



Investment  
Property Forum

# Report & Accounts 2011





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# Management Board & Executive

## IPF Management Board

### President

Sir David Clementi

### Chairman

John Gellatly

### Vice Chairman

Phil Clark

### Honorary Treasurer

Philip Ingman

## Board Members

Andrew Brazier  
Stephen Brown  
Chris Carter Keall  
Toby Courtauld  
Ian Cullen  
Sue Forster  
Amanda Howard  
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

## Life Members

Stuart Beevor  
Rob Bould  
Robert Clarke  
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

## Executive

### Executive Director

Sue Forster

### Research Director

Louise Ellison (until December 2010)  
Pam Craddock (from January 2011)

### Associate Director – Education

Frankie Clay

### Accounts Manager

Jenny Hooper

### Events Manager

Suleen Syn (maternity leave from December 2010)  
Barbara Hobbs (maternity cover)

### Membership Co-ordinator

Pat Johnson (retired July 2010)  
Cheryl Collins (from July 2010)

## Honorary Members

Michael Barrie – Association of British Insurers  
Roger Bootle – Capital Economics  
John Cartwright – Association of Real Estate Funds  
Philip Charls – EPRA  
Sir David Clementi – IPF President  
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  
William Kistler – Urban Land Institute  
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 a great pleasure and privilege to serve as Chairman of the Investment Property Forum over the past 12 months – which was a period marked by the pull back from the extreme pessimism of the previous year as the fallout from the global financial crisis began to subside and as UK property values delivered an unexpectedly strong 15% total return.

When I succeeded Peter Pereira Gray as Chairman in June 2010, such a strong recovery was generally unexpected, notwithstanding the fact that from a broad asset allocation perspective, prime UK real estate looked relatively attractive given its yield profile and inflation hedging credentials. As it turned out, many investors saw the same attractions and hence the much improved transaction volumes and pricing for quality, prime UK assets through 2010 and into early 2011

As I finish my year in office, however, the outlook for UK property looks relatively murky. Prime assets may have been re-priced but the outlook for much of UK real estate is still uncertain. The UK economic outlook is, at best, anaemic, with the result that tenant demand and cash flows, which underpin our values, will remain under pressure. Occupier demand is still muted and there has to be a major concern for the medium term, especially outside the South East and for the wider retail sector, as the impact of the CSR and tax rises filter through. In addition, UK real estate (along with much of the rest of the economy) has to deleverage and, although the banks have started to work out their loan portfolio problems, this will be a slow process – and at a time when the regulatory environment is set to become increasingly onerous and costly as regulators seek to impose new standards and controls.

In such uncertain times, the value of the Forum will shine through ever more strongly as we adhere to our principles and, at last year's AGM, I identified a number of key priorities for the Forum under my Chairmanship for 2010-11, which sought to cement our role. These were to:

- Ensure the re-financing of our **Research Programme** from April 2011. The Programme, established in 2003 and financed by leading organisations in the industry, has gained an enviable reputation for high-quality, objective analysis.
- Focus on our membership and seek to achieve three interlinked goals:
  - Increase membership numbers but without diluting the quality and characteristics of our organisation. This was in order to provide a firmer financial footing for the Forum going forward;

- Recruit more younger members. These are the lifeblood of any organisation and are the future leaders of our industry. We want and need them as members; and

- Extend our membership into the banking and wider capital markets. We need more members from these areas to ensure that we understand the forces shaping our industry and conversely that other areas of the financial markets have an understanding and appreciation of property as an asset class and the role we play in the economy.

- To foster and extend and deepen our relationships with the various government departments and other authorities. The IPF stands for independence, integrity, education and research. These attributes have become increasingly recognised and welcomed, especially at a time when we have a new government, an uncertain economic and financial markets outlook and a regulatory environment that is undergoing fundamental change.

The report below provides an update as to the progress that has been made in achieving these priorities, together with details of the Forum's other activities during the year.

## Re-financing the Research Programme

As reported last year, because of the uncertain financial climate, we decided to extend the duration of the current Research Programme until March 2011. We are very grateful to our sponsors and the **IPF Educational Trust** for their support of not just this initiative but also generally over the life of the Programme, which started back in 2006.

