

**Jones Lang LaSalle Corporate Finance Limited**

**Directors' report and financial  
statements**

**31 December 2006**

**Registered number – 1144849**

WEDNESDAY



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## **Directors' report**

The directors present their directors' report and financial statements for the year ended 31 December 2006

### **Business review and principal activities**

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

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

### **Future Outlook**

The external commercial environment is expected to remain competitive in 2007 as competitors continue to enjoy the same buoyant market. However, we remain confident that we will maintain or exceed our current performance in the future

### **Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of Jones Lang LaSalle Europe Limited, which include those of the company, are discussed in the group's annual accounts which do not form part of this report

### **Key performance indicators ("KPIs")**

The directors of Jones Lang LaSalle Europe Limited manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Jones Lang LaSalle Corporate Finance Limited. The development, performance and position of Jones Lang LaSalle Europe Limited, which includes the company, are discussed in the group's annual accounts which do not form part of this report

### **Proposed dividend**

Dividends paid during the year comprise a final dividend of £3,000,000 (1,333p per share) in respect of the previous year ended 31 December 2005 (2005 paid £930,000 (413p per share))

### **Directors and directors' interests**

The directors who held office during the year were as follows

Anthony Peter David Edgley  
Annette Julie Green (resigned 29 January 2007)  
Richard James Mowthorpe  
Christopher Patrick Jolly  
Richard Owen Howling (appointed 2 February 2007)  
Nicholas Sinfield (appointed 2 February 2007)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the Company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year

## Directors' report *(continued)*

### Employees

The average number of employees during the year was 24 (2005 19)

### Political and charitable contributions

The Company made no political contributions during the year Donations to UK charities amounted to £250 (2005 £nil)

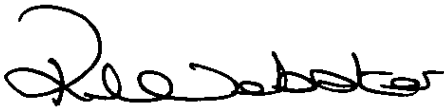
### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

### Auditors

Pursuant to section 386 of the Companies Act 1985, a resolution is to be put to the forthcoming Annual General Meeting which, if passed, would result in the Company not being required to reappoint its auditors annually KPMG Audit Plc would then continue as the Company's auditors

By order of the board



R H Webster  
*Secretary*

Registered office  
22 Hanover Square  
London W1A 2BN

28/03/ 2007

## **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 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 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 that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 2006 which comprise of the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders Funds 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 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

*28 March* 2007

## Profit and loss account

for the year ended 31 December 2006

	<i>Note</i>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	<b>9,930,913</b>	<b>7,921,216</b>
Staff costs	<b>3</b>	<b>(5,207,270)</b>	<b>(3,706,692)</b>
Other operating charges		<b>(1,538,262)</b>	<b>(1,186,670)</b>
		<hr/>	<hr/>
<b>Operating profit</b>		<b>3,185,381</b>	<b>3,027,854</b>
Interest receivable and similar income	<b>4</b>	<b>386,269</b>	<b>181,498</b>
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	<b>5</b>	<b>3,571,650</b>	<b>3,209,352</b>
Tax on profit on ordinary activities	<b>6</b>	<b>(1,052,190)</b>	<b>(992,780)</b>
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		<b>2,519,460</b>	<b>2,216,572</b>
		<hr/>	<hr/>

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

All activities derive from continuing operations

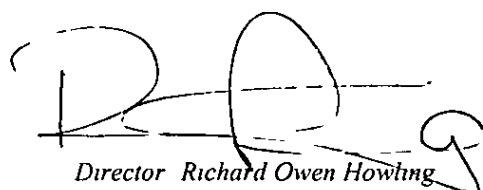


**Balance sheet**  
 at 31 December 2006

	<i>Note</i>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Investments	12	4,929	1,660
<b>Current assets</b>			
Debtors	8	15,601,199	8,693,511
Cash at bank and in hand		439,874	5,590
		<u>16,041,073</u>	<u>8,699,101</u>
<b>Creditors</b> amounts falling due within one year	9	(11,558,083)	(3,732,302)
<b>Net current assets</b>		<u>4,482,990</u>	<u>4,966,799</u>
<b>Net assets</b>		<u>4,487,919</u>	<u>4,968,459</u>
<b>Capital and reserves</b>			
Called up share capital	10	225,000	225,000
Profit and loss account	11	4,262,919	4,743,459
<b>Shareholders' funds</b>		<u>4,487,919</u>	<u>4,968,459</u>

These financial statements were approved by the board of directors on behalf by

28/3/2007 and were signed on its

  
 Director Richard Owen Howling

28/3/2007

## Statement of total recognised gains and losses

for the year ended 31 December 2006

	2006	2005
	£	£
Profit for the financial year	2,519,460	2,216,572
Total recognised gains and losses relating to the financial year	2,519,460	2,216,572
Prior year adjustment (refer note 1)	-	71,753
Total gains and losses recognised since last annual report	2,519,460	2,288,325

