



Investment
Property Forum



Report & Accounts 2018

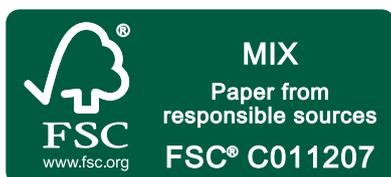
IPF Research Programme 2015-18

The IPF is grateful for the commitment and far-sighted support of these organisations, as sponsors of the IPF Research Programme:



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Vice Chairman

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Paul McNamara

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Executive

Sue Forster

Chief Executive

Rahena Begum

Membership Co-ordinator

(from February 2018)

Barbara Hobbs

Events Manager

Pam Craddock

Research Director

Gemma Elnaugh

Seminar Co-ordinator

Jenny Hooper

Accounts Manager

Frankie Clay

Associate Director

Cara Goulding

Membership Co-ordinator

(maternity leave from March 2018)

Lis Mustafa

Admin Assistant

(until July 2017)

Report from the Chairman

The 12 months as Chairman of the IPF passes very quickly.

The year has been characterised domestically by the slow and uncertain progress of the Brexit negotiations and the low growth in the UK economy. Against this background the property investment market has held up well but the stresses are showing in the retail and high-end residential markets. Meanwhile those sectors servicing the newer parts of the economy are performing strongly as investment targets the private rented sector and internet retail distribution.

2017-18 has been a productive year for the IPF and a summary of its activities and initiatives during the past 12 months is set out below.

Membership

The total number of members ended the year at much the same as the record high achieved in 2017-18. However, this disguises the cancellation and lapsing of circa 10% of the membership, in part due to an increasing cohort of members reaching retirement age (NOTE: The IPF offers a retirement rate), and the sterling efforts of the Operational Board, the regional boards, the Next Generation Group Committee, chaired by Tom Davies, and many others to recruit a similar number of new members.

Recognition that the IPF membership demographic is still ageing significantly led to the formation of a sub-group of the Operational Board to review the recruitment of members – particularly targeting a younger demographic and under-represented sectors of the market. The recommendations of the sub-group, approved by the Board in May 2017, included the following:

1. Membership recruitment and retention is a core responsibility of the Board. This being the case, there is now direct reporting to the Board, rather than via the Membership Committee, by all groups involved with recruitment;
2. At least one non-executive Board member is designated to work alongside the Chief Executive, Sue Forster, in driving membership recruitment – currently this is Juliet Thomas – and their efforts will be supported by the other Board members;
3. All of the IPF membership are encouraged to recruit new members, albeit much of this recruitment is still likely to be via the regional boards and the Next Generation Group Committee; and
4. To complement the individual member recruitment approach, the Board will target organisations at a strategic level to persuade them to nominate those in their investment and/or finance teams for IPF membership.

The signs are that the approach is working and I am hopeful that we will see a net increase in membership from the current total of 2,142 members going forward.

At this point, I would like to thank the past and current members of the Membership Committee, now disbanded, for all their efforts over the years.

IPF President

Sir David Clementi stepped down after 12 years as IPF President in May following his appointment as Chairman of the BBC. His departure was marked by a special dinner with 21 of the former IPF chairmen, kindly hosted by my predecessor, Ciaran Carvalho at CMS. Sir David's significant contribution to the IPF during his term of office was recognised by the award of life membership at the Annual Dinner in June.

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 wider property industry whilst maintaining stringent standards of quality and robustness.

IPF Research Programme 2015-18 sponsoring organisations

Aberdeen Asset Management <small>(now merged with Standard Life Investments)</small>	CoStar UK	Legal & General Investment Management
Addleshaw Goddard	Deutsche Asset Management <small>(now DWS)</small>	M&G Real Estate
Aviva Investors	Europa Capital Partners	MSCI
AXA Investment Managers	GIC Real Estate	Picton Capital
Barings Asset Management	Grosvenor Group	Standard Life Investments Ltd <small>(now merged with Aberdeen Asset Management)</small>
BNP Paribas Real Estate <small>(formerly Strutt & Parker)</small>	JLL	TH Real Estate
CBRE Global Investors	Kames Capital	Wells Fargo International Bank
	LaSalle Investment Management	

We thank the 22 organisations listed 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 (succeeded by Simon Marx in April 2018), 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 research was concluded during the year:

- Costing Energy Efficiency Improvements in Existing Commercial Buildings;
- Residual Land Values: Measuring Performance and Investigating Viability;
- Managing Currency Risk in International Real Estate Investment; and
- Real Estate Investment in UK Defined Contribution Pension Schemes.

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 that launched the research findings. These seminars are also videoed and members can access these recordings again via the website.

