

Jones Lang LaSalle Corporate Finance Limited

Registered number – 1144849

**Directors' report and financial
statements**

31 December 2004



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Company information

Directors

Anthony Peter David Edgley	
Richard Anthony Johnson	(Resigned 23 February 2004)
Toby William James Phelps	(Resigned 31 July 2004)
Annette Julie Green	
Alexander Robert Bignell	(Appointed 23 February 2004, Resigned 15 November 2004)
Timothy James Dugdale Edghill	(Appointed 23 February 2004, Resigned 15 November 2004)
Richard James Mowthorpe	(Appointed 23 June 2004)
Christopher Patrick Jolly	(Appointed 4 January 2005)

Secretary

Richard Henry Webster
Nicolas Guillaume Taylor

Registered office

22 Hanover Square,
London
W1A 2BN

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

Principal activities

The company is engaged in the provision of property related financial services and is regulated by the Financial Services Authority.

Review of the business developments and future prospects

The results for the year, as shown on page 5, and the financial position of the company, as shown on page 6, are considered to be satisfactory by the directors. The directors consider the company will continue to develop its business in the UK and in support of sister companies in the Jones Lang LaSalle group. Operating profit increased during the year as income originally expected to be recognised in 2003 was recognised in the first quarter of 2004. Two significant arrangement fees for setting up limited partnerships and obtaining investment were realised during the year. The contribution of the company to the business of the Jones Lang LaSalle group is also reflected in its share of costs and contribution to group cash management.

Directors and directors' interests

The membership of the board is set out on page 1.

The directors had no beneficial interests in the shares of the company during the year.

Results and dividends

The profit on ordinary activities after taxation was £930,887 (2003: £671,596). The directors recommend a final dividend of £930,000 (2003: £400,000).

Auditors

The Company has passed an Elective Resolution in accordance with Section 386 of the Companies Act 1985 dispensing with the obligation to appoint Auditors annually, accordingly KPMG Audit Plc will remain in office until the company or KPMG Audit Plc otherwise determine.

By order of the board



R H Webster
Secretary

22 Hanover Square
London W1A 2BN

17th March 2005

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG Audit Plc

PO Box 695
8 Salisbury Square
London EC4Y 8BB
United Kingdom

Report of the independent auditors to the members of Jones Lang LaSalle Corporate Finance Limited

We have audited the financial statements on page 5 to 11.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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

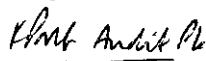
Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor

17th March 2005

Profit and loss account

for the year ended 31 December 2004

	<i>Note</i>	2004 £	2003 £
Turnover	2	4,793,270	3,289,924
Staff costs	3	(2,515,331)	(1,340,805)
Other operating charges		(1,115,199)	(1,114,767)
Operating profit		1,162,740	834,352
Interest receivable and similar income	4	219,625	129,995
Profit on ordinary activities before taxation	5	1,382,365	964,347
Tax on profit on ordinary activities	6	(451,478)	(292,751)
Profit on ordinary activities after taxation		930,887	671,596
Dividend proposed		(930,000)	(400,000)
Retained profit for the year		887	271,596
Retained profit brought forward		2,454,247	2,182,651
Retained profit carried forward		2,455,134	2,454,247

There were no recognised gains or losses for the current year or preceding year, other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses has been presented.

There is no difference between the results as stated and the results on a historical basis.

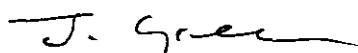
All activities derive from continuing operations.

Balance sheet

at 31 December 2004

	Note	2004 £	2003 £
Fixed assets			
Investments	10	1,120	1
Current assets			
Debtors	7	6,316,134	5,094,624
Cash at bank and in hand		12,187	4,277
		<u>6,328,321</u>	<u>5,098,901</u>
Creditors: amounts falling due within one year			
Amounts owed to group undertakings		(1,356,903)	(1,915,459)
Taxation and social security		(192,928)	(314,416)
Accruals and deferred income		(2,099,476)	(189,780)
		<u>(3,649,307)</u>	<u>(2,419,655)</u>
Net current assets		<u>2,679,014</u>	<u>2,679,246</u>
Total assets less current liabilities		<u>2,680,134</u>	<u>2,679,247</u>
Capital and reserves			
Called up share capital	8	225,000	225,000
Profit and loss account		2,455,134	2,454,247
Equity shareholders' funds	9	<u>2,680,134</u>	<u>2,679,247</u>

These financial statements were approved by the board of directors on 17th March 2005 and were signed on its behalf by:



A J Green
 Director

Notes

(forming part of the financial statements)

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The company is exempt by virtue of S228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard No.1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

As the company is a wholly owned subsidiary of Jones Lang LaSalle Europe, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investors in the group qualifying as related parties).

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation. In accordance with FRS 19 'Deferred Tax', deferred taxation is provided fully and on a non discounted basis at future corporation tax rates in respect of timing differences between profits computed for taxation and accounts purposes.

2 Turnover

Turnover represents the amounts invoiced, excluding VAT, for services rendered to external third parties in respect of the company's business.

3 Staff costs

	2004 No.	2003 No.
Average number of persons employed:		
Sales and administration	16	18
	<hr/>	<hr/>
	£	£
Wages and salaries	2,081,259	1,118,188
Social security costs	267,830	143,001
Other pension costs (see note 11)	166,242	79,616
	<hr/>	<hr/>
	2,515,331	1,340,805
	<hr/>	<hr/>

The directors did not receive any remuneration in respect of services to the company during the year (2003: £nil).

4 Interest receivable and similar income

	2004 £	2003 £
Interest received from debt factoring with Jones Lang LaSalle Limited	197,719	136,490
Interest (payable)/receivable on corporation tax	6,917	(6,495)
Gains on foreign exchange	14,989	-
	<u>219,625</u>	<u>129,995</u>

5 Profit on ordinary activities before taxation

The audit fee has been borne by the company's immediate parent company in both 2004 and 2003.

