



Investment
Property Forum



Report & Accounts 2017

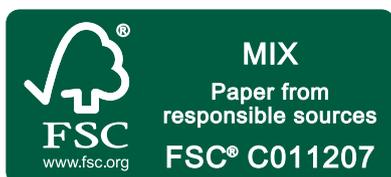
IPF Research Programme 2015–2018

The IPF Research Programme is an important provider of high-quality, independent research focused specifically on property investment. We can only continue to fulfil this role due to the support of our 22 research sponsors. We are very grateful to this group of companies for their support of the 2015-2018 Programme.



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(until January 2017)

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(from February 2017)

Report from the Chairman

It has been a pleasure and privilege to serve as Chairman of the Investment Property Forum (IPF) for the last 12 months.

This has certainly been an eventful year, what with the Brexit referendum in June 2016, the November US elections, the French elections in late-April/early May and, of course, most recently the General Election (and unexpected result). We now look to see what the longer-term implications of these and other changes this year will be.

The impact for the IPF so far has been relatively small in terms of membership numbers and attendance at seminars but it is much more noticeable that budgets for corporate entertainment and sponsorship have been markedly reduced. We expect to see this continue into 2017-18.

Despite this, the IPF has had a very productive year and a summary of its activities and initiatives during 2016-17 is set out below.

Membership

Membership numbers reached a record level this year so we now have 2,151 members, compared with 2,030 a year ago. This growth is a result of the combined efforts of many but I should particularly like to thank those on the Membership Committee, chaired by Juliet Thomas, the regional boards and the Next Generation Group Committee, led by Vicky Skinner and her successor, Tom Davies.

The Next Generation Group, aimed at people with 5-15 years' experience in the industry, has grown from 450 to over 500 and the Committee members remain committed to increasing the number of members and the range of educational and social events during 2017-18.

The results of the membership survey carried out during November-January suggested that at least some members are not aware of services already provided, e.g. the ability to download all seminar presentation slides from the website. The Operational Board recognises that more needs to be done to promote the IPF and its activities to its members and the wider industry through both established modes and those offered by social media, not widely used by the Forum to date. A main IPF Twitter account was set up and research sponsors and others encouraged to retweet IPF research updates and news of events etc. We have also set up separate LinkedIn and Twitter accounts for the Midlands Board to promote events etc. in the region. These initiatives will be developed further during 2017-18, in conjunction with an upgrade of the functionality on the IPF website.

Following membership feedback, the IPF journal, Investment Property Focus, also went digital and the last hard-copy edition was published in May 2016. 'Focus' articles are now being published as PDFs and uploaded to the website.

The first electronic version of the Midlands newsletter was emailed to members in the region in March. The Midlands Board is intending to produce this publication twice a year from now onwards.

This year also saw the award of life membership to Neil Crosby of Henley Business School, University of Reading, for his outstanding contribution to both the IPF and the wider investment industry over many years.

IPF Research Programme

The IPF Research Programme is integral to much of the Forum's activities and outputs. The delivery of objective and high-quality research and analysis that address both fundamental and topical issues remains a crucial function of the Forum, with the need to ensure continuing relevance to IPF members and the real estate industry, whilst maintaining stringent standards of quality and robustness.

IPF Research Programme 2015-18 sponsor organisations

Aberdeen Asset Management	Europa Capital Partners	M&G Real Estate
Addleshaw Goddard	GIC Real Estate	MSCI
Aviva Investors	Grosvenor Group	Picton Capital
AXA Investment Managers	JLL	Standard Life Investments
Barings Asset Management	Kames Capital	Strutt & Parker
CBRE Global Investors	LaSalle Investment Management	TH Real Estate
CoStar UK	Legal & General Investment Management	Wells Fargo International Bank
Deutsche Asset Management		

We thank the 22 organisations listed above for providing their financial support to the 2015-2018 Programme.

The Programme is run by the Research Steering Group, under the chairmanship of Robin Martin, together with the Forum's Research Director, Pam Craddock.

The IPF produces a number of regular reports throughout the year, including:

- The quarterly UK Consensus Forecasts of rental and capital value growth and total returns;
- The half-yearly Consensus of European prime office market rents;
- The annual Size and Structure of the UK Commercial Property Market; and
- The annual survey of Institutional Attitudes to Investment in UK Residential Property.

In addition to the regular surveys, the following reports from the Programme (listed in chronological order) were published during 2016-17:

- Real Estate Crowdfunding: Gimmick or Game Changer?
- The Changing Sources of Real Estate Debt Capital: Facts and Implications
- An Investigation of Hurdle Rates in the Real Estate Investment Process

The Forum would like to thank all contributors to the research projects for their on-going support, including those who have served on project steering groups.

All completed research reports are available to members to download from the IPF website. Members can download the slides from the seminars to launch the research findings. These seminars are also being videoed and members can access these recordings again via the website.

Education

The programme of seminars and workshops during the year covered a wide range of topics. These events were organised in the main by the CPD Group chaired by Andrew Hynard, the IPF special interest groups, the Next Generation Group Committee and the respective regional boards. Members can download the presentation slides and, increasingly, video recordings from these events.

As in previous years, we ran a number of seminars with other industry organisations including the Asian Association for Investors in Non-listed Real Estate Vehicles (ANREV), Association of Property Lenders (APL), Association of Real Estate Funds (AREF), British Property Federation (BPF), Cambridge University Land Society (CULS), Commercial Real Estate Finance Council (CREFC) Europe, Industrial Agents Society (IAS), European Association for Investors in Non-Listed Real Estate Vehicles (INREV) and Society of Property Researchers (SPR). We also ran four quarterly update breakfasts jointly with MSCI. IPF members in Scotland were invited to the MSCI presentation of the Q4 2016 results and the IPF organised events in Birmingham and Manchester where these results were also presented.