The Programme is run by the **Research Steering Group**, under the chairmanship of Andrew Smith, who joined the Management Board in June 2010, together with the Forum's Research Director, formerly Louise Ellison but now Pam Craddock. This year's outturn from the Programme has been wide-ranging and included:

### Main reports

- UK Institutional Investors: Property Allocations, Influences and Strategies
- Risk Web 2.0: An Investigation into the Causes of Portfolio Risk
- Property and Inflation



## IPF Research Programme Sponsoring Organisations

Addleshaw Goddard	DTZ	IPD	Nabarro
Aviva Investors	GIC Real Estate	Kenmore Investments	Prudential Property Investment Managers
The British Land Company	Grosvenor	Knight Frank	Quintain Estates & Development
Credit Suisse	GVA	Land Securities	Scottish Widows Investment Partnership
Deloitte	Hammerson	LaSalle Investment Management	Standard Life Investments
DLA Piper	Helical Bar	Legal & General Property	Strutt & Parker

### Short papers

- Pre-pack Administrations and Company Voluntary Arrangements
- Break Clauses – Who holds the Risk in your Rental Income?
- Rent Reviews – Revolution or Evolution?
- A review of the current state of the UK CMBS Market
- Property Banking Forum: Lending Intentions Survey 2011

All the papers have been well received, particularly the short paper series which seeks to address relevant industry issues in an easily digestible format.

The list of regular survey publications now comprises:

- Survey of IFA attitudes to commercial property as an investment asset ( three times a year)
- IPF UK Consensus Forecast (quarterly)
- IPF European Consensus Forecast (half yearly)
- Quarterly Commercial Property Market Monitor (in conjunction with Lloyds Banking Group)

The Forum is most grateful to the contributors to each of these for their continuing support.

In the autumn, we started discussions with existing sponsors and other organisations to re-finance the Programme for 2011-15. I am delighted to report that this has been successful and we shall be launching the new Programme mid-May 2011. The IPF would like to thank the 22 organisations that have agreed to sponsor the Programme for the next four years and special thanks go to Andrew Smith, Chairman of the Research Steering Group, Louise Ellison, our former Research Director, and Sue Forster, our Executive Director, for their time and effort in achieving such a successful outcome in what is still a difficult economic climate.

### Membership

I am pleased to report that membership numbers remained steady this year, thanks largely to the efforts of the **Membership Committee**, chaired by Chris Carter Keall, and the **Regional Boards** in the Midlands, the North and Scotland. I hope that the new initiatives outlined above will lead to a substantial increase in membership over the next 12 months. The move to attract younger members is already underway with the recent formation of the **IPF: Next Generation Committee**. Likewise, the new **Property Banking Forum**, a joint group with the Association of Property Bankers, chaired by Max Sinclair, should increase the IPF's exposure to the property banking and finance sectors.

The annual membership subscription rose marginally from £185 to £195 this year in order that the Forum can continue providing the comprehensive programme of seminars and lectures free of charge to members. The 50% discounted rate for those members who are between jobs remains in place.

### 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), the British Council for Offices (BCO), British Council of Shopping Centres (BCSC), the British Property Federation (BPF), the Industrial Agents Society (IAS), the Institute of Actuaries and the Society of Property Researchers (SPR). There were also a number of specialist seminars run by members and their respective organisations on behalf of the Forum.

This year also saw the **20th IPD/IPF Property Investment Conference**. This two-day event, chaired by Robert Houston, who attended the first conference, took an appropriate long-term perspective and considered the changes we are likely to see over the next 10 years in terms of the investment strategies that may apply, the property holding structures that

will prevail, and the wider global context in which property investment will take place.

A further benefit of membership of the Forum, which we are pleased to continue to provide, is discounted fees for members on a range of educational events and courses provided by other organisations, including the CPD Institute, Investment Property Databank (IPD) and the College of Estate Management (CEM) in Reading.

Numbers on the **IPF Investment Education Programme (IEP)**, run by the Institute of Continuing Education, a department of the University of Cambridge, fell for the year commencing September 2009 – a reflection, we believe, of general cuts in organisations' training budgets. However, in line with the stability in the commercial markets, I am pleased to say that there has been an upswing in numbers for the September 2010 intake. More than 550 people have now completed at least one of the modules in the IEP, and over 165 people have been awarded the IPF Diploma for completing all seven main modules in the Programme.

