management

**Jon Zehner** (Panellist) : JP Morgan

## Outlook for Property and the Economy 2005

**Francis Salway** (Chairman) : Land Securities

**Adrian Cooper** : Oxford Economic Forecasting

**Andrew Milligan** : Standard Life

**Peter Damesick** : CB Richard Ellis

Midlands

## Tenants Covenants: Can't Pay / Won't Pay

**David Allen** (Chairman) : NAI Fuller Peiser

**Richard Perry** : Experian

**Stephen Petter** : Prudential Property Investment Managers

**Jim Sharkey** : DLA Piper Rudnick Gray Cary

## The Lease Code: Interim Report to the ODPM

**David Smith** (Chairman) : Anglo Irish Bank

**Professor Neil Crosby** : The University of Reading





### Congestion and Transport Charging: Road Rage

**Mark Alexander** (Chairman) : Alexander CIP

**Andrew Yates** (Chairman) : Pinsent Masons

**Tom Fanning** : Midlands Expressway Limited

**Steve Hollowood** : GVA Grimley

**Terence Mulroy** : Transportation Planning (International) Ltd.

### Collateral Warranties: What's the Point?

**Richard Green** (Chairman) : Wragge & Co

**Mark Stephenson** : ProLogis Developments Limited

**Gordon Wilson** : Miller Construction (UK) Limited

## North

### Improving the Efficiency and Flexibility of the UK Real Estate Market

**Ian Marcus** : Credit Suisse First Boston

### Will the Banning of Upward Only Rent Reviews Damage UK Property Investment Returns?

**Andrew Hawkins** (Chairman) : Jones Lang LaSalle

**Dr Neil Turner** : Alecta Investment Management

**Charles Follows** : Investment Property Forum

### Opening the Door to Small Investors: Finding the Investors with £35 Billion to Spend on Commercial Property Investment

**Christopher Dalzell** (Chairman) : Highstone Group Ltd

**Stephen Palmer** : Seven Dials Consulting

## Scotland

### Opening the Door to Small Investors: Finding the Investors with £35 Billion to Spend on Commercial Property Investment

**Fiona Morton** (Chairman) : Ryden

**Stephen Palmer** : Seven Dials Consulting

### Will the Banning of Upward Only Rent Reviews Damage UK Property Investment Returns?

**Graham Sanders** (Chairman) : Sanders Cartwright

**Dr Ian Cullen** : IPD

**Charles Follows** : Investment Property Forum

**Stuart Tait** (Panellist) : Dundas & Wilson

### Half Day Conference and Lunch - The Future Shape of Property Investment: Responding to Investor Demand

**Ian Marcus** : Credit Suisse First Boston

**David Hunter** : Aberdeen Property Investors

**Ian Hally** : Scottish Widows Investment Partnership

**Pauline Bradley** : Bank of Scotland

**Eleanor Buckle** : Deloitte

**John Kennedy** : Kenmore Property Group

# 2004 / 2005 events

(continued)

## Social Events

### London

IPF Annual Dinner at the Grosvenor House Hotel, London. June 2004

The Rt Hon William Hague MP (After Dinner Entertainment)

IPF Annual Lunch at the Hilton on Park Lane, London. January 2005

Alastair Ross Goobey (Speaker)

New Members' Reception, The Treasures Gallery, The British Library. September 2004

### Midlands

Hot Property Party at The Jam House, Birmingham. April 2004

A range of local property bands performed

Midlands Members Lunch at the Botanical Gardens, Birmingham. May 2004

Patrick Derham (Speaker) : Rugby School

Midlands Annual Dinner at the ICC, Birmingham. October 2004

Ian Coull (Speaker) : Slough Estates

### North West

North West Lunch at Manchester United Football Club, Manchester. September 2004

David Partridge (Speaker) : Argent Group

Peter Freeman (Speaker) : Argent Group

### Scotland

Visit to Scottish Parliament. March 2005



# 2004 / 2005 research publications



## **Liquidity in Commercial Property Markets**

Research Findings April 2004

## **Liquidity in Commercial Property Markets**

Findings and Recommendations April 2004

## **Opening the Door to Property**

Summary Report July 2004

## **Opening the Door to property**

Full report September 2004

## **IPF Consensus Forecast**

May 2004

## **IPF Consensus Forecast**

August 2004

## **IPF Consensus Forecast**

November 2004

## **IPF Consensus Forecast**

February 2005

## **Investment Intentions**

August 2004 (pending a review, this publication is suspended)

# ipf committees and working groups



## EDUCATION

Responsible for the strategic direction of all IPF's educational activities:

