

# Marking criteria 2008

## Awards Marking Criteria 2008

Question	Description	Available Marks
1	<b>Group Strategy</b>	
	a A statement of the group's strategy, objectives, values and areas of business clearly located at the front of the report.	5
	b No clear indication in the text or not clearly located at the front of the report.	-5
<b>Total</b>		5
2	<b>The Chairman's statement, chief executive's statement and the operating and financial review</b>	
	The reviews should include:	
	a comments on economic and market conditions of previous year and forecast of coming year	3
	b comments on the way in which the group's results have been affected by market conditions	3
	c comments on any material acquisitions and/or disposals and the impact on results and cash flows	3
	d specification of significant issues faced by the group and opportunities taken	3
	e comments on the strategy adopted by the group in relation to the market in the forthcoming year	3
	f an analysis of the major internal and external risks impacting on the performance of the group for the coming year	3
	g comments on the performance of the group's major sectors	3
	h identification and commentary on the key performance indicators adopted in the managing of the business	5
commentary on the strengths and resources of the business	5	
<b>Total</b>		31
3	<b>Policy Statements</b>	
	<b>3.1 Corporate governance</b>	
	A full statement of corporate governance including details of:	
	a health and safety	3
	b attendance of the relevant directors at meetings	5
Marks for the above to be awarded if clear reference made to an appropriate statement within the company's website.		
c Failure to provide details of the membership of committees, including audit, remuneration and nomination committees	-6	
<b>3.2 Directors' employment policies and remuneration</b>		
A full statement on directors including:		
a names and qualifications of all directors	2	

	<b>b</b>	statement of experience of all directors	2
	<b>c</b>	a clear statement on directors' pay	3
	<b>d</b>	a clear forward looking statement on pay and employment policy, incentives with appropriate performance graphs	5
	<b>e</b>	a clear statement on how directors remuneration is linked to total shareholder return.	3
<b>3.3</b>	<b>Internal control</b>	Basic statement enhanced with a qualitative description of the key financial and non financial control mechanisms	5
<b>3.4</b>	<b>Going Concern</b>	Clear explanatory statement of the assumptions on which the Board have formed their opinion.	5
<b>3.5</b>	<b>Corporate Treasury</b>		
	<b>a</b>	A full commentary on the organisational operation, with an explanation on the key financial risks facing the business and an assessment of how these are being addressed through treasury management	5
	<b>b</b>	Failure to disclose the policies adopted for hedging	-5
	<b>c</b>	Specific disclosure of hedging exposure instruments	5
	<b>d</b>	Full commentary on the market value of debt at the balance sheet date	5
	<b>e</b>	Comment on the dividend policy	3
	<b>f</b>	Comment on any purchase of own shares	3
	<b>g</b>	Comment on the current liquidity of the group	5
<b>Total</b>			59
<b>4</b>	<b>The Environment and Corporate and Social Responsibility</b>		
<b>4.1</b>		A clear statement detailing the group's policy on:	
	<b>a</b>	the environment	5
	<b>b</b>	corporate and social responsibility ("CSR")	5
<b>4.2</b>		Details of how environmental and CSR issues are dealt with in the group.	5
<b>4.3</b>		Details of the key personnel with responsibility for environmental and CSR matters.	5
<b>4.4</b>		Details of how compliance with the group's policies is monitored and whether this compliance is audited.	5
<b>4.5</b>		Details of how the group's policies have been derived and are/can be changed, including committee members involved.	5
<b>4.6</b>		Assessment of existing property portfolio's impact on the environment	5
<b>4.7</b>		Assessment of current property development projects and their impact on the environment	5

