Jones Lang LaSalle Corporate Finance Limited

Registered number – 1144849

Directors' report and financial statements

31 December 2005

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Company information

Directors

Anthony Peter David Edgley
Annette Julie Green
Richard James Mowthorpe
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 2005.

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 6, and the financial position of the company, as shown on page 7, are considered to be satisfactory by the directors. The directors consider the company will continue to develop its business in the UK and will continue to provide services to fellow group companies.

Results and dividends

The profit on ordinary activities after taxation was £2,216,572 *(2004: £1,002,640).* The company has paid a dividend in 2005 of £930,000 in relation to 2004 *(2004 relating to 2003: £400,000).*

Directors and directors' interests

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

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company or any other group company.

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 otherwise determined.

By order of the board

R H Webster
Secretary

Registered Office;
22 Hanover Square
London W1A 2BN

3 April 2006

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financials statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the period.

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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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

8 Salisbury Square
London EC4Y 8BB
United Kingdom

Independent auditors' report to the members of Jones Lang LaSalle Corporate Finance Limited.

We have audited the financial statements of Jones Lang LaSalle Corporate Finance Limited for the year ended 31 December 2005 which comprise of the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

As described on the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standard (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with International Standard on Auditing (UK and Ireland) 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.

Independent auditors' report to the members of Jones Lang LaSalle Corporate Finance Limited *(continued)*

Opinion

In our opinion the financial statements:

- give a true and fair view in accordance with UK Generally Accepted Accounting Practice of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

3 April 2006

Profit and loss account

for the year ended 31 December 2005

	Note	**2005**	2004 *As restated See note 1*
		£	£
Turnover	*2*	**7,921,216**	4,793,270
Staff costs	*3*	**(3,706,692)**	(2,412,826)
Other operating charges		**(1,186,670)**	(1,115,199)
Operating profit		**3,027,854**	1,265,245
Interest receivable and similar income	*4*	**181,498**	219,625
Profit on ordinary activities before taxation	*5*	**3,209,352**	1,484,870
Tax on profit on ordinary activities	*6*	**(992,780)**	(482,230)
Profit on ordinary activities after taxation	*9*	**2,216,572**	1,002,640

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

All activities derive from continuing operations.

Balance sheet
at 31 December 2005

	Note	2005	2004 As restated- See note 1
		£	£
Fixed assets			
Investments	11	**1,660**	1,120
Current assets			
Debtors	7	**8,693,511**	6,316,134
Cash at bank and in hand		**5,590**	12,187
		8,699,101	6,328,321
Creditors: amounts falling due within one year			
Amounts owed to group undertakings		-	(324,400)
Taxation and social security		**(796,974)**	(223,680)
Accruals and deferred income		**(2,935,328)**	(2,099,474)
		(3,732,302)	(2,647,554)
Net current assets		**4,966,799**	3,680,767
Net assets		**4,968,459**	3,681,887
Capital and reserves			
Called up share capital	8	**225,000**	225,000
Profit and loss account	10	**4,743,459**	3,456,887
Equity shareholders' funds	9	**4,968,459**	3,681,887

These financial statements were approved by the board of directors on 3 April 2006 and were signed on its behalf by:

A J Green

A J Green
Director

2006

Statement of total recognised gains and losses

for the year ended 31 December 2005

	Note	**2005**	2004 *As restated – See note 1*
		£	£
Profit for the financial year		**2,216,572**	1,002,640
Total recognised gains and losses relating to the financial year		**2,216,572**	1,002,640
Prior year adjustment (as explained in note 1)		**71,753**	
Total gains and losses recognised since last annual report		**2,288,325**	

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

In these financial statements the following new standards have been adopted for the first time:

- FRS21 'Events after the balance sheet date';
- The recognition and measurement requirements of FRS 17 'Retirement benefits' have also been adopted.

Change in accounting policy and presentation

Comparative figures in 2004 have been restated to reflect two changes of accounting policy:

Dividends were restated to the year they were paid, in line with the FRS21 accounting policy.

Pension charges were restated in accordance with FRS17.

As a result comparative figures for the year ended 31 December 2004 have been adjusted as follows:

	Profit for the year £	Net assets £
As previously reported	930,887	2,680,134
Effect of change from dividends restated	-	930,000
Effect of change from pensions restated	102,505	102,505
Effect of change from pensions restated – deferred tax	(30,752)	(30,752)
As restated 2004	1,002,640	3,681,887

Basis of preparation

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

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 a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Jones Lang LaSalle Ltd, 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). The consolidated Financial statements of Jones Lang LaSalle Europe Limited within which this company is included can be obtained from the address given in note 12.

Post-retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

Notes *(continued)*

The Company also participates in the Jones Lang LaSalle pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

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 taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Dividends

During the year the Jones Lang LaSalle Group adopted FRS21 Events after the balance sheet date which superseded SSAP17. Under the new standard, final dividends payable are recognised only in the period in which they are declared in the annual general meeting and therefore become a liability and interim dividends are recognised in the period in which they are paid, whereas under SSAP17 dividends were accrued for when proposed. This has resulted in an increase of £530,000 in retained profit for the year ended 31 December 2004.