This year saw the IPF's third Alistair Ross Goobey Memorial Lecture, which was held jointly with the Cambridge University Land Society for the first time. The keynote speaker was Sir Jon Cunliffe, Deputy Governor for Financial Stability at the Bank of England. The event was chaired by IPF President, Sir David

Clementi, and the panel members were Richard Holt, Oxford Economics; Alison Nimmo, The Crown Estate and Nigel Wilson, Legal & General Group.

The 26th annual MSCI/IPF Property Investment Conference took place in November. The event was chaired by Bill Hughes of Legal & General Investment Management and keynote speakers included Gideon Rackman, FT columnist, on the difference between the real and perceived risks for investment and Stian Westlake of Nesta, who considered the implications of disruptive technology for business success and real estate investment performance. The after-dinner speaker was author and comedian, Tony Hawks.

Henley Business School, University of Reading took over the administration of the IPF's formal education programme (Investment Education Programme (IEP)) in 2015. In October 2016, the IEP merged with the University's flexible, part-time MSc Real Estate Investment & Finance. This means that students can choose to do the full MSc (180 credits) straight through or follow a staged approach, stage one being the IPF Certificate (comprising two University modules + the IPF online module) and stage two, the IPF Diploma (comprising four 20-credit modules). To gain the MSc (stage three), students need to take four further 20-credit modules. There are no time limits on completing either the IPF Diploma or the MSc so students can opt to do just one module a year or even every other year. NOTE: All IPF diplomates can go directly to stage three. John Story, Chair of the IPF Academic Group, and Sue Forster (IPF Chief Executive) are to be commended for their efforts in agreeing these arrangements with the University.

I would like to thank everyone who has contributed to the success of the IEP since its inception in 1999 including, (i) the leaders and guest speakers on each module and (ii) the members of the Academic Group, who were responsible for the development and oversight of the IEP throughout. As a mark of our appreciation, we are arranging an IEP Alumni reception in September for the aforementioned and the IPF diplomates – invitations will be sent out as soon as the details have been confirmed.

Thirteen IEP diplomates received their certificates at the presentation prior to the annual lunch in January and the winner of both the John Whalley Prize for best overall performance in the Diploma and the IEP Module Prize was Mike Irvine.

Part of the IEP, known as the IPF Certificate, is a Financial Conduct Authority (FCA) Key 2 Appropriate Examination under the 'Managing Investments' activity. In April 2016, Sue Forster attended the meeting at the FCA for organisations offering courses under this activity and contributed to the consultation on the proposed changes later in the year.

In addition to the IEP/University of Reading flexible, part-time MSc Real Estate Investment & Finance, the IPF recognises 10 other postgraduate real estate investment/finance courses – these are listed on the IPF website. The directors of each of these courses are invited to submit their best student dissertation for an IPF prize of £500. We awarded eight such prizes this year.

The Nick Tyrrell Memorial Research Prize (a joint initiative with INREV and SPR) was not awarded this year as the judging panel did not feel that any of the entries combined academic rigour with sufficient practical application. As a result, the rules of the Prize were reviewed and clarified and hopefully there will be a worthy winner from the 23 submissions received at the end of May 2017. Sue Forster has now joined the secretariat for the Prize, on rotation from INREV.

The IPF continues to update the real estate investment module of the Taxbriefs' Chartered Insurance Institute online CPD centre on a quarterly basis, having originally written the module in early 2015.

On a less formal note, the IPF also organised several site visits this year, both in London and the regions. These included: Barts Square, The Bower Building and the King's Cross development in London; 55 Colmore Row, Birmingham; St James, Edinburgh; and New Bailey, Salford.

Members in the Northern region have been able to attend the quarterly M60 breakfasts organised by RBS and we have been able to offer all members access to other third-party seminars, together with discounted rates for third-party workshops, conferences and industry journals. We will be actively seeking to enhance the number and scope of these offers during 2017-18.

Although not the same legal entity, the IPF and the IPF Educational Trust have had a close working relationship for many years – not least because the latter has supported the development of the IPF's IEP and Research Programme. Therefore, it should be noted here that the Educational Trust was put into dormancy from the beginning of December, with the IPF assuming responsibility for the funding of the two IPFET prizes awarded to IEP students and financial assistance for academics attending the MSCI/IPF annual conference.

IPF Dinner and Lunches

The IPF held a lunch and a black-tie dinner in both London and the Midlands region. The annual formal event in Scotland took the form of a seminar ('After the politics, elections & referenda: The Outlook for 2016 and beyond'), followed by a drinks reception and dinner in September. The Northern Board also organised a 'sold out' formal dinner in November.

Other social events

Following the reinstatement in January 2016 of the informal networking drinks for IPF London-based members under the brand of 'IPF London Network', there were a further three events during this financial year. In addition, the IPF ran two events at the same venue for Next Generation members, who were invited to bring along colleagues interested in joining the IPF. The Next Generation Committee organised a number of other informal events including the 'Not at EXPO REAL' and 'Not at MIPIM' breakfasts.

The regional boards also organised social events for their respective members who, as in London, were invited to bring along potential members.

Special Interest Groups

The Forum has several special interest groups, which focus on developing specific areas within the investment property industry. Below is a brief overview of their principal activities during the year.

Indirect Property Group

As reported last year, members of the Indirect Property Group, chaired by Graeme Rutter, have been participating in the 'End-of-Fund Life' project, established by AREF, INREV and IPF to identify simple overriding principles covering the end of fund life period to aid the real estate industry in enhancing its processes. The industry consultation on the draft best practice paper was launched at a workshop in March 2016. Following the two-month consultation period, the final version of the report was published at the end of September and is available, together with the slides from the report's November launch, to download from the IPF website.