Research Programme refinancing

The current Research Programme expired at the end of April 2018. Over the last year, Research Director, Pam Craddock, and others have been working hard to secure funding for the next phase of the Programme. Sponsorship will now be on the basis of a three-year rolling commitment, rather than for a fixed term. This will enable organisations to sign up as sponsors each May, rather than waiting to do so for up to three years. To date, 15 organisations have committed to sponsoring from 1 May 2018 and the IPF will also be contributing financially to the Programme.

Education

As usual, 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.

We ran a number of seminars/briefings with other industry organisations during the year. These included Association of Property Lenders (APL), Association of Real Estate Funds (AREF), British Property Federation (BPF), Cambridge University Land Society (CULS), CFA Society of the UK (CFA UK), Commercial Real Estate Finance Council (CREFC) Europe, British Council for Offices (BCO), 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 the regions were also able to attend MSCI briefings on the Q4 2016 property performance results.

The IPF collaborated for the first time with CULS on the latter's Annual Alistair Ross Goobey lecture, held in October 2017. The speaker was Roger Madelin, the Head of Canada Water Development at British Land. In contrast, the annual MSCI/IPF Property Investment Conference is a collaboration of 25+ years. This year's event was chaired by Alex Jeffrey of M&G Investments and keynote speakers included Stephen King from HSBC on the new economic and financial world order and Peter Kellner, former President of YouGov, who discussed whether opinion-based data in the post-truth era can be trusted.

A number of organisations have run events specifically for IPF members or allocated places for them at their in-house seminars/briefings. We are actively seeking to enhance the number and scope of these offers and if this is of interest, please contact Sue Forster to discuss.

As reported last year, IPF's formal education programme (Investment Education Programme (IEP)) has now been merged into the University of Reading's flexible, part-time MSc Real Estate Investment & Finance. 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 mark this merger, the IPF organised an IEP Alumni reception in September 2017 for the members of the Academic Group, who were responsible for the development and oversight of the IEP and the IPF diplomates.

The IPF Certificate, is recognised as a Key 2 Appropriate Exam under the 'Managing Investments' activity by the Financial Conduct Authority (FCA). Sue Forster has been working with Reading during this year to ensure that the material covered by the Certificate conforms to the Appropriate Exam Standards (AES) revised in summer 2017.

The merger also means that the IPF is now free to use material from the original IEP modules in other formats. This year saw the first IPF one-day Finance workshop and a half-day workshop covering corporate governance. Discussions regarding a workshop based on some of the International module are underway and the first half-day workshop on asset allocation modelling will be held in November 2018.

In addition to the University of Reading flexible, part-time MSc Real Estate Investment & Finance, the IPF recognises 11 other postgraduate property 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, subject to approval by the IPF Educational Strategy Group, chaired by Guy Morrell. This year, we awarded seven such prizes.

The Nick Tyrrell Memorial Research Prize (a joint initiative with INREV and SPR) attracted 23 submissions from across the globe by the deadline of 31 May 2017. The judges were pleased with the standard of the research submitted but decided unanimously to award the Prize to Dr Avis Devine of the Schulich School of Business at York University, Toronto and Dr Erkan Yonder of Ozyegin University, Istanbul for their paper, 'Decomposing the Value Effects of Sustainable Real Estate Investment: International Evidence'. The two authors presented the findings of their research at the joint INREV/IPF/SPR seminar in March.

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

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 ('UK property in a post-Brexit world: the outlook for Scotland and the rest of the UK'), followed by a drinks reception and dinner in September. The Northern Board also organised a 'sold out' formal dinner in November.

Other social events

There were three sponsored informal networking drinks for IPF London-based members under the brand of 'IPF London Network' during this financial year. In addition, the Next Generation Group Committee organised a number of informal events including the 'not at EXPO REAL' and 'Spring Networking' breakfasts.

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

Special Interest Groups

The Forum has six 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

The Indirect Property Group, chaired by Graeme Rutter, has organised a number of events this year. These included a seminar on real assets beyond core commercial property and a third panel session on the implications for property of investment pooling for the local government pension schemes in England and Wales, both jointly with AREF.

In September, the Group organised a briefing by MSCI for fund managers on the impact of the new EU Regulation on property index data provision and benchmarking. This was followed in November by a roundtable meeting between 20 fund managers/advisors and representatives of the FCA. Recently, MSCI has been consulting on whether the IPD indices should be regulated, bearing in mind the implications of this.

Members of the Group also contributed to the IPF's response to the FCA's May consultation on Illiquid Assets and Open-ended Investment Funds.

International Group

Chaired by Ben Sanderson, the International Group focuses on developing project briefs for the IPF Research Programme.

This year, members of the Group wrote the brief and have been serving on the project steering group for the 'Managing Currency Risk' research funded by the Research Programme. The findings of the research, undertaken by the University of Cambridge were presented at a seminar in March.

Property Derivative Interest Group (PDIG)

The Group, chaired by Jon Masters, has been working on a series of short papers to inform discussions with fund managers that are due to start later this year. A further paper, 'Alternative uses for Property Futures', was launched at a breakfast seminar in February.