The IEP online introductory module is currently being substantially revised and updated. 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 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 Peter Pereira Gray, played a substantial role in putting together the very impressive response on behalf of the Property Industry Alliance and the Council of Mortgage Lenders to the government consultation on ways of increasing the amount of institutional investment in the residential private rented sector. In addition to running number of seminars this year, the **IPF/IIGCC Sustainability Interest Group**, chaired by Miles Keeping, also responded to a government consultation, this time on flood defences. The **International Group**, chaired by Michael Stancombe, sought to extend its links with other like-minded organisations outside the UK and in June 2010 hosted a breakfast seminar for members of the Association of Institutional Property Investors in the Netherlands (IVBN). Members of the **Indirect Property Funds Group**, chaired by Phil Clark, have been contributing to the update of the IEP

online module, referred to under 'Education' above, and liaising in respect of research on key issues in the sector with the Association of Real Estate Funds (AREF) and the European Association for investors in non-listed real estate funds (INREV).

The **Property Derivatives Interest Group (PDIG) Trading Game** was the largest undertaking by any of the special interest groups this year. The Game was designed to promote a greater understanding amongst end users of actual trading procedures and required the participants to analyse weekly pricing and submit their corresponding 'trades' a couple of days later. The Game, which ran from January to March this year, attracted 58 teams, with more than 250 individual participants, from a wide range of organisations. PDIG plans to run a similar Game during the forthcoming year. After three years in post, Nick Scarles, stepped down as PDIG chairman at the end of this year and has been ably succeeded by Will Robson, who was responsible for the operation of the Game.

The special interest groups will continue to actively engage in their respective areas of specialisation and the IPF will develop further groups as appropriate – whether as an IPF special interest group or as a joint group with another organisation, as per the recent formation of the IPF/APB Property Banking Forum.

Two other Forum sub-groups also need to be mentioned. The first is the **Global Investment Performance Standards (GIPS) Group**, chaired by Iain Reid, which has been in discussions with the CFA Institute concerning the revised standards that came into effect on 1 January 2011. The other is the **Solvency II Group**, set up this year under the chairmanship of Alan Patterson, which has been collaborating 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. This is a critical area of work as the outcome of the Solvency II regulations is likely to have a fundamental impact on the activity of a range of large market participants.

## IPF Vision

Earlier this year, the Forum decided to update its Vision, an exercise last undertaken in 2005. The **Vision Group**, under the chairmanship of Neil Turner, is due to present a new Vision statement to the Management Board for approval in June. Assuming that this is adopted, the focus for the next 12 months will be on implementation. I am sure next year's report will record substantial progress in this respect.

## Property Industry Alliance (PIA)

The Forum continues to work alongside its fellow members of the PIA, namely the British Council for Offices (BCO), British Council of Shopping Centres (BCSC), the British Property Federation (BPF), and the RICS. We are delighted that the Association of Real Estate Funds (AREF) also became a member during the year.

The **PIA Debt Group**, co-chaired by Phil Clark and myself and comprising senior people drawn from banks, property companies, funds and surveying practices, updated the 2009 report to Bank of England Property Forum regarding the level and type of the debt outstanding on UK commercial property and the likely timescale for refinancing this. The report was presented at the end of January this year. The **CMBS sub-group** prepared an initial report on the CMBS market in the UK for the Bank of England in June 2010. This was updated in March 2011 and included a section on the state of the CMBS market in the USA, together with a review of three other potential sources of debt capital that might help fill the funding gap.

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

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. In August 2010, a GPA working party published 'Carbon Reduction Commitment Energy Efficiency Scheme: a guide for landlord and tenants', which is intended assist owners and occupiers of commercial property to plan to implement the Scheme. This year also saw the resignation of Martin Moore as Chairman of the GPA. He was succeeded by Bill Hughes, who has long taken an active interest in the sustainability of our building stock.

September also saw the launch of the results from the **fourth Occupier Satisfaction Survey**, 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. This year saw a change from previous years in the form of the questionnaire, which is now more detailed and is based on the Code for Leasing Business Premises in England & Wales, 2007. A Steering Group from the PIA and CoreNet Global devised the questionnaire and was responsible for the online survey of occupiers. Results were collated, analysed and presented by GVA.