The Group ran a breakfast seminar looking at the impact of gearing on fund performance. It also organised two seminars (jointly with AREF) that looked at the implications of investment pooling for the local government pension schemes in England and Wales. There will be two further sessions on this topic in October and November this year.

Members of the Group also helped draft the IPF response to the FCA consultation on 'Illiquid assets and open-ended investment funds' and have participated in the Property Industry Alliance (PIA) Brexit capital workstream (more details under PIA below).

International Group

Following discussions between its chair, Ben Sanderson, Sue Forster and the IPF's Research Director, Pam Craddock, the Group's remit was changed to focus on developing project briefs for consideration by the IPF Research Programme.

At their meeting in September, the 17 members, including nine new additions, drew a substantive list of potential research projects before prioritising three for further consideration. The first of these, 'Managing Currency Risk', was tendered by the Research Programme in March.

Property Derivative Interest Group (PDIG)

Chaired by Phil Ljubic and now Jon Masters, the Group launched its second briefing paper on the use of property futures as a risk management at the MSC/ IPF quarterly breakfast in November.

Next steps include the revision of the IPF publications 'Getting into Property Derivatives' and 'Trading Property Derivatives', combining them to form a single 'guide'.

Residential Investment Group

The Residential Investment Group (chaired by Stafford Lancaster) helped review the questions in the IPF annual survey, 'Institutional Attitudes to Investment in UK Residential Property' (see 'IPF Research Programme' above).

Having published the briefing paper, 'Mind the viability gap: Achieving more large-scale, build-to-rent housing', in September 2015, the Group considered other hurdles to achieving large-scale institutional investment in residential. The discussion paper, 'Large Scale PRS: Overcoming the current industry hurdles', looks at how issues relating to valuation methodologies, industry indices and shortage professional management capabilities could be resolved.

A further paper, focusing on public and private sector joint ventures is now in preparation and due for launch in September/October 2017.

Sustainability Interest Group

Members of the Group, which is chaired by Miles Keeping, have been engaging with government directly and via the Property Industry Alliance (see below) regarding such matters as the Minimum Energy Efficiency Standard (MEES) Regulations.

In addition to the annual legislation and valuation update seminar, the Group organised a seminar (with AREF) looking at investor attitudes to environmental, social and governance (ESG) and two breakfast briefings on sustainability risks and opportunities in property ownership & asset management and worth and value of responsible investment respectively.

Working Groups

Regulation and Legislation Group

The Regulation & Legislation Group, chaired by David Brown, is a permanent Group whose members monitor emerging legislation and regulation across a wide spectrum of the industry, both in the UK and wider afield.

Members of the Group liaise with other organisations, where appropriate, and draft responses to consultations where the subject is not covered by other IPF groups/committees. Examples this year have included:

- Tax deductibility of corporate interest expense: consultation on detailed policy design and implementation;
- Updating the Land Registration Act 2002;
- Markets in Financial Instruments Directive II Implementation;
- Sanctions to tackle tobacco duty evasion and other excise duty evasion; and
- Overseas Entity Register.

The IPF was represented by members of the Group at meetings organised by government departments prior to formal consultations on matters including the changes to land registration and registering beneficial ownership.

Following the Brexit referendum vote, the Group compiled a table showing the EU and/or UK source of key regulation and legislation appertaining to the real estate market. This is available to download from the IPF website and will be updated as required.

Guide for Financial Advisers

The IPF publication, 'Understanding UK Commercial Property Investments: A Guide for Financial Advisers' was updated in June 2015.

Following the post-Brexit referendum fallout in relation to the real estate market, the Financial Adviser Guide Working Group, chaired by Sue Forster, decided to reform and review the Guide in response to the new circumstances. Work is now underway on the fifth edition, due to be published in September/October 2017.

Net Effective Rent Index Implementation

Several of the large firms of valuers were due to pilot the new algorithm developed to capture net effective rents from Spring 2016 onwards – each firm agreed to identify a limited number of their monthly-valued portfolios for this purpose. This did not happen because in the aftermath of the Brexit referendum the valuers (understandably) had other priorities so progress on implementing the project has been slow this year.

Non-disclosure Agreement (NDA) and Exclusivity Agreement (EA) Working Group

The NDA Group was set up in October with the purpose of producing standard forms of NDA and EA for the industry to use in order to speed up the transaction process. I was both delighted and privileged to chair the Group, which met several times and succeeded in launching the final documents, with guidelines for use, at the end of January. Scottish versions of the documents were then added in early April.

This initiative has attracted a lot of interest, with over 1,000 downloads of the NDA and 600 downloads of the EA by the end of March. The IPF plans to seek feedback later this year from users of the documentation to see whether any changes are required.

IPF Protocol: Open Market Investment Agency

IPF Investment Agency Protocol Working Group provided input for the Forum's response to the RICS global 'conflicts' consultation document 'Draft professional statement – Conflicts of Interest' at the beginning of July.

Members of the IPF Group joined the RICS working group to help draft provisions that focussed solely on the UK investment agency market. The resultant draft professional statement, 'Conflicts of Interest – UK Commercial property market investment market' published in February this year was based on the IPF Investment Agency Protocol, although this was not acknowledged in the draft.

The final version of this professional statement, which comes into force in January 2018, was published in May – this time with acknowledgement of the IPF's contribution.

Other Industry involvement

The IPF groups and committees, together with members of the Executive, liaise with other industry groups and third parties on a frequent, as and when basis. The IPF also has more formal channels for such liaison and co-operation, as detailed below.