Jon Masters and Sue Forster have also been reviewing material on property derivatives within the IPF Certificate (see 'Education', above) to ensure that it complies with the revised AES.

Regulation and Legislation Group

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

Members of the Group liaise with other organisations, where appropriate, and engage directly with government on proposed policy and draft responses to consultations where the subject is not covered by other IPF groups/committees. Discussions continued with BEIS this year regarding registering beneficial ownership. Members of the Group also liaised with the BPF and AREF in responding in February to HMRC's consultation, 'Taxing gains made by non-residents on UK immovable property'.

The Group's table, 'Impact of Brexit on Key Property Legislation', which shows the EU and/or UK source of key regulation and legislation appertaining to the property market, is available to download from the IPF website and will be updated as required.

Residential Investment Group

Once again, the Residential Investment Group (chaired by Stafford Lancaster) was involved in reviewing and testing the IPF's annual survey, 'Institutional Attitudes to Investment in UK Residential Property' (see 'Research' above).

The Group organised breakfast briefings on housing cycles and the valuation of residential property built for renting, the latter being a presentation of the RICS' proposed revisions to the Guidance Note prior to publication for industry comment.

Members of the Group also collaborated in drafting the IPF's response to the (then) DCLG's consultation on 'Planning and Affordable Housing for Build to Rent'.

Sustainability Interest Group

Members of the Group, which is chaired by Miles Keeping, organised several briefings/seminars this year covering topics including Worth & Value of Responsible Investment, GRESB ESG Assessments & INREV Guidelines and a Regulation and Valuation update.

With the Minimum Energy Efficiency Standard (MEES) Regulations coming into force on 1 April 2018, the Group also organised a standalone MEES briefing session in February.

Working Groups

The Financial Adviser Guide

As mentioned in last year's report, following the post-Brexit referendum fallout in relation to the quoted and unlisted property sectors, the Group, chaired by Sue Forster, decided to reform and review, 'Understanding UK Commercial Property Investments: A Guide for Financial Advisers' Guide'.

The new edition was published in December and is available to download from the IPF website.

Net Effective Rent Index Implementation

Progress on implementing the project remains slow, not least because uncertainty in the market has kept the valuers busy in other respects.

It is hoped that the rental data required by MSCI to produce a net effective rents index will be collected on a more widespread basis following the issuance of a new version of the valuation software used by the majority of the industry.

AREF/IPF Inducements

In September, the IPF and AREF established a Group, chaired by Lindsay Morgan, to consider a property industry 'protocol' on fund manager hospitality. The rationale for this is that there seems to be many different interpretations as to monetary limits etc. across the industry, leading to some being disadvantaged in terms of market engagement and price determination.

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

The Working Group, chaired by Ciaran Carvalho, launched the IPF standard documents, with guidelines for use, at the end of January 2017. Scottish versions of the documents were then added in early April. To date, the NDA has been downloaded 3,000 times and the EA some 2,250 times.

A survey of users of the documentation in September found that the majority thought no changes were required at present. The Group will keep the documentation under review.

IPF Protocol: Open Market Investment Agency

The IPF Protocol has now been superseded by the first edition of the RICS' Professional Statement, 'Conflicts of interest – UK commercial property market investment agency', published in May 2017. The Professional Statement, based on the IPF Protocol, sets out mandatory requirements for RICS members and RICS regulated firms when acting on the open market sale or acquisition of a commercial investment real estate opportunity in the UK in order to avoid conflicts of interest.

Members of the IPF Protocol Working Group (now re-named Conflicts of Interest Group) retain a watching brief.

Readiness for Sale

Liquidity in the property market remains an issue, exacerbated by the cost and time involved in undertaking transactions. The IPF publication, 'Readiness for Sale: A guide for streamlining commercial property transactions', was last updated in 2012. The Group, chaired by Ciaran Carvalho, has been reconstituted to produce a new edition in Autumn 2018.

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'. There are also six Brexit working groups covering procurement, tax, capital (debt and equity), industry skills and sustainability. These working groups are also liaising with their opposite numbers in other industries, where relevant.

Debt Group

The Debt Group Steering Committee is 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 property market amongst lenders.

The IPF is directly involved in the second and third initiatives. With regard to the second, the Research Programme is to commission a detailed review of the initial analysis outlined in the report, 'Long-term Value Methodologies and Real Estate Lending', which the IPF and CREFC Europe published jointly in June 2017. Involvement with the third is through Sue Forster, who chairs the Education sub-group.

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 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.

International Real Estate Data Exchange Council (IREDEC)

The IPF is a member of IREDEC. The Council's aim is to improve data quality and the speed of data exchange across jurisdictions.