4.8	Statement or indication that the financial statements are printed on recycled paper	5
<b>Total</b>		<b>45</b>
<b>5</b>	<b>Assessing the future</b>	
5.1	<b>Strategy towards the future portfolio</b> The commentary should:	
a	comment on the strategy the group will pursue in the future	5
b	indicate the targeted proportions by sectors	10
c	indicate the targeted proportions geographically	5
	Comment on the steps the Board are taking to maintain and improve future performance through:	
d	employee policies, training and development	3
e	refurbishment and maintenance programmes	3
f	details of any long term developments the group is involved in	3
g	provide details of authorised capital commitments	2
h	provide details of contracted capital commitments	2
i	provide details of how the above will be financed	3
j	an indication of where finances are available to meet the Group's development expenditure if this is significantly in excess of capital commitments	5
5.2	<b>Future rental income</b> The accounts should contain a forecast of future rental income for the next three years based on the existing portfolio using current rental values; or What rent would be if rack rented at the balance sheet date	3 3
5.3	<b>Voids</b>	
a	Details of rental value of voids at year end and their location	3
b	Details of area (floor space) or properties vacant at year end	2
<b>Total</b>		<b>52</b>
<b>6</b>	<b>Return</b>	
6.1	<b>Portfolio Return</b> Disclosure of a portfolio return, looking at the portfolio on a like for like basis - being the surpluses made from directly held investment properties during the period, adjusted for capital expenditure and expressed as a percentage return on the year's opening number.	
a	Disclosure of a portfolio return, looking at the portfolio on a like for like basis - being the surpluses made from directly held investment properties during the period, adjusted for capital expenditure and expressed as a percentage return on the year's opening number.	10
b	Disclosure or incorporation of this return for any investment properties held in associate companies.	5
6.2	<b>Portfolio Overall Return</b>	
a	Performance of the portfolio, as in 5.1 but adding in net rental income derived from holding these properties, expressed as a percentage return on the period's opening number	10
b	Disclosure or incorporation of this return for any investment properties held in associate companies	5

<b>6.3</b>	<b><i>Return on shareholders' equity</i></b> The growth in the adjusted diluted net asset value per share plus dividends per share for the period expressed as a percentage of the diluted net asset value per share at the beginning of the period.	5
<b>6.4</b>	<b><i>Return on shareholders' investment</i></b>	
a	The growth in the ordinary share price as quoted on the Stock Market plus dividends per share received for the period expressed as a percentage of the share price at the beginning of the period.	20
b	Clear statement of adjustments made to the return	5
<b>6.5</b>	<b><i>Benchmarking</i></b>	
a	Comparisons of returns to a basic unauthorised index	5
b	Comparison of returns to a relevant authorised index benchmark for the same period	20
c	Clear statement of why the benchmark used is the most appropriate and how this compares with that published in the previous period	10
d	Explanation of adjustments made to calculate returns and the benchmark	20
e	Returns clearly disclosed in one location in the report	5
<b>Total</b>		<b>120</b>
<b>7</b>	<b>Accounting Policies</b>	
a	A clear statement of the accounting policies adopted	5
b	Comment on reasons for and the impact of any changes in accounting policies adopted	5
c	Clear presentation of the impact of any changes in policy	5
<b>Total</b>		<b>15</b>
<b>8</b>	<b>Income</b>	
<b>8.1</b>	<b><i>The analysis of Income</i></b>	
a	Gross income and expenses subdivided into income from property trading and income from property investments and other:	10
b	if only net income shown	-5
c	other income fully analysed (i.e. by joint venture, listed security, unlisted security, etc)	8
d	service charge income separately identified	5
e	any rental income from trading stock separately identified	5
<b>8.2</b>	<b><i>Guaranteed Income</i></b> Statement of amount of guaranteed income not yet flowing (e.g. as a result of rent-free periods)	5
<b>8.3</b>	<b><i>Analysis of rental and trading income</i></b>	
a	A full analysis of investment rental income by type and geographic region	10
b	An explanation of any 'turnover rents' (highlighting the proportion of income attributable to 'base rent' and the	5

	proportion contingent upon the tenants' turnover)	
<b>Total</b>		48
<b>9</b>	<b>The analysis of expenses related to running the portfolio</b>	
<b>a</b>	A detailed analysis of expenses charged in running the portfolio	6
<b>b</b>	Property expenses split between ground rents and other irrecoverable and recoverable expenditure (e.g. service charge expenditure)	5
	Clear statement of the:	
<b>c</b>	reasons for significant movements in such expenses over the period	5
<b>d</b>	benchmarking of these costs	5
<b>Total</b>		21
<b>10</b>	<b>Interest payable and receivable</b>	
<b>a</b>	Full analysis of interest payable and receivable	5
<b>b</b>	A full statement of the policy adopted where interest has been capitalised including details of when this commences and ceases	5
<b>c</b>	A clear statement of the treatment adopted for taxation where interest is capitalised	5
<b>d</b>	Disclosure of amount of interest capitalised with identification of developments on which interest capitalised	10
<b>Total</b>		25
<b>11</b>	<b>Recognition of profit on long term developments</b>	
	Failure to provide a clear statement of an appropriate policy during a long term contract	-6
<b>Total</b>		-6
<b>12</b>	<b>Taxation</b>	
<b>12.1</b>	<b>Deferred taxation</b>	
<b>a</b>	A clear statement of how deferred taxation is treated	3
<b>b</b>	In addition to the standard disclosures on potential tax on the investment portfolio, an estimate of potential tax payable on any trading stock	7
<b>12.2</b>	<b>Current taxation</b>	
<b>a</b>	A clear reconciliation of the tax charge for the period together with explanations for any unusual items	3
<b>b</b>	Comment on circumstances that will affect tax charge in future	7
<b>Total</b>		20