## Thanks

I should like to thank the Management Board for its support during my time in office. I am delighted to say that no members of the Board are due to step down this year and we have two new members joining in June, namely Paul Clark and Susan Geddes. I am sure that both will make a major contribution to the development of the Forum going forward.

The Regional Boards have done a great job in terms of recruiting new members and organising seminars and other events in their respective regions. This year saw a change of chairman on all three Regional Boards: in the Midlands, Adrian Watson stepped down and was succeeded by Simon Robinson; Roy Beckett succeeded Andrew Quinlan in the North; and Paul Finlay succeeded Graham Sanders in Scotland. My thanks go to all the regional Board members and particularly to the retiring and incoming chairmen.

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 rely heavily on them in order 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 at the end 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, which has delivered a first-rate service, despite the considerable change in personnel over the last year. Sue Forster, Frankie Clay and Jenny Hooper remain in post but we said farewell to Louise Ellison, our Research Director who left to pursue her career in sustainable development, and to our Membership Co-ordinator, Pat Johnson, who retired in July 2010 after 10 years with the Forum. We are fortunate that their roles have been ably filled by Pam Craddock and Cheryl Collins respectively. Barbara Hobbs also joined the Forum in November as maternity cover for Suleen Syn.

In closing, I wish my successor, Phil Clark, all the very best for his coming year in office, along with Amanda Howard, who was appointed incoming Vice Chairman in January. I know that their experience and enthusiasm will ensure that the Forum continues to prosper, whatever the economic, financial and political outlook.

**John Gellatly**  
Chairman

June 2011



# Report of the Treasurer

You may recall when we set the Forum budget last year that we were reflecting the difficult market we all work in and the effect this would have on your Forum's income. 2010-11 has proved to be another difficult year, with more Government spending cuts and continued uncertainty; this has had a direct effect in the Forum's membership numbers and the attendance levels at our events. Being the only two substantial income generators for the Forum, we were cautious in budgeting for the year but I am glad to say the outturn was marginally better than predicted.

We budgeted for a very small surplus from operations and the outturn is slightly higher by just a few thousand at £36,496. However, the result was arrived at by a different route than forecast. Income from subscriptions was up on 2009-10 but below budget with fewer new members joining than hoped for. Income from events was better than 2009-10 by £33,602 due to the strenuous efforts of the IPF staff and executive as well as a concerted effort by board and committee members to fill seats at lunches and dinners across the UK. Income from educational events was also up marginally on the previous year.

On the expenditure side, we came in below budget due to savings on event organisation and on general running costs of the office. Again thanks to the team for their efforts in running a tight ship.

In the coming year, we have set a budget which still reflects the difficult economic climate but also sets the scene for the ongoing financial health of the Forum. Membership numbers are the key to your Forum's future health and the membership drive needs added effort, not just to boost income but to broaden our membership to encompass the changing nature of our industry. We must also increase the

number of younger members to ensure we have succession planning and a thriving Forum for many years to come.

We have also decided to hold subscriptions to £195 for the new financial year.

With regards to the current IPF Research Programme, we are in line with budget. Although the report and accounts show a surplus of £67,976 at the expiry of the second phase of the Programme in funding terms, these monies have already been allocated to specific projects. The research will be published under the banner of the second Programme.

Funding for the third phase of the Programme, which will run from 2011-15 has now been completed. I am very pleased to say that due to the efforts of the Research Steering Group and Chairman, Andrew Smith, the outgoing Research Director Louise Ellison and her replacement Pam Craddock, together with Sue Forster, Executive Director, we have signed up 22 sponsors and received commitments of £1.1m over the next four years.

We still have challenges ahead for the industry which will affect the fortunes of your Forum. I again call upon all members to think about their Forum and its membership, to invite at least one of your contacts or clients who is not yet a member to join and to attend your local events, be they free seminars or the annual dinner. This will ensure that your Forum has a sound financial future and a growing and vibrant membership.