General Data Protection Regulation (GDPR)

Like other organisations, the IPF has been engaged this year in preparing for GDPR which came into force on 25 May 2018. Frankie Clay has been leading the work for the IPF and I would like to thank her for her sterling efforts so far.

Thanks

I would like to thank the members of the Operational Board and Strategic Advisory Group for their support during my year in office. In particular, thanks go to Susan Geddes, Chris Ireland, Franco Sidoli and Andrew Smith who stepped down from the Strategic Advisory Group in February 2018.

Thanks too to the regional board members who do an amazing job organising seminars/other events and recruiting members in their respective regions. During the year, Rob Millington was succeeded by Simon Smethurst as Northern chairman. Darren Williamson continued to chair the Midlands board, assisted by vice-chairman, Damian Lloyd. Simon Kinnie remained as the Scottish board chairman.

The Acknowledgements section at the end of this report lists all the members of IPF committees and groups. I would like to thank everyone listed – the IPF's success relies very heavily on their commitment.

Listed in the same section are the event sponsors, organisations that have generously hosted IPF events and the individuals that have been speakers, panellists and chairmen at our 2017-18 events. My thanks go to all of them for supporting the IPF's activities.

Last, but not least, I should like to thank the IPF Executive; Sue Forster, Pam Craddock, Frankie Clay, Gemma Elnaugh, Cara Goulding (who is now on maternity leave), Barbara Hobbs, Jenny Hooper, Lis Mustafa (who left in July 2017) and Rahena Begum (who joined the team in February 2018) for all their efforts over the last 12 months.

I will close by extending my best wishes to the incoming Chairman, Philip Nell, and his Vice Chairman, Jenny Buck. I know under their guidance that the IPF will continue to prosper.

Jonathan Thompson

Chairman

May 2018

Report from the Treasurer

The IPF's finances remain in good health. The 2017-18 financial year achieved a surplus of over £35,800, which has increased our carried forward reserves to over £668,000 (excluding the Research Programme).

Revenue was very marginally down against budget, partially due to a reduction on projected income from the Brighton Conference. However, expenditure was down by an even greater margin, mainly as a result of a substantial underspend on matters relating to the IPF's compliance with the General Data Protection Regulation (GDPR). However, it is worth noting that the reason for this reduced cost is purely timing – around £20,000 of anticipated expenditure on GDPR will now appear in the 2018-19 accounts.

We continually strive to keep membership fees as low as possible so, for the 2018-19 year, subscription levels only increased by a nominal £5 to £240. We are very much of the view that this represents fantastic value, especially when compared against similar industry organisations, and also when considering the benefit of last year's 70+ seminars/briefings/workshops and 15 social events, together with publications from both the general IPF and Research Programme.

For the forthcoming financial year, we have set a general budget along similar lines to previous years, with a target to just beat break-even. However, it should be noted that the next iteration of the Research Programme (from 1 May 2018) has not attracted the same level of sponsorship as the 2015-18 Programme, supported by 22 organisations, and so the IPF Operational Board has taken the decision to underwrite a maximum of £165,000 over three years, the equivalent of three individual sponsors. At the time of writing, there are 16 sponsors confirmed, excluding the IPF, for the next three years. Once 19 sponsors have committed, the IPF's financial commitment will reduce on a pro-rata basis until 22 sponsors are in place.

Recruitment of Programme sponsors will now be on an ongoing basis, rather than just at the start of a three-year term, as the 14 renewing organisations have agreed to the introduction of a rolling three-year sponsorship, whereby organisations commit to a minimum period of three years and may join the Programme at an annual entry date. Over time, this will, hopefully, reduce the challenge of the cliff-edge full re-financing every three years and enables new sponsors to join the Programme when they have the inclination and budget, rather than wait up to three years. This aforementioned £165,000 potential shortfall over three years will be funded (if necessary) out of the IPF's existing reserves, which are there to cover just such contingencies.

It would be remiss not to use this opportunity as a call to arms for recruitment of new members. Subscription income is exceptionally significant to us, generating around 50% of our overall revenue; and whilst membership levels are currently at a very encouraging 2,128, it is absolutely essential that we continue to look to bring in new younger members to counter anticipated increased attrition rates over the next few years from those members heading towards retirement.

Gratitude must be shown to the Executive for bringing home yet another surplus, and just as importantly, thanks must also go to the membership as a whole for your ever-continuing support.