### Education Strategy Group

<b>Philip Clark</b> : Morley Fund Management
<b>Paul McNamara</b> : Prudential Property Investment Managers
<b>Richard Barkham</b> : Grosvenor
<b>Simon Clark</b> : Linklaters
<b>Sue Foxley</b> : Jones Lang LaSalle
<b>Philip Ingman</b> : SPREFS
<b>Amanda Keane</b> : Investment Property Forum
<b>Karen Sieracki</b> : KASPAR Associates
<b>John Story</b> : Unilever UK

Responsible for overseeing the IPF's Advanced Education Programme:

### Academic Committee

<b>John Story</b> (Chairman) : Unilever UK
<b>Bob Dyson</b> : Dunlop Heywood Lorenz
<b>Andrew Hann</b> : F&C Property Asset Management plc
<b>Amanda Keane</b> : Investment Property Forum
<b>Carol Moore</b> : Cambridge International Land Institute
<b>Mark Pendower</b> : Greenwich Estates
<b>Bill Rodney</b> : Cass Business School
<b>William Seabrooke</b> : Cambridge International Land Institute
<b>Karen Sieracki</b> : KASPAR Associates

The Faculty of the Advanced Education Programme:

### Academic Faculty

<b>John Story</b> (Chairman) : Unilever UK
<b>Andrew Adams</b> : University of Edinburgh
<b>Philip Booth</b> : Cass Business School
<b>Ciaran Carvalho</b> : Dechert
<b>Mark Charlton</b> : PricewaterhouseCoopers
<b>Philip Clark</b> : Morley Fund Management
<b>Neil Crosby</b> : The University of Reading
<b>Charles Follows</b> : Investment Property Forum
<b>Paul Gallimore</b> : Nottingham Trent University
<b>Philip Ingman</b> : SPREFS
<b>Tony Key</b> : Cass Business School
<b>Lynette Lackey</b> : BDO Stoy Hayward
<b>Ian Marcus</b> : Credit Suisse First Boston
<b>George Matysiak</b> : The University of Reading
<b>Bryan McGregor</b> : University of Aberdeen
<b>Guy Morrell</b> : HSBC
<b>Jeremy Newsum</b> : Grosvenor
<b>Dominic Reilly</b> : Kingfisher Property Finance
<b>Jeremy Robson</b> : The Royal Bank of Scotland
<b>Bill Rodney</b> : Cass Business School
<b>William Seabrooke</b> : Cambridge International Land Institute
<b>Tim Sketchley</b> : Cushman & Wakefield Healey & Baker
<b>Maggie Stoker</b> : MS Consultants

Plans the regular series of evening lectures and workshops:

#### CPD Group

**Richard Barkham** (Chairman) : Grosvenor

**Andrew Baum** : Oxford Property Consultants

**Michael Brown** : Helical Bar

**Ciaran Carvalho** : Dechert

**Mark Charlton** : PricewaterhouseCoopers

**Charles Follows** : Investment Property Forum

**John Gellatly** : Merrill Lynch Investment Managers

**Andrew Hynard** : Jones Lang LaSalle

**Geraint Jones** : BDO Stoy Hayward LLP

**Amanda Keane** : Investment Property Forum

**Paul Kennedy** : Invesco Real Estate

**Lynette Lackey** : BDO Stoy Hayward

**Patrick McAllister** : The University of Reading

**Andrew Martin** : Strutt & Parker

**Karen McNicholls** : Deloitte

**Alan Patterson** : UBS Global Asset Management (UK) Ltd

**Chris Perkins** : Prudential Property Investment Managers

**Karen Sieracki** : KASPAR Associates

## RESEARCH

Responsible for the strategic direction of all IPF's research activities:

#### Research Steering Group

**John Gellatly** (Chairman) : Merrill Lynch  
Investment Managers

**Stuart Beevor** : Grosvenor

**Charles Follows** : Investment Property Forum

**Robin Goodchild** : LaSalle Investment Management

**Amanda Keane** : Investment Property Forum

**Tony Key** : Cass Business School

**Paul McNamara** : Prudential Property Investment Managers

**Phillip Nelson** : Nelson Bakewell

**Stephen Palmer** : Seven Dials Consulting

**Neil Turner** : Alecta Investment Management

**Nick Tyrell** : JP Morgan Fleming Asset Management

#### Research Working Groups

Individual steering groups for projects.