Property Industry Alliance (PIA)

The IPF continues to work alongside its fellow members of the PIA, comprising the Association of Real Estate Funds (AREF), British Council for Offices (BCO), British Property Federation (BPF), Commercial Real Estate Finance Council (CREFC) Europe, Revo (formerly BCSC), RICS and Urban Land Institute (ULI). As IPF Chief Executive, Sue Forster meets her opposite numbers in the other PIA organisations on a quarterly basis and there are two annual board meetings, chaired by Bill Hughes, where the CEOs are joined by their respective presidents and chairmen.

As regards specific projects, government consultations etc., the PIA members work together as a whole, or in smaller groupings, as appropriate. The standing formal PIA groups cover sustainability issues (Green Property Alliance (GPA)), Debt finance, REITs, taxation, research and the production of the annual pocket-sized publication, 'Property Data Report'.

Brexit Working Groups

Following the Brexit referendum result, the PIA members formed working groups to co-ordinate activities and discussions under five key headers: Procurement; Tax; Capital (with separate works streams for equity and debt); Skills; and Sustainability. These working groups are being led by different PIA members – the IPF is joint lead with AREF on Capital (equity). These groups are also liaising with opposite numbers in other industries, where relevant.

Debt Group

The Debt Group Steering Committee has been progressing three of the recommendations in 'A Vision for Real Estate Finance in the UK', a report by a cross-industry group that was sponsored by the IPF in 2014. These recommendations are to establish a comprehensive loan database; use of long-term value measures for risk management; and increase the understanding of the real estate market amongst lenders. Sue Forster has recently been appointed chair of the Education working group tasked with progressing the third of these recommendations.

European Real Estate Forum (EREF)

The IPF is a founding member of EREF, which now has more than 30 member organisations from across Europe – the Global Real Estate Sustainability Benchmark (GRESB) is the latest member to join. The Forum meets three times a year, generally in Brussels, and there were also a number of conference calls in between to exchange of views on such matters as responses to European consultations. This year, EREF has produced two papers, the first explaining importance of the property sector through its life cycle and the second, 'Guiding Principles for Future EU-UK Relations: the real estate investment perspective'. Both are aimed at EU officials.

NOTE: the IPF is now listed on the EU Transparency Register.

International Real Estate Data Exchange Council (IREDEC)

The IPF joined IREDEC at the beginning of 2017. The Council's aim is to improve data quality and the speed of data exchange across jurisdictions.

UK Investment Performance Committee (UKIPC)

The IPF has been a long-standing member of UKIPC, the main consultative body in the UK for global investment performance standards (GIPS). Ray Adderley and David Baskeyfield are now representing the IPF on the UKIPC, taking over from Sue Forster.

Thanks

I would like to finish by thanking the many people who contribute to the success of the IPF. First, my thanks to the members of the Operational Board and Strategic Advisory Group for their support during my year in office. In particular, thanks go to Mike Tremayne who took over from Philip Ingman as Honorary Treasurer in June 2016.

The regional boards continue to do an impressive job in terms organising seminars/other events and recruiting members in their respective regions. This year saw a change of chairman in the Midlands and Scotland and the North, with James Cubitt stepping down and being succeeded by Darren Williamson in the former and Jason Baggaley succeeding Steven Newlands in the latter. Rob Millington continued as chairmen in the Northern region.

The Acknowledgements section at the end of this report lists all IPF committees and groups members. I should like to thank everyone listed – the IPF's success is heavily reliant on the time and effort they put into our activities and initiatives.

I am very grateful to all the event sponsors, the organisations that have generously hosted IPF events and the individuals that have been speakers, panellists and chairmen at our events. Their names are also listed in the Acknowledgements section.

I would also like to say a big thank you to the IPF Executive; Sue Forster, Pam Craddock, Frankie Clay, Gemma Elnaugh, Barbara Hobbs, Jenny Hooper, Cormac Watters (who left in December) and Robbin Mackey (who left in January 2017), together with Cara Goulding and Lis Mustafa who joined the team recently. Throughout my year in office they have been highly dedicated and conscientious in their work for the IPF, often going beyond the call of duty.

Finally, I should like to offer my best wishes the incoming Chairman, Jonathan Thompson, and his Vice Chairman, Philip Nell. I am sure that under their leadership, the IPF will continue to flourish.

Ciaran Carvalho

Chairman

Report from the Treasurer

Whilst last year's investment market could best be described as mercurial, I am pleased to confirm a much less tumultuous year for the IPF.

We achieved a surplus for the year of around £48,000, and carried forward reserves of over £630,000 (excluding the Research Programme). At the start of each year, we budget to break even or make a small surplus – revenue was slightly down against budget, but expenditure was also below budget by an even greater margin, thus providing us with the healthy surplus. Some of this is purely timing, but congratulations must be passed onto the IPF Executive for achieving this excellent result given the prevailing market conditions.

Membership levels are our life-blood. Subscriptions provide nearly half our revenue – membership is both the IPF's both principal and most cost-effective revenue stream. Whilst membership is currently at an all-time high at around 2,150, we are forecasting relatively high attrition rates over the coming years, mainly because there are a large number of members in their 50s heading towards retirement. We therefore need to grow membership substantially, with a focus on a younger and more diverse membership. A clear strategy for this recruitment drive is in situ, but I would encourage all members to help us grow and broaden our membership by proposing and recommending membership to your best-in-class colleagues and friends.