Mike Tremayne

Honorary Treasurer

May 2018

Acknowledgements

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

Regional Boards

Midlands

Darren Williamson
(Chairman)
Damian Lloyd
(vice-Chairman)
David Allen
Andrew Brazier
Jonathan Brice
James Cubitt
(until November 2017)
Matthew Hannah
Tim Hurdiss
Mark Johnson
Rebecca Millard
(from March 2018)
Richard Round
Gary Rouse
David Smith
Mark Vernon
Rachel Williams

North

Rob Millington
(Chairman until June 2017)
Simon Smethurst
(Chairman from June 2017)
Vicki Cook
Paula Dillon
(until January 2018)
Scott Gemmell
Jeffrey Gillbanks
Victoria Hill
(until March 2018)
Garry Howes
(until January 2018)
Matthew Jones
Katie Ridehalgh
Ian Sherry
Neil Sturmeay

Scotland

Simon Kinnie
(Chairman)
Andy Armstrong
Jason Baggaley
(until September 2017)
Calum Bruce
(until February 2018)
Paul Carter
(from September 2017)
Thomas Elviss
Colin Finlayson
Alison Fyfe
(from April 2018)
Scott Howie
Brian Hutcheson
Anne Johnstone
(from April 2018)
Fraser McPhail
Alastair Ness
(until August 2017)
Steven Newlands
Stuart Tait
(until October 2017)
Richard Whyte

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

Wound up in May 2017

Juliet Thomas
(Chairman)
Jeremy Beckett
Matthew Bird
Sue Forster
Cara Goulding
Liana Hewson
Andrew Hynard
Mark Johnson
Seán Moran
Steven Newlands
Ian Sherry
Michael Tremayne
Stewart Womersley

Research Steering Group

Rob Martin
(Chairman)
Andrew Angeli
(from May 2017)
Asli Ball
Matthew Bennett
Anne Breen
Mark Bunney
Souad Cherfouh
(from March 2018)
Pam Craddock
Steven Devaney
(until September 2017)
Sue Forster
Tim Francis
(from November 2017 to March 2018)
Richard Gwilliam
Sonya Kapur
(until January 2018)
Greg Mansell
(until October 2017)
Simon Marx
Stephanie McMahon
(until January 2018)
Jon Neale
(until March 2018)

Graham Parry
(until November 2017)
Edward Trevillion
Chris Urwin
(until January 2018)
Simon Wallace
(from March 2018)
Richard Yorke
(until November 2017)

Other Committees

CPD Group

Andrew Hynard
(Chairman)
Ashley Blake
Yvette Bryan
(from May 2017)
Laura Chapman
Gemma Elnaugh
David Erwin
(from January 2018)
Sue Forster
John Gardiner
Michael Morris
(until June 2017)
Christopher Perkins
Clare Thomas

Next Generation

Tom Davies
(Chairman)
Chris Bampton
Felicity Beasley
Rahena Begum
(from February 2018)
Matthew Bird
Erika Birkett
(from February 2018)
Julian Carey
Paul Crosbie
Enrico Faccioli
(from January 2018)
Sue Forster
Patrick Freestone
(from January 2018)
David Gingell

Cara Goulding
(until March 2018 – maternity leave)
Samuel Gregory-Smith
(from May 2017)
Lindsey Hammond
Richard Hansford
Jo Jackson
(from January 2018)
Samantha Kempe
(from January 2018)
Scott Keown
(from December 2017)
Peter Kirk
David Lebus
Kitty Patmore
(until December 2017)
Oliver Rippier
Vicky Skinner
James Watts
(until December 2017)
Stewart Womersley
(until December 2017)

Special Interest Groups

Indirect Property Group

Graeme Rutter
(Chairman)
Matthew Abbott
Michael Acratopulo
Justin Brown
Justin Cornelius
Stephen Elliott
Charles Ferguson Davie
John Forbes
Sue Forster
Richard Peacock
(from January 2018)
James Tarry
(from July 2017)

International Group

Ben Sanderson
(Chairman)
Andrew Burrell
(from June 2017)
David Dix
Dimitri Doublet
Sue Forster
David Jackson
Richard Kolb
(from May 2017)
Simon Mallinson
Tom Mundy

Jason Oram
William Rowson
Sarah Slater
Andrew Smith
(until August 2017)
Damien Smith
Robert Stassen
Mark Titcomb
Neil Turner
(until May 2017)
Tom Walker

PDIG Advisory Committee

Jon Masters
(Chairman)
Adam Alari
(until September 2017)
Stephen Ashworth
Bill Bartram
Douglas Crawshaw
Nick Fisher
Sue Forster
Steven Grahame
Stuart Heath
David Hedalen
Helen Hermant
Luke Layfield
(until September 2017)
Lu Li
Mark Long
Alex Moss
Kate Pedersen
Will Robson
Ken Zsu Soh

Regulation and Legislation Group

David Brown
(Chairman)
David Adler
Bill Bartram
Christopher Brigstocke
Jonathan Cantor
John Condliffe
Jonathan Evans
Sue Forster
Matthew Howard
(from February 2018)
Christine Ormond
James Read
Robert Short
Shirley Smith
Will Woodall