#### Opening the Door to Property

**Stuart Beevor** (Chairman) : Grosvenor

**Richard Auterac** : Jones Lang LaSalle

**Philip Ingman** : SPREFS

**Palmyra Kownack** : British Property Federation

**Charles Follows** : Investment Property Forum

# ipf committees and working groups (continued)

## Depreciation

**Jonathan Thompson** (Chairman) : KPMG

**Darren Rawcliffe** : Grosvenor

**Ian Hally** : Scottish Widows Investment Partnership

**Malcolm Frodsham** : Legal & General Investment Management

**Nick Mansley** : Morley Fund Management

**Paul Mitchell** : Prudential Property Investment Managers

**Peter Damesick** : CB Richard Ellis

**Charles Follows** : Investment Property Forum

## Global Investment Performance Standards and the Property Performance Record (PPR)

**Iain Reid** (Chairman) : Protego Real Estate Investors

**Andrew Walker** : Watson Wyatt

**Anne Lucking** : LaSalle Investment Management

**Bill Hughes** : Deutsche Property Asset Management Ltd

**Ian Cullen** : IPD

**John Cartwright** : Prudential Property Investment Managers

**Charles Follows** : Investment Property Forum

## Size and Structure of UK Commercial Property Market

**Stuart Morley** (Chairman) : GVA Grimley

**Alan Patterson** : UBS Global Asset Management (UK) Ltd

**Derek Williams** : Land Securities plc

**Stefan Francis** : Prudential Property Investment Managers

**Charles Follows** : Investment Property Forum

## Response to the ODPM consultation. Commercial Property Leases: Options for Deterring or Outlawing the Use of Upward Only Rent Review Clauses

**Andrew Martin** (Chairman) : Strutt & Parker

**Neil Turner** (Project coordinator) : Alecta Investment Management

**Adrian Elwood** : Eurohypo AG

**Dion Panambalana** : Lovells

**Gerald Kaye** : Helical Bar plc

**Jonathon Thompson** : KPMG

**Mark Titcomb** : Eurohypo AG

**Martin Cumberworth** : Prudential M&G

**Michael Brodtman** : CB Richard Ellis

**Michael Newens** : Vodaphone

**Peter Pereira Gray** : The Wellcome Trust

**Richard Bartholomew** : Boots plc

**Charles Follows** : Investment Property Forum

## Lease Styles and Income Growth

**Andrew Martin** (Chairman) : Strutt & Parker

**Mark Titcomb** : Eurohypo AG

**Peter Pereira Gray** : The Wellcome Trust

**Charles Follows** : Investment Property Forum



### Institutional Investment in Regeneration: Necessary Conditions for Effective Funding

**Philip Clark** (Chairman) : Morley Fund Management

**Darren Rawcliffe** : Grosvenor (representing BPF)

**David Shevill** : Land and Property Division, ODPM

**Justine Lovatt** : English Partnerships

**Paul McNamara** : Prudential Property Investment Managers

**Peter Freeman** : Argent Group plc

**Rebecca Worthington** : Quintain Estates & Development

**Simon Burwood** : BURA

**Tom O'Grady** : SJ Berwin

**Charles Follows** : Investment Property Forum

### Behavioural Influences on Property Stock Selection Decisions

**Richard Barkham** (Chairman) : Grosvenor

**Gerry Blundell** : LaSalle Investment Management

**Paul Kennedy** : Invesco Real Estate Ltd

**Peter Hobbs** : Deutsche Bank Real Estate

**Charles Follows** : Investment Property Forum

### Forecast Disagreement in UK Property Markets

**Matthew Ryall** (Chairman) : LaSalle Investment Management

**Andy Schofield** : IPD

**Morgan Angus** : Arlington Property Investors UK Ltd

**Russell Chaplin** : UBS Global Asset Management (UK) Ltd

**Charles Follows** : Investment Property Forum

## Membership & Social Events

Responsible for membership recruitment and retention as well as overseeing all services to IPF members:

### Membership Committee

**Rupert Clarke** (Chairman) : Hermes Property  
Asset Management

**Andrew Brazier** : Ryon Properties Ltd

**Chris Carter Keall** : Arlington Securities

**Rory Hardick** : Macquarie Capital Partners Ltd

**Andrew Hawkins** : Jones Lang LaSalle

**Amanda Keane** : Investment Property Forum

**Ian Marcus** : Credit Suisse First Boston

**Andrew Martin** : Strutt & Parker

**Andrew Pettit** : Real Estate Venture Capital Partners LLP

**Andrew White** : Kenmore Investments Ltd

**Vivienne Wootten** : Investment Property Forum

Organises visits for IPF members to  
key property developments:

### Members' Forum Group

**Andrew Hynard** (Chairman) : Jones Lang LaSalle

**Matthew Allen** : DTZ Debenham Tie Leung

**James Bryer** : CB Richard Ellis

**Vivienne Wootten** : Investment Property Forum

# ipf committees and working groups (continued)



## Regions

### Regional Board – Midlands

**Andrew Yates** (Chairman) : Pinsent Masons

**Andrew Brazier** : Ryon Properties Ltd

**Mark Alexander** : Alexander

**David Allen** : NAI Fuller Peiser

**Nick Harris** : Miller Developments

**David Smith** : Anglo Irish Bank Corporation

**Adrian Watson** : DLA Piper Rudnick Gray Cary

**Hapri Yorke-Brooks** : Savills (L&P) Ltd

### Regional Board – Scotland

**Fiona Morton** (Chairman) : Ryden LLP

**Roddy Elliott** : The Royal Bank of Scotland

**Alan Howie** : Aberdeen Property Investors

**Andrew Jackson** : Standard Life Investments

**Bryan MacGregor** : University of Aberdeen

**Graham Sanders** : Sanders Cartwright

**Donald Shaw** : Dundas & Wilson

**Andrew White** : Kenmore Investments Ltd

**Douglas Wilson** : Kintyre LLP

### Regional Board – North of England

**Andrew Hawkins** (Chairman) : Jones Lang LaSalle

**Rachel Bhaskaran** : Addleshaw Goddard

**Alison Bunker** : Rothschild

**Christopher Dalzell** : Highstone Group Ltd

**Andrew Darke** : Barlows plc

**Geoff Hill** : Co-operative Insurance Society

**Robert Howe** : Green Property

**Charles Hubbard** : Edmund Kirby

**Peter Kershaw** : Addleshaw Goddard

**Andrew Quinlan** : Pinsent Masons

**Henri Westlake** : Knight Frank

## Special Interest Groups

### Property Derivatives Interest Group

**Iain Reid** (Chairman) : Protego Real Estate Investors

**Charles Follows** : Investment Property Forum

**Amanda Keane** : Investment Property Forum

**Paul McNamara** : Prudential Property Investment Managers

**Graham Sargen** : TD Securities



# financial statements



Investment Property Forum Ltd  
(a company limited by guarantee)

**Year ended 31 March 2005**

# principal officers, advisors and addresses

## Registered Office

3 Cadogan Gate  
London SW1X 0AS

## Independent Auditors

BDO Stoy Hayward LLP  
Emerald House  
East Street  
Epsom  
Surrey KT17 1HS

## Solicitors

Nabarro Nathanson  
Lacon House  
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 2005.

## Principal Activity

The Forum's objective is to improve the awareness, understanding and efficiency of property as an investment, for members and others in the wider business community, by:

- Undertaking research and special projects;
- Providing education; and
- Encouraging discussion and debate.

## Results

The income and expenditure account is set out on page 5 and shows the results for the year. The company is prevented by its constitution from distributing any excess of income over expenditure.

## Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records which 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 1985. 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

BDO Stoy Hayward 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 directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board  
A Martin  
Director, 24 May 2005

## Directors

The following directors have served throughout the year.

R. Clarke  
D. Wright  
N. Ritblat  
I. Marcus  
S. Fogel  
P. McNamara  
H. Yorke-Brooks  
A. Martin (Chairman)  
M. Brown  
P. Freeman  
J. Gellatly  
F. Morton  
A. Pettit  
M. Titcomb  
I. Womack  
R. Bould  
I. Cullen  
R. Rowe

The following directors have served during the year:

K. Sieracki  
(resigned 10 June 2004)  
A. Keane  
(resigned 26 January 2005)  
A. Hynard  
(appointed 10 June 2004)  
P. Pereira Gray  
(appointed 10 June 2004)

# report of the independent auditors

## To the members of Investment Property Forum

We have audited the financial statements of Investment Property Forum on pages 36 to 39 which have been prepared under the accounting policies set out on page 38.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

### **Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward LLP, Epsom  
Chartered Accountants and Registered Auditors, 24 May 2005