In the forthcoming year, we have been able to set a budget that, although still reflecting the uncertainties of the market, builds upon the success of many of the recent years. The main emphasis, as stated, above, will be to grow income from membership subscriptions. We are however anticipating a tougher year, given both the potential downward pressure on certain revenue streams, and increase in expenditure to meet the cost of a much-needed additional member of our Executive team. Thankfully, The Forum holds substantial reserves for exactly these reasons to cover all these contingencies.

Subscription fees have been increased to £235, which still very much represents excellent value, especially when compared against similar industry organisations, and when the value of CPD and networking and research is taken into account.

On the Research side, we are in the second year of our 2016-2018 Research Programme. We have 22 sponsors providing a total commitment of £1.1m over the three year period.

Looking back at my first year as Treasurer, I am pleased with the financial health of the Forum, both by way of last year's surplus and capital reserves. Thanks must be given to the Executive, the Operational Board, Strategic Advisory Group, and all the committees, working groups and Next Generation Group for their continued efforts over the year.

Mike Tremayne

Honorary Treasurer

May 2017

Acknowledgements

We would like to thank the following individuals:

Regional Boards

Midlands

Darren Williamson
(Chairman from September 2016)

Damian Lloyd
(Vice Chairman from September 2016)

James Cubitt
(Chairman until September 2016)

David Allen

Andrew Brazier

Jonathan Brice
(from November 2016)

Matthew Hannah

Tim Hurdiss

Mark Johnson

Richard Round
(from November 2016)

Gary Rouse

David Smith

Mark Vernon

Rachel Williams

North

Rob Millington
(Chairman)

Simon Smethurst
(Vice Chairman)

Vicki Cook

Paula Dillon

Scott Gemmell

Jeffrey Gillbanks

Victoria Hill

Garry Howes
(from June 2016)

Matthew Jones

Katie Ridehalgh

Ian Sherry

Neil Sturmeay

Scotland

Jason Baggaley
(Chairman from February 2017)

Steven Newlands
(Chairman until February 2017)

Andy Armstrong

Thomas Elviss

Colin Finlayson

Scott Howie

Brian Hutcheson

Simon Kinnie

Fraser McPhail

Alastair Ness

Stuart Tait

Kenny Waitt
(until August 2016)

Richard Whyte
(from October 2016)

Principal Committees

Education Strategy Group

Guy Morrell
(Chairman)

Candice Blackwood

Frankie Clay

Charles Follows

Sue Forster

Ben Sanderson

Gary Sherwin

Karen Sieracki

Julian Stocks

John Story

Membership Committee

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Jeremy Beckett

Matthew Bird

Sue Forster

Cara Goulding
(from January 2017)

Liana Hewson

Nicholas Howe
(until August 2016)

Andrew Hynard

Philip Ingman
(until August 2016)

Mark Johnson

Sean Moran
(from August 2016)

Steven Newlands
(until February 2017)

Bryan Sherriff
(until August 2016)

Ian Sherry

Michael Tremayne
(from August 2016)

Cormac Watters
(until December 2016)

Stewart Womersley

Research Steering Group

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(Chairman)

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Matthew Bennett

Anne Breen

Mark Bunney

Pam Craddock

Steven Devaney

Sue Forster

Richard Gwilliam

Sonya Kapur

Greg Mansell

Stephanie McMahon

Jonathan Neale

Edward Trevillion

Chris Urwin

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Academic Group

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Ciaran Carvalho

Mark Charlton

Frankie Clay

Sue Forster

Max Johnson

Ian Marcus

Philip Nell

Mark Pendower

Dominic Reilly

Ben Sanderson

Karen Sieracki

CPD Group

Andrew Hynard
(Chairman)

Ashley Blake

Laura Chapman

Gemma Elnaugh
(from January 2017)

Charles Follows
(until December 2016)

Sue Forster

John Gardiner

Lynette Lackey
(until March 2017)

Robbin Mackey
(until January 2017)

Shelagh McKibbin
(until March 2017)

Michael Morris

Christopher Perkins

Clare Thomas

Darryl Tidd
(until September 2016)

Karen Sieracki
(until October 2016)

Next Generation

Tom Davies
(Chairman from February 2017)

Vicky Skinner
(Chairman until February 2017)

Chris Bampton

Charlie Batten

Felicity Beasley

Matthew Bird

Julian Carey

Paul Crosbie

Sue Forster

David Gingell

Cara Goulding
(from January 2017)

Lindsey Hammond

Peter Kirk

David Lebus

Kitty Patmore

Oliver Rippier
(from April 2016)

Shailendra Shah

Stewart Womersley

Current Working Groups

Financial Advisers Guide

Sue Forster
(Chairman)

Kerry Baronet
(until February 2017)

David Brown

Mark Clacy-Jones
(until February 2017)

Ben Dimson
(until February 2017)

Chris Douglas
(from February 2017)

John Forbes
(from February 2017)

Mark Hutchinson

Emma Long
(until February 2017)

Philip Nell

Selena Ohlsson
(from February 2017)

Will Robson
(from February 2017)

Melville Rodrigues

Regulation and Legislation Group

David Brown
(Chairman)

David Adler

Bill Bartram

Christopher Brigstocke

Jonathan Cantor

John Condliffe

Sue Forster

Christine Ormond

James Read

Robert Short

Shirley Smith

William Woodall

Net Effective Rents Steering Group

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(Chairman)

Geren Abraham

Paul Broadley

Ian Cameron

Neil Crosby

Ian Cullen

Richard Dace

Sue Forster

Malcolm Frodsham

Michael Gilbert

Fiona Haggett

Neil Harrison

Graham Leith

Claire Magowan

Peter O'Brien

Simon Rees

Matthew Richardson

Nigel Roberts

Graham Spoor

Gareth Thomas

David Tudor

Protocol Working Group

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(Chairman)