Residential Investment Group

Stafford Lancaster
(Chairman)
Adrian Benedict
Tony Brown
Mark Davis
Deepa Devani
(from May 2017)
Richard Donnell
Charles Fairhurst
Sue Forster
Robin Goodchild
Alex Greaves
(from March 2018)
Olivia Harris
Tom Henry
(from May 2017)
Richard Jackson
(from May 2017)
Niall Malone
Dominic Martin
Cathryn Vanderspar
Jean-Marc Vandevivere

Sustainability Interest Group

Miles Keeping
(Chairman)
Christopher Brigstocke
Tim Coffin
Siobhan Cross
Louise Ellison
Linda Fletcher
Sue Forster
Alex Hill
Caroline Hill
Philip Parnell
Richard Quartermaine
Nina Reid

Current Working Groups

AREF/IPF Inducements Working Group

Established in November 2017
Lindsay Morgan
(Chairman)
Julian Agnew
Kevin Aitchison
Felix Bottomley
Sarah Broadway
John Cartwright

Gill Clarke
Sue Forster
Karen Hollands
Christine Lee
Ross McCall
Philip Nell
Anthony Shayle
David Wise

Conflicts of Interest Group

(formerly IPF Protocol Working Group)
Martin Moore
(Chairman)
Gordon Aitchison
David Allen
Jason Baggaley
Rupert Clarke
David Erwin
Sue Forster
Dean Hodcroft
Simon Hope
Stephen Hubbard
Christopher Ireland
Peter MacColl
Mark Morgan
Imogen Moss
Fiona Rowley
Christopher Taylor
James Watson

Financial Adviser Group

Sue Forster
(Chairman)
David Brown
Chris Douglas
John Forbes
Mark Hutchinson
Philip Nell
Selena Ohlsson
Will Robson
Melville Rodrigues

Net Effective Rents Steering Group

Paul McNamara
(Chairman)
Geren Abraham
Paul Broadley
Ian Cameron
Neil Crosby
Ian Cullen
Richard Dace

Ben Elder
 Sue Forster
 Malcolm Frodsham
 Michael Gilbert
 Neil Harrison
 Graham Leith
 Claire Magowan
 Peter O'Brien
 Simon Rees
 Matthew Richardson
 Nigel Roberts
 Graham Spoor
 Gareth Thomas
 David Tudor

Non-Disclosure Agreement Working Group

Ciaran Carvalho
(Chairman)
 Christopher Brierley
 Dan Buckle
 Steven Cowins
 Sue Forster
 Siobhan Godley
 Neil McGibbon
 Philip Nell
 Alex Peeke
 Stuart Tait
(from April 2017)
 Clare Thomas
 Geraint Thomas

Readiness for Sale (3rd edition) Working Group

Re-established in March 2018
 Ciaran Carvalho
(Chairman)
 David Erwin
 Sue Forster
 Siobhan Godley
 Jo Jackson
 Katherine Laurenson
 Alistair Meadows
 Seán Moran
 Philip Nell
 Ben O'Donell
 Alex Peeke
 David Russell Smith
 Clare Thomas
 Bruce Thompson

Event Chairmen, speakers and panellists

David Allen	Sukhdeep Dhillon	Matthew Jones
Joe Anderson	David Dix	Xavier Jongen
Andrew Appleyard	Michele Dix	Patrick Kanters
David Atkins	Richard Donnell	Nick Keable
Amy Aznar	Timon Drakesmith	Miles Keeping
Jason Baggaley	Sally Duggleby	Michael Kenney
Sara Bailey	Edward Ellerington	Simon Kinnie
Richard Barras	Louise Ellison	Simon Kristiansen
Philip Barrett	Mathieu Elshout	Colm Lauder
Bill Bartram	Robert Elstone	Melanie Leech
Eoin Bastible	Paul Eyre	Jonathan Libre
Dan Batterton	Julie Fadden	Ian Lindsay
Andrew Baum	Mark Fawcett	Colin Lizieri
Sean Beech	John Feeney	Alex Lund
Sara Bellenda	Nick Fisher	Nicole Lux
Matthew Bennett	Linda Fletcher	Jonathan Lye
Miquela Bezuidenhout	John Forbes	Adam MacTavish
John Bigley	Sue Forster	Roger Madelin
Michael Birch	Barry Fowler	Greg Mansell
Jim Blakemore	Euan Gatfield	Nick Mansley
Eamon Boylan	Sam Gervaise-Jones	Alastair Mant
John Boyle	Pete Gladwell	Warren Marshall
Andrew Brazier	Robin Goodchild	Andy Martin
Alice Breheny	William Goodhart	Rob Martin
Jonathan Brice	Fran Graham	Simon Marx
Michael Brodtman	Ciaran Gunne-Jones	Ian Mason
Tony Brown	Matthew Hannah	Jon Masters
Andrew Burrell	David Hardman	Pat McAllister
Charles Cardozo	Jason Hardman	Fergus McDiarmid
Simon Carter	Stuart Heath	Chris McMain
John Cartwright	Markus Hesse	Paul McNamara
Nigel Chapman	Giles Heywood	Fraser McPhail
David Chittenden	Debbie Hobbs	Martin Meech
Christopher Choa	Peter Hobbs	Robert Millington
Rupert Clarke	Alan Holland	Paul Mitchell
Paul Coates	Jenny Holland	Marc Mogull
Peter Cosmetatos	Chris Holmes	Michael Morris
Pam Craddock	Natalie Howard	Alex Moss
Graeme Craig	Emma Huepfl	Alex Moss
Neil Crosby	Bill Hughes	Fredrick Nerbrand
Charles Crowe	Fraser Hughes	Amanda Nurse
Ian Cullen	Tim Hurdiss	Mat Oakley
Chris Davison	Norman Hutchinson	Ken O'Brien
Andrew Dawber	Roxana Isaiu	Mike O'Connor
Helene Demay	William Jackson	Neil Odom-Haslett
Peter Denton	Alex Jeffrey	Meryam Omi
Steven Devaney	Gareth Jones	Christine O'Neill
Avis Devine	Glynn Jones	Loretta O'Sullivan
Azita Dezfouli	Graeme Jones	Luke Pakes