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

	2005	2004 *As restated*
	No.	No.
Average number of persons employed (including directors):		
Sales and administration	**19**	16
	£	£
Wages and salaries	**3,207,287**	2,081,259
Social security costs	**405,192**	267,830
Other pension costs (see note 11)	**94,213**	63,737
	3,706,692	2,412,826

The directors did not receive any remuneration in respect of services to the company during the year *(2004: £nil).*

Notes *(continued)*

4 Interest receivable and similar income

	2005 £	2004 £
Interest receivable from parent undertaking	**164,103**	197,719
Interest receivable on corporation tax	**216**	6,917
Gains on foreign exchange	**17,179**	14,989
	181,498	219,625

5 Notes to the profit and loss account

The audit fee has been borne by the company's immediate parent company in both 2005 and 2004.

6 Tax on profit on ordinary activities

	2005 £	2004 *As restated* £
Analysis of charge for the year		
UK corporation tax		
Current tax on profit for the year at 30% (2004:30%)	**978,352**	451,788
Adjustment in respect of previous years	**14,428**	(310)
Total current tax	**992,780**	451,478
Deferred tax		
Origination and reversal of timing differences (see Note 11)	**-**	30,752
Tax charge for the year	**992,780**	482,230
The tax assessed differs from the application of the standard rate of corporation tax in the UK (30%) (2004: 30%) to the company's profit before taxation for the following reasons:		
Profit on ordinary activities before tax	**3,209,352**	1,484,870
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK (30%) (2004: 30%)	**962,806**	445,462
Effects of:		
Expenses not deductible for tax purposes	**15,608**	37,161
Origination and reversal of timing differences (see Note 11)	**-**	(30,752)
Others	**(62)**	(83)
Adjustment to tax charges of previous years	**14,428**	(310)
Total current tax	**992,780**	451,478

Notes *(continued)*

7 Debtors

	2005	2004
	£	£
Trade debtors	**7,281,887**	4,732,920
Amounts owed by group undertakings	**1,367,294**	-
Other debtors	**44,330**	1,583,214
	8,693,511	6,316,134

8 Called up share capital

	2005	2004
	£	£
Authorised		
250,000 ordinary shares of £1 each	**250,000**	250,000
Called up, allotted and fully paid		
225,000 ordinary shares of £1 each	**225,000**	225,000

9 Reserves

	2005	2004
		As restated
	£	£
At beginning of year as originally stated	**2,455,134**	2,454,247
Prior year adjustment	**1,001,753**	400,000
At beginning of year as restated	**3,456,887**	2,854,247
Profit for the year	**2,216,572**	1,002,640
Dividends on shares classified in shareholders' funds	**(930,000)**	(400,000)
At end of year	**4,743,459**	3,456,887

10 Movements in shareholders' funds

	2005	2004
		As restated
	£	£
Profit for the year	**2,216,572**	1,002,640
Dividend paid	**(930,000)**	(400,000)
Net addition to shareholders' funds	**1,286,572**	602,640
Opening shareholders' funds (originally £2,680,134 before adding prior year adjustment of £1,001,753)	**3,681,887**	3,079,247
Closing shareholders' funds	**4,968,459**	3,681,887

Notes *(continued)*

11 Investments

	2005	2004
	£	£
Shares in group companies – subsidiary undertakings:		
At beginning of year	**1,120**	1
Additions	**540**	1,119
At end of year	**1,660**	1,120

	Country of incorporation	Principal activity	% Share Capital owned by JLL	No of shares held by JLL
Easter Development Partnership General Partner Limited	England & Wales	General Partner	50	500
Abacus Park General Partner Limited	England & Wales	General Partner	100	10
Abacus Park Property General Partner Limited	England & Wales	General Partner	100	10
Anderson Wharf General Partner Limited	England & Wales	General Partner	100	10
Retail Development Partnership General Partner Limited	England & Wales	General Partner	50	10
JLW Finance Limited	England & Wales	Dormant	100	10
CPPI Bridgewater Place General Partner Limited	England & Wales	General Partner	100	1000
Euro Industrial (GP) Limited	England & Wales	General Partner	100	10
Development Partnership No.1 General Partner Limited.	England & Wales	General Partner	50	100

Notes *(continued)*

12 Pension scheme

The Company is a member of a larger group pension scheme providing benefits based on final pensionable pay. Because the Company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits', the scheme has been accounted for as if the scheme was a defined contribution scheme. The scheme deficit at the end of the year was £11,969,000 (*2004: £6,809,000*). The latest full actuarial valuation was carried out at 31 December 2003 and was updated for FRS 17 purposes to 31 December 2005 by a qualified independent actuary. The Group contributions for the year were £4,344,000 *(2004:£1,429,000)*. It has been agreed with the Trustee that the Group contributions for the next three years will be £700,000 payable in monthly instalments in accordance with the Schedule of Contributions dated 19th December 2003. This is subject to review at future actuarial valuations

The Company also operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £ 73,485 *(2004: £58,000)*. There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

13 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.