Gordon Aitchison

David Allen

Jason Baggaley

Rupert Clarke

David Erwin

Sue Forster

Dean Hodcroft

Simon Hope

Stephen Hubbard

Chris Ireland

Peter MacColl

Mark Morgan

Chris Morrish

Imogen Moss

Fiona Rowley

Chris Taylor

James Watson

Non-Disclosure Agreement Working Group

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(Chairman)

Christopher Brierley

Dan Buckle

Steven Cowins

Sue Forster

Siobhan Godley

Neil McGibbon

Philip Nell

Alex Peeke

Stuart Tait

Clare Thomas

Geraint Thomas

Special Interest Groups

Indirect Property Funds Group

Graeme Rutter
(Chairman)

Matthew Abbott

Michael Acratopulo

Dan Batterton
(until January 2017)

Justin Brown

Justin Cornelius

Stephen Elliott

Charles Ferguson Davie

John Forbes

Sue Forster

International Group

Ben Sanderson
(Chairman)

Ian Cullen
(until November 2016)

David Dix
(from October 2016)

Dimitri Doublet
(from November 2016)

Sue Forster

Amanda Howard
(until November 2016)

David Jackson

Simon Mallinson
(from October 2016)

Noel Manns
(until November 2016)

Tom Mundy
(from October 2016)

Jason Oram
(from October 2016)

William Rowson
(from October 2016)

Sarah Slater
(from October 2016)

Andrew Smith

Damien Smith
(from October 2016)

Robert Stassen

Jonathan Thompson
(until August 2016)

Mark Titcomb

Neil Turner

Tom Walker
(from October 2016)

PDIG Advisory Committee

Jon Masters
(Chairman from September 2016)

Philip Ljubic
(Chairman until September 2016)

Adam Alari
(from August 2016)

Stephen Ashworth

Bill Bartram

Douglas Crawshaw
(from August 2016)

Christian Csomos
(until February 2017)

Nick Fisher
(from February 2017)

Sue Forster

Steven Grahame
(from August 2016)

Stuart Heath
(from February 2017)

David Hedalen

Helen Hermant

Luke Layfield

Emma Long
(until February 2017)

Mark Long

Lu Li
(from January 2017)

Alex Moss

Paul Ogden
(until November 2016)

Kate Pedersen

Matthew Richardson
(until February 2017)

Ken Soh

Residential Investment Group

Stafford Lancaster
(Chairman)

Adrian Benedict

Tony Brown

John Carleton
(Until January 2017)

Mark Davis

Richard Donnell

Charles Fairhurst

Sue Forster

Robin Goodchild

Olivia Harris
(from July 2016)

Niall Malone
(from March 2017)

Dominic Martin

Cathryn Vanderspar

Jean-Marc Vandevivere

Sustainability Interest Group (with IIGCC)

Miles Keeping
(Chairman)

Tatiana Bosteels

Chris Brigstocke

Tim Coffin

Siobhan Cross

Louise Ellison

Linda Fletcher
(from September 2016)

Sue Forster

Alex Hill

Caroline Hill

Philip Parnell

Richard Quartermaine

Nina Reid

IPF representatives on UK Investment Performance Committee (UKIPC)

Ray Adderley

David Baskeyfield

Seminar chairmen, speakers and panellists

Michael Acratopulo	John Forbes
Rob Adams	Tom Francis
Asker Ali	Oliver Gaymond
Nick Allan	Lynn Gilbert
Andy Allen	Pete Gladwell
David Allen	Robin Goodchild
Andrew Appleyard	Alexander Greaves
Zeinab Azadi	Stuart Green
Jason Baggaley	Thomas Grounds
Andy Bagnall	Paul Guest
Charles Balch	Sandy Gumm
Giles Barrie	Andrew Haldane
Michael Birch	Michaela Hancock
Rob Bould	Louise Hill
Andrew Brazier	Philip Hilman
Paul Brundage	Richard Holt
Andrew Carter	Jeff Houston
Simon Carter	Bill Hughes
Benjamin Cha	Peter Hugh-Smith
Sarah Christie	Malcolm Hunt
Jenni Christy	Archie Hunter
David Clementi	Tim Hurdiss
Derek Clements-Croome	Henry Jackson
Siobhan Cross	Gary Jebb
Jon Cunliffe	Mark Johnson
Paul Curran	Glynn Jones
Ian Daniels	Matthew Jones
Charles Daulon du Laurens	Robert Jones
Michael Dinsdale	Simon Jones
Gordon Docherty	Tim Jowett
Guillermo Donadini	Sabina Kalyan
Phil Doyle	Anne Kavanagh
Alistair Dryer	Nick Keable
Laure Duhot	Miles Keeping
Paul Edwards	Jeremy Kelly
Ben Elder	Anil Khera
Thomas Elviss	Simon Kinnie
Anthony Everitt	Fredruk Korallus
Paul Eyre	David Kramer
Justin Faiz	Kris Krokosz
Kieran Farrelly	Lynette Lackey
Charles Ferguson Davie	Steven Lang
Colin Finlayson	Steve Larkin
John Finnemore	Damian Lloyd
Mary Finnigan	Deborah Lloyd
Peter Folwell	Victoria Lockhart