**Philip Ingman**  
Honorary Treasurer

June 2011

# Acknowledgements

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

David Adler	Bob Dyson	Mark Long	Steve Robson
Mark Alexander	Louise Ellison	Ian Marcus	Will Robson
David Allen	Charles Fairhurst	Jeremy Marsh	Gary Rouse
Andrew Appleyard	James Fairweather	Julia Martin	Ros Rowe
Stuart Atkinson	Paul Findlay	Rob Martin	Graeme Rutter
Asli Ball	Richard Fisk	Patrick McAllister	Graham Sanders
Colin Barber	Charles Follows	James McDonald	Ben Sanderson
Richard Barkham	John Forbes	Martin McGann	Nick Scarles
Phil Bayliss	Andrew Franck Steier	Shelagh McKibbin	Julian Schiller
Roy Beckett	Malcolm Frodsham	Paul McNamara	Alastair Seaton
Ashley Blake	John Gellatly	Karen McNicholls	Bryan Sherriff
Claudine Blamey	Jeffrey Gillbanks	Fraser McPhail	Ian Sherry
Richard Bloxam	Bill Gloyn	Alan Meakin	Gary Sherwin
Gerald Blundell	Andrew Goodbody	Guy Morrell	Karen Sieracki
Sylvia Bowden	Robin Goodchild	Michael Morris	Max Sinclair
Andrew Brazier	Patrick Hanlon	Fiona Morton	David Skinner
Anne Breen	Andrew Hann	Malcolm Naish	Andrew Smith
Christopher Brigstocke	Andrew Hawkins	Philip Nell	Andy Smith
Alessandro Bronda	Stuart Heath	Andrew Osborne	David Smith
James Bryer	Geoffrey Hill	Robert Page	Michael Stancombe
Mark Bunney	Darren Hobson	Philip Parnell	Julian Stocks
Mark Callender	Amanda Howard	Rawle Parris	John Story
Simon Carter	Scott Howie	Alan Patterson	Neil Sturmey
Chris Carter Keall	Catherine Hughes	Richard Payne	Stuart Tait
John Cartwright	Tim Hurdiss	Richard Pellatt	Juliet Thomas
Ciaran Carvalho	Brian Hutcheson	Jose Pellicer	Rod Till
Charles Cattell	Andrew Hynard	Mark Pendower	Mark Titcomb
Mark Charlton	Philip Ingman	Peter Pereira Gray	Matt Tombs
Hugo Clark	David Jackson	Chris Perkins	Neil Turner
Philip Clark	Max Johnson	Andrew Pettit	Marieke van Kamp
Peter Clarke	Geraint Jones	Stephanie Pfeifer	Cathryn Vanderspar
Kelly Cleveland	Peter Kasch	Caroline Philips	Maarten Vermeulen
Tim Coffin	Miles Keeping	Andrew Quinlan	Mark Vernon
Stewart Cowe	Kultar Khangura	Grant Rawlinson	Kenny Waitt
Ian Cullen	Mark Kildea	Iain Reid	Adrian Watson
Andrew Dickman	Richard Kolb	Dominic Reilly	Henrie Westlake
Paula Dillon	Lynette Lackey	Andrew Richardson	Steve Williamson
Richard Donnell	Colin Lizieri	Ben Roberts	Pamela Young
Timon Drakesmith	Phil Ljubic	Paul Robinson	Tony Yu
Paul Duffy	Deborah Lloyd	Simon Robinson	

# Financial Statements

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

Year ended 31 March 2011

### 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 2011.

### Principal Activity

The Forum's objective is to improve the awareness, understanding and efficiency of property as an investment for its members and other interested parties, including government, by:

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

### 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.

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

The following changes occurred on 17 June 2010:

Resigned:	Appointed:
F Morton	C Ireland
M Titcomb	M Sinclair
I Womack	A Smith

### 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

**J Gellatly**

Director

Date: 13 June 2011

## 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 2011 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 2011 and of its deficit 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: 13 June 2011