# income and expenditure account

year ended 31 March 2005

	Note	Unrestricted Funds (£)	Restricted Funds (£)	Total Funds 2005 (£)	Total Funds 2004 (£)
<b>INCOME</b>					
Subscriptions		200,017	-	200,017	176,598
Bank interest receivable		16,359	625	16,984	12,322
Social events		272,930	-	272,930	232,926
Education		86,633	-	86,633	82,849
Research		650	73,241	73,891	43,291
Other income		-	-	-	8,499
		576,589	73,866	650,455	556,485
<b>EXPENDITURE</b>					
Social events		181,526	-	181,526	150,453
Education		20,157	3,000	23,157	16,871
Research		-	105,631	105,631	61,199
Administration and salaries		253,820	-	253,820	245,023
Professional and audit fees		6,802	-	6,802	6,233
Bank charges		1,426	-	1,426	598
Website and publications		18,406	-	18,406	27,310
Donations		2,153	-	2,153	600
Irrecoverable VAT		6,908	-	6,908	9,711
		491,198	108,631	599,829	517,998
<b>SURPLUS /(DEFICIT) OF INCOME OVER EXPENDITURE</b>					
Taxation	4	1,597	61	1,658	578
<b>RETAINED SURPLUS FOR YEAR</b>		83,794	(34,826)	48,968	37,909
Transfer between funds		(24,390)	24,390	-	-
		59,404	(10,436)	48,968	37,909
Retained surplus brought forward		246,905	66,495	313,400	275,491
<b>SURPLUS CARRIED FORWARD</b>		306,309	56,059	362,368	313,400

# balance sheet

31 March 2005

	Note	2005 (£)	2005 (£)	2004 (£)	2004 (£)
<b>FIXED ASSETS</b>					
Tangible assets	5		1,665		3,300
<b>CURRENT ASSETS</b>					
Debtors	6	66,284		25,523	
Cash at bank and in hand		444,709		369,655	
		510,993		395,178	
<b>CREDITORS: amounts falling due within one year</b>					
	7	150,290		85,108	
<b>NET CURRENT ASSETS</b>			360,703		310,070
Total assets less current liabilities			362,368		313,400
<b>RESERVES</b>					
Unrestricted funds			306,309		246,905
Restricted funds	8		56,059		66,495
			362,368		313,400

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board and signed on its behalf by:

A Martin  
Director, 24 May 2005

# 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. Restricted Funds comprise funds with external restrictions. Movements on the fund balances are shown in note 8 to the financial statements.

### 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: 33% per annum

## 2 Company status

The company does not have a share capital and its liabilities are limited to the guarantee of the members up to a maximum of £1 each. At 31 March 2005 there were 1,640 members (2004: 1,540 members).

## 3 Directors' remuneration

The directors, with the exception of the executive director, Ms A Keane, do not receive any remuneration for their services as a director.

## 4 Taxation

The company is liable to corporation tax on the interest it receives and this represents a provision at 9.8%.

The executive director's remuneration details are as follows:

	2005 (£)	2004 (£)
Emoluments	52,833	58,380
Payments to defined contribution pension scheme	4,183	4,784
	57,016	63,164

## 5 Tangible fixed assets

### Office Equipment

	Office Equipment (£)
Cost	
At 1 April 2004 and at 31 March 2005	4,995
Depreciation	
At 1 April 2004	1,665
Provided for the year	1,665
At 31 March 2005	3,330
Net book value	
At 31 March 2005	1,665
At 31 March 2004	3,330

## 6 Debtors

### Amounts receivable within one year

	2005 (£)	2004 (£)
Debtors & prepayments	66,284	25,522



## 7 Creditors

Amounts falling due within one year		
	2005 (£)	2004 (£)
Deferred income	94,046	44,704
Corporation tax	1,709	600
VAT payable	20,093	7,434
Accruals	34,442	32,370
	150,290	85,108

## 8 Restricted funds

	Balance 2004 (£)	Income (£)	Expenditure (£)	Transfer Between Funds (£)	Balance 2005 (£)
Securitisation Fund	58,495	625	(3,061)	–	56,059
Research Fund	8,000	–	(8,000)	–	–
IPF/IPFET Joint Research Programme	–	73,241	(97,631)	24,390	–
	66,495	73,866	(108,692)	24,390	56,059

The Securitisation Fund was established in 1999 following a donation from the Barkshire Committee. Funds held can only be used for financing securitisation initiatives and written approval of the Barkshire Committee is required before expenditure is made. In 2004, the Barkshire Committee approved expenditure of £3,000 towards a research project.

The Research Fund was established last year following a donation from the Investment Property Forum Educational Trust. However, the sum was repaid during the year to the Trust as it was no longer required. The Research Fund is therefore closed.

The IPF/IPFET Joint Research Programme was established in 2003. Funds are receivable from the Investment Property Forum Educational Trust over a 3 year period to part fund the salary of a research director and the associated research management and administrative costs of the project.

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