<b>13</b>	<b>Portfolio and valuation</b>	
<b>13.1</b>	<b>Analysis of portfolio</b>	
<b>a</b>	There should be a clear distinction in the accounts between properties held for investment, trading and under development	5
	Investment property should be analysed by the following:	
<b>b</b>	relevant geographic location in the UK	10
<b>c</b>	by appropriate sub-market in central London (e.g. City, West End, Holborn, Victoria)	5
<b>d</b>	by country elsewhere	5
<b>e</b>	type (e.g. office, retail, etc)	10
<b>f</b>	tenure	5
<b>g</b>	lease expiry (including breaks)	5
	Trading analysis should be analysed by the following:	
<b>h</b>	country	5
<b>i</b>	type	10
<b>13.2</b>	<b>Valuation (statement of policy and valuers)</b>	
<b>a</b>	A full statement of policy and names of valuer	5
<b>b</b>	Statement on the group's policy on valuers remuneration	5
<b>13.3</b>	<b>Valuation of investment properties (practice)</b>	
<b>a</b>	Full external valuation each year	5
<b>b</b>	Internal valuation each year	-5
<b>c</b>	Percentage/Amount of portfolio valued by each valuer (if more than one valuer)	5
<b>d</b>	Details of quarterly valuations and comments on trends resulting from these valuations	5
<b>13.4</b>	<b>Valuation of trading stock (practice)</b>	
	Disclosure of and comment on the current market value of trading stock	5
<b>13.5</b>	<b>Basis and analysis of valuation</b>	
<b>a</b>	State and comment on annualised net rental income as at the year end	3
<b>b</b>	Comment on capital value	3
<b>c</b>	Comment on yields	3
<b>d</b>	Comment on reversionary rental income	3
<b>e</b>	Comment on geographical data linked with the tenant and lease information	5
<b>f</b>	Absence of comment on latest valuation	-10
<b>g</b>	Comment on changes in values including a complete sector analysis, economic factors and sensitivity analysis on key properties	25
<b>13.6</b>	<b>Other portfolio information</b>	
<b>a</b>	A list of all properties in the portfolio over 1% of the total portfolio	10

b	Details of the ten highest valued properties within reasonable valuation bands and the percentage those properties represent of the portfolio and the risks to the business (e.g. particular exposure to tenants, their age and details of rent reviews)	15
<b>Total</b>		157
<b>14</b>	<b>Transfer of properties</b>	
	Failure to make a clear statement of the treatment of any transfers of properties from one category to another	-5
<b>Total</b>		-5
<b>15</b>	<b>Analysis of non property investments</b>	
a	Other investments should be analysed by type:	6
b	a note of the market value of securities at the date of the balance sheet should be given	2
c	an indication of the strategy for making and holding non property investments should be given	2
<b>Total</b>		10
<b>16</b>	<b>Development activity</b>	
	Details of all significant long term developments; including:	
a	list of major developments in progress	4
b	when these will be completed	4
c	how these will be financed	4
d	whether they are pre-let or speculative	4
e	whether they are being developed for sale or retention	4
f	a split between expenditure on improving existing completed investment properties and those in the course of development	4
g	an indication of expected end-value and/or rent to be achieved	5
<b>Total</b>		29
<b>17</b>	<b>An analysis of borrowings</b>	
a	Loans should be analysed by rate of interest	3
	Analysis to include:	
b	details of all variable interest loans	3
c	details of any caps, collars or swaps	3
d	Loans should be analysed by date of repayment	3
e	the analysis should be yearly	2
f	Loans should be analysed by currency they are to be repaid in	3
g	a note should indicate whether foreign currency loans are matched by foreign currency assets	3