Emma Long
Peter Lowe
John Lutzius
Nicole Lux
Hugo Machin
Ty Mahmood
Noel Manns
Ian Marcus
David Marks
Simon Marks
David Marriott
Bill Maxted
Philip Mayall
Stephanie McMahon
Gary McNamara
Fraser McPhail
Robert Millington
Frank Mills
Paul Mitchell
Rohin Modasia
Andrew Moffat
Stuart Moncur
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Jacob Nell
Alison Nimmo
Richard Norgrove
Matthew Oakley
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Brenna O'Roarty
Robert Orr
Charles Ostroumoff
Bill Page
Neil Parker
Richard Parker
Philip Parnell
Liz Peace
Christopher Perkins
Martin Perry
Graham Porter
Rachel Portlock
Carl Potter
Roger Quirijns
Matthew Richardson
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Nick Riley
Oliver Rippier
Melville Rodrigues
Cindy Rose
Mike Schofield
Nick Searl
Debbie Seels
Ian Sherry
Max Sinclair
Simon Smethurst
David Smith
John Styles
Martin Summerscales
Cyril Théret
Ian Thomas
Becky Thomson
Richard Tice
Richard Tomlinson
Katie Trout
Jean-Marc Vandevivere
Roberto Varandas
Martijn Vos
David Walker
Ed Webb
Guy Webber
Simon Wells
Stephen Wicks
Tom Williams
Darren Williamson
Dominic Wilson
Nigel Wilson
Gary Wingrove
James Woodley
Pamela Wright
Michael Zerda

We would like to thank the following organisations for their support during the year:

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PGIM Real Estate
Santander Corporate & Commercial Banking

Report and Financial Statements

Investment Property Forum (a company limited by guarantee)

Year ended 31 March 2017

Company information

Directors

C Carvalho
P Craddock
S Forster
M Keeping
J Martin
K Patmore
G Sherwin
J Thomas
J Thompson
M Tremayne

Company secretary

S Forster

Registered number

02763992

Registered office

2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

Independent auditor

BDO LLP
31 Chertsey Street
Guildford
Surrey
GU1 4HD

Bankers

National Westminster Bank PLC
63-65 Piccadilly
London
W1J 0AJ

Solicitors

Nabarro LLP
125 London Wall
London
EC2Y 5AL

Directors' Report

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors' responsibilities statement

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 that 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 for the company's financial statements and then apply them consistently;
- make judgments 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 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.

Principal activity

The objective of the Investment Property Forum ("IPF" or "The Forum") is to enhance the understanding and efficiency of property as an investment, including public, private, debt, equity and synthetic exposure, for its members and other interested parties, including government, by:

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

Directors

The following directors have served throughout the year.

C Carvalho (Chairman)	J Martin	J Thompson	(appointed 14 June 2016)
P Craddock	K Patmore	M Tremayne	
S Forster	G Sherwin	P Ingman	(resigned 14 June 2016)
M Keeping	J Thomas	C Ireland	(resigned 14 June 2016)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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

This report was approved by the board on 4 May 2017 and signed on its behalf.

C Carvalho

Director

Independent Auditor's Report

We have audited the financial statements of Investment Property Forum for the year ended 31 March 2017 which comprise the Statement of income and retained earnings, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained during the course of the audit, we have not identified material misstatements in the directors' report.

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 and to the exemption from the requirement to prepare a strategic report.

Nick Poulter (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor, Guildford, United Kingdom 15 May 2017

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

Statement of income and retained earnings

for the year ended 31 March 2017

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Income				
Subscriptions	434,944	–	434,944	382,957
Social events	410,867	–	410,867	398,127
Education	87,901	–	87,901	78,845
Research	–	384,993	384,993	330,000
Other income	800	–	800	4,205
	<u>934,512</u>	<u>384,993</u>	<u>1,319,505</u>	<u>1,194,134</u>
Expenditure				
Social events	260,946	–	260,946	276,491
Education	24,097	–	24,097	33,429
Research	–	322,464	322,464	235,607
Administration and salaries	544,491	–	544,491	560,200
Professional and audit fees	17,918	–	17,918	18,369
Bank charges	6,179	–	6,179	12,563
Website and publications	33,610	–	33,610	44,545
Irrecoverable VAT	7,489	–	7,489	11,565
Donations	2,165	–	2,165	2,000
	<u>896,895</u>	<u>322,464</u>	<u>1,219,359</u>	<u>1,194,769</u>
Surplus/(deficit of operating income over expenditure)	37,617	62,529	100,146	(635)
Bank interest receivable	10,547	–	10,547	11,949
Retained surplus/(deficit) for the year	48,164	62,529	110,693	11,314
Retained surplus brought forward	584,820	188,695	773,515	762,201
Surplus carried forward	<u>632,984</u>	<u>251,224</u>	<u>884,208</u>	<u>773,515</u>

All amounts relate to continuing activities.

All recognised gains and losses for 2017 or 2016 are included in the statement of income and retained earnings.

The notes on pages 21 to 28 form part of these financial statements.

Balance Sheet

at 31 March 2017

	Note	2017	2017	2016	2016
Fixed assets					
Tangible assets	9		59,972		76,094
Current assets					
Debtors: amounts falling due within one year	10	92,936		181,665	
Cash at bank and in hand		1,209,219		1,022,624	
		<u>1,302,155</u>		<u>1,204,289</u>	
Creditors: amounts falling due within one year	11	(477,920)		(506,868)	
Net current assets			<u>824,236</u>		<u>697,421</u>
Net assets			<u>884,208</u>		<u>773,515</u>
Capital and reserves					
General funds			620,068		571,904
Designated funds	14		12,916		12,916
			<u>647,264</u>		<u>584,820</u>
Restricted funds	13		251,224		188,695
			<u>884,208</u>		<u>773,515</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 May 2017.