Neil Parker
Philip Parnell
Graham Parry
Jamie Pawliczek
Colin Peacock
David Penniston
Peter Pereira Gray
Christopher Perkins
Robert Peto
Ian Pollitt
Rachel Portlock
Vicky Pryce
Chris Reay
Catherine Rees
Nina Reid
Catherine Reilly
Dominic Reilly
Andrew Rich
Paul Richards
Matthew Richardson
Kiran Richura
Oliver Rippier
Chris Roberts
Will Robson
Hugh Rutherford
Graeme Rutter
Francis Salway
Clemens Schafer
Rainer Schulz
Ian Scott
Daniel Shannon
Rupert Sheldon
Lynda Shillaw
Jos Short
Simon Smethurst
David Smith
Dominic Smith
Nick Smith
Magnus Spence
Cameron Spry
John Strowbridge
Stephen Stuart
Neil Sturmeay
Jonathan Thompson
Elisabeth Troni
Andrew Turner
Neil Turner
Chris Urwin
Cathryn Vanderspar

Hans Vrensen
Ross Walker
Leonie Webster
Neil Webster
Myles White
Richard Whyte
Ben Wiley
Peter Williams
Rachel Williams
Timothy Wilmer
Pamela Wright
Erkan Yonder
Richard Yorke
John Young

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

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Santander Corporate & Commercial

Report and Financial Statements

Investment Property Forum (a company limited by guarantee)

Year Ended 31 March 2018

Company information

Directors

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

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

CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
78 Cannon Street
London
EC4N 6AF

Directors' Report

The directors present their report and the financial statements for the year ended 31 March 2018.

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 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 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 directors who served during the year were:

C Carvalho (resigned 20 June 2017)	J Martin	J Thompson
P Craddock	K Patmore	M Tremayne
S Forster	G Sherwin	P Nell (appointed 20 June 2017)
M Keeping	J Thomas	

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 22 May 2018 and signed on its behalf.

J Thompson

Director

Independent Auditor's Report

We have audited the financial statements of Investment Property Forum ("the Company") for the year ended 31 March 2018 which comprise the Statement of income and retained earnings, the Balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which 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 in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Nick Poulter (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor, Guildford, United Kingdom

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 2018

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Income				
Subscriptions	455,446	–	455,446	434,944
Social events	418,264	–	418,264	410,867
Education	52,521	–	52,521	87,901
Research	–	384,993	384,993	384,993
Other income	1,382	–	1,382	800
	<u>927,613</u>	<u>384,993</u>	<u>1,312,606</u>	<u>1,319,505</u>
Expenditure				
Social events	281,119	–	281,119	260,946
Education	8,853	–	8,853	24,097
Research	–	366,885	366,885	322,464
Administration and salaries	568,743	–	568,743	544,491
Professional and audit fees	19,571	–	19,571	17,918
Bank charges	6,844	–	6,844	6,179
Website and publications	–	–	–	33,610
Irrecoverable VAT	11,925	–	11,925	7,489
Donations	–	–	–	2,165
	<u>897,055</u>	<u>366,885</u>	<u>1,263,940</u>	<u>1,219,359</u>
Surplus of operating income over expenditure	30,558	18,108	48,666	100,146
Bank interest receivable	5,262	–	5,262	10,547
	<u>35,820</u>	<u>18,108</u>	<u>53,928</u>	<u>110,693</u>
Retained surplus for the year	35,820	18,108	53,928	110,693
Retained surplus brought forward	632,984	251,224	884,208	773,515
	<u>668,804</u>	<u>269,332</u>	<u>938,136</u>	<u>884,208</u>

All amounts relate to continuing activities.