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 2011

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
<b>Income</b>				
Subscriptions	322,346	–	322,346	303,506
Bank interest receivable	15,079	1,209	16,288	15,697
Social events	273,087	–	273,087	239,485
Education	63,408	–	63,408	55,661
Research	–	61,000	61,000	331,312
Other income	1,440	–	1,440	354
	<u>675,360</u>	<u>62,209</u>	<u>737,569</u>	<u>946,015</u>
<b>Expenditure</b>				
Social events	179,963	–	179,963	156,595
Education	12,496	–	12,496	14,871
Research	–	234,539	234,539	216,517
Administration and salaries	377,375	–	377,375	353,419
Professional and audit fees	14,116	–	14,116	14,038
Bank charges	3,970	–	3,970	6,431
Website and publications	29,845	–	29,845	23,203
Irrecoverable VAT	21,099	–	21,099	14,876
	<u>638,864</u>	<u>234,539</u>	<u>873,403</u>	<u>799,950</u>
<b>(Deficit) surplus income over expenditure and retained (deficit) surplus for year</b>	36,496	(172,330)	(135,834)	146,065
Transfer between funds	–	–	–	–
<b>Retained (deficit) surplus after transfer</b>	36,496	(172,330)	(135,834)	146,065
Retained surplus brought forward	561,739	240,306	802,045	655,980
<b>Surplus carried forward</b>	<u>598,235</u>	<u>67,976</u>	<u>666,211</u>	<u>802,045</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 2011

Company Number 2763992	Note	2011 £	2011 £	2010 £	2010 £
<b>Fixed assets</b>					
Tangible assets	5		2,850		–
<b>Current assets</b>					
Debtors	6	92,887		47,750	
Cash at bank and in hand		865,700		1,007,429	
		<b>958,587</b>		<b>1,055,179</b>	
<b>Creditors: amounts falling due within one year</b>					
	7	<b>295,226</b>		<b>253,134</b>	
<b>Net current assets</b>			<b>663,361</b>		<b>802,045</b>
Total assets less current liabilities			<b>666,211</b>		<b>802,045</b>
<b>Reserves</b>					
Unrestricted funds					
General funds			585,319		548,823
Designated funds	9		12,916		12,916
			<b>598,235</b>		<b>561,739</b>
Restricted funds	8		67,976		240,306
			<b>666,211</b>		<b>802,045</b>

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 13 June 2011.

**J Gellatly**  
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 2011 there were 1,867 members (2010 - 1,837 members).

### 3 (Deficit) surplus of income over expenditure

	2011	2010
	£	£
This has been arrived at after charging:		
– Depreciation	2,850	476
– Auditors' remuneration	7,750	8,500
	<u>10,600</u>	<u>8,976</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 (2010: from the date of her appointment), is as follows:

	2011	2010
	£	£
Emoluments	93,500	70,250
Payments to defined contribution pension scheme	8,500	6,375
	<u>102,000</u>	<u>76,625</u>

### 5 Tangible Fixed Assets

	Equipment £
<b>Cost</b>	
At 1 April 2010	6,405
Additions	5,700
Disposals	(6,405)
	<u>5,700</u>
At 31 March 2011	<u>5,700</u>

#### Depreciation

At 1 April 2010	6,405
Provided for the year	2,850
Disposals	(6,405)
	<u>2,850</u>
At 31 March 2011	<u>2,850</u>

#### Net book value

At 31 March 2011	<u>2,850</u>
At 31 March 2010	<u>–</u>

### 6 Debtors

	2011	2010
	£	£
Amounts receivable within one year:		
Debtors	30,470	–
Other debtors and prepayments	62,417	47,750
	<u>92,887</u>	<u>47,750</u>



## 7 Creditors

	2011	2010
	£	£
Amounts falling due within one year:		
Trade creditors	20,917	41,556
Deferred income	162,129	149,755
Other taxes and social security costs	32,397	11,394
Accruals and other creditors	79,783	50,429
	<u>295,226</u>	<u>253,134</u>

## 8 Restricted Funds

	Balance 2010 £	Income £	Expenditure £	Transfer Between Funds £	Balance 2011 £
Securitisation Fund	73,876	1,209	–	(75,085)	–
Research Programme Fund	166,430	61,000	(234,539)	75,085	67,976
	<u>240,306</u>	<u>62,209</u>	<u>(234,539)</u>	<u>–</u>	<u>67,976</u>

The Securitisation Fund was established in 1999 following a donation from the Berkshire Committee. In September 2009, the Trustees of the Berkshire Committee agreed that the original purpose of the Securitisation Fund had largely been met through the creation of UK real estate investment trusts (REITs) and that the remaining monies in the Fund could be used for projects in the IPF Research Programme that addressed matters relating to improving the efficiency of the property investment marketplace. Accordingly, the Securitisation Fund has been amalgamated with the Research Programme Fund.