	<b>h</b>	A clear and comprehensive analysis of the above information, together with disclosures of the fair values	5
<b>Total</b>			25
<b>18</b>		<b>Goodwill</b>	
		A clear explanation of any goodwill shown in the accounts, the treatment adopted and the transaction for which the goodwill arose	5
<b>Total</b>			5
<b>19</b>		<b>Accounting for joint ventures</b> (both incorporated and unincorporated)	
	<b>a</b>	A clear statement about the group's strategy for involvement in joint ventures	5
		The full statement should include:	
	<b>b</b>	the names of joint venture partners	5
	<b>c</b>	the accounts of each material joint venture as at the date of the balance sheet	20
	<b>d</b>	details of any contingencies of the joint venture which relate to the parent company	5
	<b>e</b>	details of future capital commitments of the joint venture	5
	<b>f</b>	details of who owns (by percentages) and controls the joint venture	5
	<b>g</b>	details of who is responsible for managing the properties	5
	<b>h</b>	details of the management structure of the joint venture	5
	<b>i</b>	details of the projects undertaken by the joint venture	5
	<b>j</b>	A clear analysis and defined treatment of any other joint arrangements	5
<b>Total</b>			65
<b>20</b>		<b>Additional information</b>	
	<b>20.1</b>	<b>The five - year statement</b>	
		A five - year statement has to be included but credit will be awarded for the following information: clear explanation of any changes to IAS numbers previously reported under UK GAAP	5
	<b>a</b>	gross or net rental income	2
	<b>b</b>	total development expenditure	2
	<b>c</b>	total sales of property	2
	<b>d</b>	value of all other asset sales	2
	<b>e</b>	net profit before tax	2
	<b>f</b>	EPS	2
	<b>g</b>	diluted EPS	2
	<b>h</b>	EPS excluding profits/losses on disposal of investment properties	2
	<b>i</b>	dividends per share	2
	<b>j</b>	net asset value	2
	<b>k</b>	net assets per share	2
	<b>l</b>		2

	m	diluted net assets per share (if appropriate)	2
<b>20.2</b>		<b><i>Analysis of shareholders</i></b>	
		An analysis of all major shareholders	5
<b>20.3</b>		<b><i>Supplementary information</i></b>	
	a	Contents page	3
	b	Financial highlights summary	3
		Legibility:	
	c	accounts, notes and commentary completely legible	5
	d	accounts, notes and commentary with some illegibility	-5
	e	use of pie chart (or other graphical presentation) without also disclosing the £ values comprising the segments	-5
	f	inappropriate design, photos or text	-5
	g	calendar of main events in the forthcoming company year	5
	h	a diary of the main events over the past year	5
	i	an innovative statement illustrating a particular aspect of the year result, or financial position, or affecting the future	10
	j	comprehensive glossary of appropriate and relevant terms	15
	k	appropriate use of referencing to information contained on website	5
<b>Total</b>			85
<b>21</b>		<b><i>Interim information</i></b>	
		Financial statements supported by regular information to shareholders, including:	
	a	interim valuations	5
	b	commentary on performance at the interim stage and related to expectations in the previous financial statements	5
<b>Total</b>			10
<b>22</b>		<b><i>Supporting information on the group's web page</i></b>	
<b>22.1</b>		<b><i>Activity and ease of use</i></b>	
	a	Active web page with current news	5
	b	Web page not updated in the previous month	-10
	c	Ease of navigation	5
	d	Ease of search facility	5
	e	Site map	5
<b>22.2</b>		<b><i>Information on the group</i></b>	
	a	Statement of the group's aims and values	2
	b	Background to the group	2
	c	Profiles of key members of the team	5
	d	Link to e mail addresses of the key team members	5
	e	Registration for e mail information	5
	f	Details of advisors	5

**22.3 *Financial information***

<b>a</b>	Clear financial overview	5
<b>b</b>	Current share price	5
<b>c</b>	Graph of share movement	5
<b>d</b>	Shareholder calendar	5
<b>e</b>	Annual report and accounts	5
<b>f</b>	Interim results	5
<b>g</b>	Presentations to institutions	10
<b>h</b>	Recent announcements	5

**22.4 *Property information***

<b>a</b>	Pictures and location details of the properties	5
<b>b</b>	Details of the valuations	5
<b>c</b>	Tenant details	5
<b>d</b>	Details of vacant properties	5
<b>e</b>	Links to agents and managers	5
<b>f</b>	Current and forthcoming developments	5

<b>Total</b>		119
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<b>Overall Total</b>		946
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