6 Tax on profit on ordinary activities

	2004 £	2003 £
Analysis of charge for the year		
<i>UK corporation tax</i>		
Current tax on profit for the year at 30% (2003: 30%)	451,788	292,315
Adjustment in respect of previous years	(310)	436
	<u>451,478</u>	<u>292,751</u>

The tax assessed differs from the application of the standard rate of corporation tax in the UK (30%) to the company's profit before taxation for the following reasons:

Profit on ordinary activities before tax	1,382,365	964,347
	<u>414,710</u>	<u>289,304</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK (30%)		
<i>Effects of:</i>		
Expenses not deductible for tax purposes	37,161	4,375
Others	(83)	(1,364)
Adjustment to tax charges of previous years	(310)	436
	<u>451,478</u>	<u>292,751</u>

7 Debtors

	2004 £	2003 £
Trade debtors	1,033,009	4,873,151
Amounts owed by group undertakings	3,699,911	52,896
Other debtors	1,583,214	168,577
	<u>6,316,134</u>	<u>5,094,624</u>

8 Called up share capital

	2004 £	2003 £
<i>Authorised</i>		
250,000 ordinary shares of £1 each	250,000	250,000
	<u>250,000</u>	<u>250,000</u>
<i>Called up, allotted and fully paid</i>		
225,000 ordinary shares of £1 each	225,000	225,000
	<u>225,000</u>	<u>225,000</u>

9 Movements in equity shareholders' funds

	2004 £	2003 £
Profit for the year	930,887	671,596
Dividend proposed	(930,000)	(400,000)
	<u>887</u>	<u>271,596</u>
Net addition to equity shareholders' funds	887	271,596
Opening equity shareholders' funds	2,679,247	2,407,651
	<u>2,680,134</u>	<u>2,679,247</u>
Closing equity shareholders' funds	2,680,134	2,679,247

10 Investments

	2004	2003
	£	£
Shares in group companies – subsidiary undertakings:		
At beginning of year	1	-
Additions	1,119	1
	<hr/>	<hr/>
At end of year	1,120	1
	<hr/>	<hr/>

On 6 December 1994, the company, then known as JLW Finance Limited, became the general partner in the Real Ventures Property Partnership, which has one limited partner. The partnership has ceased trading, and is in the process of being wound up.

On 14 May 2003, Shelfco (No. 2863) Limited, a subsidiary of the Jones Lang LaSalle Corporate Finance Limited, was incorporated. On 18 September 2003 Shelfco (No. 2863) changed its name to CPPI Bridgewater Place General Partner Limited. The company is the general partner to CPPI Bridgewater Place Limited Partnership, which owns an interest in a single property in Leeds. Jones Lang LaSalle Corporate Finance Limited has an investment of £1,000 in CPPI Bridgewater Place General Partner Limited.

On 11 June 2004, Shelfco (No. 2979) Limited, a subsidiary of the Jones Lang LaSalle Corporate Finance Limited, was incorporated. On 20 July 2004 Shelfco (No. 2979) Limited changed its name to Euro Industrial (GP) Limited. The company is the general partner to the Euro Industrial Limited Partnership, which invests in industrial property in several European countries. Jones Lang LaSalle Corporate Finance Limited has an investment of £10 in Euro Industrial (GP) Limited.

On 11 June 2004, Shelfco (No. 2977) Limited, a subsidiary of the Jones Lang LaSalle Corporate Finance Limited, was incorporated. On 20 July 2004 Shelfco (No. 2977) Limited changed its name to Development Partnership No. 1 General Partner Limited. The company is the general partner to Development Partnership No. 1 Limited Partnership, which acts as an investment vehicle in other limited partnerships. Jones Lang LaSalle Corporate Finance Limited has an investment of £100 in Development Partnership No. 1 General Partner Limited.

On 13 October 2004, Shelfco (No. 3006) Limited, a subsidiary of the Jones Lang LaSalle Corporate Finance Limited, was incorporated. On 24 November 2004 Shelfco (No. 3006) Limited changed its name to JLLCF DP Limited. The company is a carried interest partner in Development Partnership No. 1 Limited Partnership. Jones Lang LaSalle Corporate Finance Limited has an investment of £10 in JLLCF DP Limited.

11 Pensions

The company's employees are members of either the defined benefit scheme or the defined contribution scheme operated by Jones Lang LaSalle Limited. Pension costs are based on contributions payable to the scheme across the companies within the scheme as a whole. The assets and liabilities of the scheme cannot be accurately allocated to the company.

Details of the scheme, including the basis on which the actuarial valuations have been carried out and the level of funding, as required under the transitional rules of Financial Reporting Standard No. 17 "Retirement Benefits" ("FRS17") are set out in the financial statements of Jones Lang LaSalle Europe Limited.

12 Ultimate controlling party

The company's immediate parent company during the year was Jones Lang LaSalle Limited, a company incorporated in England and Wales, and the ultimate parent company is Jones Lang LaSalle Incorporated, a company incorporated in Maryland, USA.

The largest group in which the financial statements of the company are consolidated is that headed by Jones Lang LaSalle Incorporated. Copies of the group financial statements of Jones Lang LaSalle Incorporated can be obtained from Jones Lang LaSalle Incorporated, 200 East Randolph Drive, Chicago, Illinois 60601, USA.

The smallest group in which the financial statements of the company are consolidated is that headed by Jones Lang LaSalle Europe Limited. Copies of the group financial statements of Jones Lang LaSalle Europe Limited can be obtained from Jones Lang LaSalle Europe Limited, 22 Hanover Square, London, W1A 2BN.