The Research Programme Fund was established in 2006 when the IPF launched the second phase of its Research Programme. Twenty four supporters each committed to support the programme for four years, paying a total of £45,000 each. Given the difficult economic climate in 2009, the IPF directors decided to try and extend the Programme until 31 March 2011, rather than attempt to launch a third phase. Twenty-two of the sponsors agreed to commit a further £2,000 each to the Programme in 2010-11 and the IPF Educational Trust made a one-off contribution of £25,000.

The balance in the Restricted Funds as at 31 March 2011 has already been allocated to specific projects. The research relating to these will be published under the auspices of the second phase of the IPF Research Programme.

## 9 Designated Funds

	Balance 2010 £	New Designations £	Utilised/ Released £	Balance 2011 £
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.

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

Mike Adams	Louise Ellison	Colin Lizieri	Kevin Sale
Richard Akers	Paul Farey	Nick Lloyd	Graham Sanders
Mike Alderton	Sir Robert Finch	Dennis Lopez	Nadja Savic
Stephen Ashworth	Charles Follows	John Macpherson	Nick Scarles
Nick Atkins	Heath Foruuz	William Maunder-Taylor	Alistair Seaton
Andrew Bailey	Malcolm Frodsham	Bill Maxted	Graham Seaton
Richard Barkham	Graham Frost	Martin McGann	Claire Sheppard
Bill Bartram	Paul Fullerton	Tony McGough	Max Sinclair
Dan Bayley	John Gellatly	Sean Mitchell	Andrew Smith
Phil Bayliss	Bill Giouroukos	Kevin Mofid	Andy Smith
Robbert Bergmann	Patricia Godfrey	Stuart Morley	Justin Snoxall
Neil Blake	Andrew Goodbody	Guy Morrell	John Stephen
Patrick Blookfield	Guy Grantham	Lucy O'Carroll	Emma Stoddart
Daniel Bowden	Stuart Heslop	Jonathan Petit	Craig Straw
Jackie Bowie	Darren Hobson	Caroline Philips	Neil Sturmeay
Stuart Bowman	David Hodes	Richard Quartermaine	Harvey Sykes
Mark Boyden	Ellie Horwitch-Smith	Howard Radley	Richard Symonds
Alan Carswell	Malcolm Hunt	Sarah Rayment	Mark Titcomb
Dominic Carter	Andrew Hutchinson	Michael Reevey	Marieke van Kamp
Alex Catalano	Andrew Hynard	Dawn Reynolds	Kenny Waitt
Caspar Cook	Andrew Jackson	Matthew Richardson	Ross Walker
Ian Coull	Simon Jenkins	Nicholas Ridley	Tony Watkins
Julia Crane	Simon Jones	Ben Roberts	Ian Watson
Julian Danobeitia	Sabina Kalyan	Mark Roberts	Ian Whittock
Tapan Datta	Michael Kenney	Simon Robinson	Andrew Wylie
Paula Dillon	Nick Knight	Will Robson	David Wylie
Bill Dinning	Joe Lister	Paul Royston	

## Event hosts:

Addleshaw Goddard	Dechert	Hammonds	Maxwell Winward
Allen & Overy	Deloitte	(Squires Sander + Dempsey)	Morton Fraser
Barclays	DLA Piper	Hogan Lovells	Nabarro
BDO	DTZ	Hunton & Williams	Nottingham Trent University
Berwin Leighton Paisner	Eversheds	ING Real Estate	Osborne Clarke
BNP Paribas Real Estate	Freeth Cartwright	Jones Lang LaSalle	Pinsent Masons
Brabners Chaffe Street	Freshfield Bruckhaus	Land Securities	PricewaterhouseCoopers
Broadgate	Deringer	Legal & General	Reed Smith
CMS Cameron McKenna	Grosvenor	Linklaters	The Royal Bank of Scotland
Cobbetts	GVA	MacRoberts	Scottish Widows

## Event sponsors:

Abstract Land	Innes England	Langham Hall	Miller Developments
Barclays Corporate	JLT	Lloyds TBS Corporate Markets	Nottingham Trent University
Chase & Partners	Knight Frank	Lockton	Scottish Widows Investment Partnership
			VALAD

The IPF Research Programme has developed as 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 24 research sponsors. We are very grateful to this group of companies for their support of the programme.

ADDLESHAW GODDARD





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