All recognised gains and losses for 2018 or 2017 are included in the statement of income and retained earnings.

The notes on pages 22 to 29 form part of these financial statements.

Balance Sheet

at 31 March 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	9		43,850		59,972
Current assets					
Debtors: amounts falling due within one year	10	206,844		92,937	
Cash at bank and in hand		1,166,562		1,209,219	
		<u>1,373,406</u>		<u>1,302,156</u>	
Creditors: amounts falling due within one year	11	(479,120)		(477,920)	
Net current assets			894,286		824,236
Total assets less current liabilities			<u>938,136</u>		<u>884,208</u>
Net assets			<u>938,136</u>		<u>884,208</u>
Capital and reserves					
Unrestricted funds:					
General funds			655,888		620,068
Designated funds	13		12,916		12,916
			<u>668,804</u>		<u>632,984</u>
Restricted funds	14		269,332		251,224
			<u>938,136</u>		<u>884,208</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 22 May 2018.

J Thompson

Director

The notes on pages 22 to 29 form part of these financial statements

Notes on the Financial Statements

for the year ended 31 March 2018

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement 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 13).

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 and is recognised annually in the period to which the sponsorship relates. 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, as shown below.

Depreciation is provided on the following basis:

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 instrument 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 the 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 judgements:

- 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, other than investments properties, 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 2018 there were 2,142 members (2017 – 2,151 members).

5 Surplus of income over expenditure

The surplus of income over expenditure is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets	16,122	16,122
Fees payable to the company's auditor for the audit of the company's annual financial statements	11,900	13,959
Defined contribution pension cost	26,912	28,760
	<hr/>	<hr/>

6 Employees

The average monthly number of employees, including directors, during the year was 8 (2017 – 8).

7 Directors' remuneration

	2018	2017
	£	£
Directors' emoluments	241,000	235,000
Social security costs	31,006	30,191
Company contributions to defined contribution pension schemes	24,200	24,200
	<hr/>	<hr/>
	296,206	289,391

During the year retirement benefits were accruing to 2 directors (2017 – 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

	2018	2017
	£	£
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 (2017 – lower than) the standard rate of corporation tax in the UK of 19% (2017 – 20%). The differences are explained below:

	2018	2017
	£	£
Profit on ordinary activities before tax	<u>53,928</u>	<u>110,693</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 – 20%)	10,246	22,139
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	21,842	27,405
Capital allowances for year in excess of depreciation	3,063	642
Non taxable income	(86,535)	(86,989)
Unrelieved tax losses	51,384	36,370
Other permanent differences	–	433
Total tax charge for the year	<u>–</u>	<u>–</u>

There is an unrecognised deferred tax asset at the period end of £370,081 (2017 – £324,107) 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 2017 and 31 March 2018	102,432
<i>Depreciation</i>	
At 1 April 2017	42,460
Change for the year	16,122
At 31 March 2018	58,582
<i>Net book value</i>	
At 31 March 2018	43,850
At 31 March 2017	59,972

10 Debtors

	2018	2017
	£	£
Trade debtors	46,648	8,370
Other debtors	59,755	5,189
Prepayments and accrued income	100,441	79,378
	<u>206,844</u>	<u>92,937</u>

11 Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	76,406	25,744
Other taxation and social security	14,485	19,852
Other creditors	37,842	38,278
Accruals and deferred income	350,387	394,046
	<u>479,120</u>	<u>477,920</u>

12 Pension commitments

Contributions totalling £6,940 (2017 – £7,418) were payable to the fund at the balance sheet date and are included in creditors.

13 Designated funds

	Balance 2017 £	New balance £	Utilised/ designations £	Balance 2018 £
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 Investment Property Forum may wish to pursue from time to time. No monies were released during the year.

14 Restricted funds

	Balance 2017 £	Income £	Expenditure £	Balance 2018 £
Research Programme Fund	<u>251,224</u>	<u>384,993</u>	<u>(366,885)</u>	<u>269,332</u>

The third IPF Research Programme (2015-18) is sponsored by 22 (2017 – 22) organisations. Each made a contribution of £17,500 (2017 – £17,500) for the year 2017-18, in accordance with their respective sponsorship agreements.

15 Commitments under operating leases

At 31 March 2018 the company had future minimum lease payments under non cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	<u>40,424</u>	80,628
Later than 1 year and not later than 5 years	<u>–</u>	<u>40,424</u>
	<u>40,424</u>	<u>121,052</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 £136,718 as at 31 March 2018 (2017 – £148,514).

17 Related party transactions

Each director is a member of the Forum and contributes the membership fee of £235 (2017 – £225) to the Forum. In addition, certain directors (through their employer companies) contributed £35,000 (2017 – £35,000) 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 £9,445 during the year (2017 – £5,940). There was no prepayment (2017 – £1,902) recognised at the 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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