C Carvalho

Director

The notes on pages 21 to 28 form part of these financial statements

Notes on the Financial Statements

for the year ended 31 March 2017

1 General information

Investment Property Forum is a private company incorporated in England and Wales under the Companies Act. It is a company limited by guarantee. The address of the registered office is given on the company information page and the nature of the company's operations and principal activities are given in the directors' report.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The date of transition to FRS 102 was 1 April 2015. The last set of financial statements which were prepared under the previous UK GAAP framework were for the year ended 31 March 2016. There are no transition adjustments.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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 15).

Restricted funds are subject to restrictions on their expenditure imposed by the sponsors (see note 14).

2.3 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 on a receivable basis. Other income is recognised during the period in which the goods were delivered or the service provided.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, it is calculated at the following bases.

Office equipment – 50% per annum
Membership database – Straight line over 6 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.5 Website development costs

Where websites are expected to generate future revenues in excess of the costs of developing these websites, expenditure on the functionality of the website is capitalised and treated as a tangible fixed asset. Expenditure incurred on maintaining websites and expenditure incurred on developing websites used only for advertising and promotional purposes are written off as incurred.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable on demand. Cash held on fixed term deposit is subject to a charge if withdrawn prior to the fixed term. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

2.11 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.12 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.13 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

3 Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgments:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 9)
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4 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 2017 there were 2,151 members (2016 – 2,030 members).

5 Surplus/(deficit) of income over expenditure

	2017	2016
	£	£
Depreciation of tangible fixed assets	16,122	16,883
Fees payable to the company's auditor for the audit of the company's annual financial statements	13,959	10,500
Defined contribution pension cost	28,760	33,407

6 Employees

The average monthly number of employees, including directors, during the year was 8 (2016 – 8).

7 Directors' remuneration

	2017	2016
	£	£
Gross wages and salaries	235,000	229,450
Social security costs	30,191	29,425
Company contributions to defined contribution pension schemes	24,200	20,445

During the year retirement benefits were accruing to 2 directors (2016 – 2) in respect of defined contribution pension schemes.

Directors have been reimbursed out of pocket expenses relating to travelling and accommodation costs arising in respect of certain specific events and activities arising during the year.

The directors are the only employees considered to be key management.

8 Taxation

	2017	2016
	£	£
Current tax on profits for the year	–	–
Total current tax	<u>–</u>	<u>–</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 – lower than) the standard rate of corporation tax in the UK of 20% (2016 – 20%). The differences are explained below:

	2017	2016
	£	£
Profit on ordinary activities before tax	<u>110,693</u>	<u>11,314</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 – 20%)	22,139	2,263
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	27,405	32,498
Capital allowances for year in excess of depreciation	642	2,982
Non-taxable income	(86,989)	(76,591)
Unrelieved tax losses	36,370	38,448
Other permanent differences	433	400
Total tax charge for the year	<u>–</u>	<u>–</u>

There is an unrecognised deferred tax asset at the period end of £324,107 (2016 – £321,356) in respect of brought forward losses. The Directors have not recognised this on the basis there is insufficient certainty as to whether future revenue will exceed costs to generate sufficient, recurring profits to warrant the continuing recognition of the asset.

9 Tangible fixed assets

	Office equipment & membership database £
<i>Cost</i>	
At 1 April 2016	102,432
At 31 March 2017	<u>102,432</u>
<i>Depreciation</i>	
At 1 April 2016	26,338
Provided for the year	16,122
At 31 March 2017	<u>42,460</u>
<i>Net book value</i>	
At 31 March 2017	<u>59,972</u>
At 31 March 2016	<u>76,094</u>

10 Debtors

	2017 £	2016 £
Trade debtors	8,370	–
Other debtors	5,188	13,213
Prepayments and accrued income	79,017	168,452
	<u>92,936</u>	<u>181,665</u>

11 Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	25,744	48,928
Other taxation and social security	19,852	31,179
Other creditors	38,278	8,788
Accruals and deferred income	394,046	417,973
	<u>477,920</u>	<u>506,868</u>

12 Pension commitments

Contributions totalling £7,418 (2016 – £7,066) were payable to the fund at the balance sheet date and are included in creditors.

13 Restricted funds

	Balance 2016 £	Income £	Expenditure £	Balance 2017 £
Research Programme Fund	<u>188,695</u>	<u>384,993</u>	<u>(322,464)</u>	<u>251,224</u>

The third IPF Research Programme (2015-18) is sponsored by 22 (2016 – 22) organisations. Each made a contribution of £17,500 (2016 – £15,000) for the year 2016-17, in accordance with their respective sponsorship agreements.

14 Designated funds

	Balance 2016 £	New balance £	Utilised/ designations £	Balance 2017 £
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 former Management Board, now the Operational 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.

15 Commitments under operating leases

At 31 March 2017 the company had future minimum lease payments under non cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	80,628	39,372
Later than 1 year and not later than 5 years	40,424	–
	<u>121,052</u>	<u>39,372</u>

16 Other financial commitments

In accordance with the Forum's usual programme of annual social events, commitments with regard to events to be hosted in 2017-18 amount to £148,514 as at 31 March 2017 (2016 – £136,276).

17 Related party transactions

Each director is a member of the Forum and contributes the membership fee of £225 to the Forum. In addition, certain directors (through their employer companies) contributed £35,000 (2016 – £30,000) in funds to the Research Programme in accordance with the terms of the general format agreement applicable to all Research Programme sponsors.

The Forum also purchased wine, subsequently sent as a 'thank you' to speakers at IPF seminars, from Waud Wine Club amounting to £5,940 during the year (2016 – £9,560). £1,902 (2016 – £3,710) was recognised as a prepayment at the year end as this relates to wine for events that are scheduled to take place post year end. P Craddock's spouse is a Director at Waud Wine Club.

All transactions were conducted on an arm's length basis on normal trading terms.



Investment
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