## Reconciliation of movement in shareholders' funds

for the year ended 31 December 2006

	Note	2006	2005
		£	£
Profit for the financial year		2,519,460	2,216,572
Dividends on shares classified in shareholders' funds	7	(3,000,000)	(930,000)
Retained profit		(480,540)	1,286,572
Net addition/(reduction in) to shareholders' funds		(480,540)	1,286,572
Opening shareholders' funds (2005 originally £2,680,134 before prior year adjustment of £1,001,753)		4,968,459	3,681,887
Closing shareholders' funds		4,487,919	4,968,459

## **Notes (continued)**

### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

### ***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.

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 on shares presented within shareholders' funds***

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

## **2 Turnover**

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

## Notes (continued)

### 3 Staff costs

	2006 No	2005 No
Average number of persons employed (including directors)	24	19
Sales and administration		
	<u>2006</u>	<u>2005</u>
	£	£
Wages and salaries	4,455,313	3,207,287
Social security costs	572,349	405,192
Other pension costs	179,608	94,213
	<u>5,207,270</u>	<u>3,706,692</u>

All employee costs are recharged from the parent company, Jones Lang LaSalle Limited, with whom all employees are contracted

The directors did not receive any remuneration in respect of services to the company during the year (2005 £nil)

### 4 Interest receivable and similar income

	2006 £	2005 £
Interest receivable from parent undertaking	335,784	164,103
Interest receivable from 3 <sup>rd</sup> parties	43,790	216
Gains on foreign exchange	6,695	17,179
	<u>386,269</u>	<u>181,498</u>

### 5 Notes to the profit and loss account

The audit fee has been borne by the company's immediate parent company in both 2006 and 2005

## Notes (continued)

### 6 Tax on profit on ordinary activities

	2006 £	2005 £
Analysis of charge for the year		
<i>UK corporation tax</i>		
Current tax on profit for the year at 30% (2005 30%)	1,099,923	978,352
Adjustment in respect of previous years	-	14,428
	<hr/>	<hr/>
Total current tax	1,099,923	992,780
Deferred tax		
Adjustment in respect of prior years	(30,752)	-
Origination and reversal of timing differences	(16,981)	-
	<hr/>	<hr/>
Total deferred tax	(47,733)	-
	<hr/>	<hr/>
Tax charge for the year	1,052,190	992,780
	<hr/>	<hr/>
The tax assessed differs from the application of the standard rate of corporation tax in the UK (30%) (2005 30%) to the company's profit before taxation for the following reasons		
Profit on ordinary activities before tax	3,571,650	3,209,352
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK (30%) (2005 30%)	1,071,495	962,806
<i>Effects of</i>		
Expenses not deductible for tax purposes	11,323	15,608
Origination and reversal of timing differences	16,981	-
Others	124	(62)
Adjustment to tax charges of previous years	-	14,428
	<hr/>	<hr/>
Total current tax	1,099,923	992,780
	<hr/>	<hr/>

### 7 Dividends

The aggregate amount of dividends comprises

	2006 £	2005 £
Final dividends paid in respect of prior year but not recognised as liabilities in that year	3,000,000	930,000
	<hr/>	<hr/>
At end of year	3,000,000	930,000
	<hr/>	<hr/>

## Notes (continued)

### 8 Debtors

	2006 £	2005 £
Trade debtors	15,584,218	7,281,887
Amounts owed by group undertakings	-	1,367,294
Deferred Tax Asset	16,981	44,330
	<u>15,601,199</u>	<u>8,693,511</u>

### 9 Creditors: amounts falling due within one year

	2006 £	2005 £
Amounts owing to group undertakings	5,481,148	-
Taxation and social security	1,467,500	796,974
Accruals and deferred income	4,609,435	2,935,328
	<u>11,558,083</u>	<u>3,732,302</u>

### 10 Called up share capital

	2006 £	2005 £
<i>Authorised</i>		
250 000 ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>
<i>Called up, allotted and fully paid</i>		
225,000 ordinary shares of £1 each	<u>225,000</u>	<u>225,000</u>

### 11 Reserves

	2006 £	2005 £
At beginning of year as originally stated	4,743,459	2,455,134
Prior year adjustment (refer note 1)	-	1,001,753
	<u>4,743,459</u>	<u>3,456,887</u>
At beginning of year as restated	4,743,459	3,456,887
Profit for the year	2,519,460	2,216,572
Dividends on shares classified in shareholders' funds	(3,000,000)	(930,000)
	<u>4,262,919</u>	<u>4,743,459</u>

## Notes (continued)

### 12 Investments

	2006 £	2005 £
Shares in group companies – subsidiary undertakings		
At beginning of year	1,660	1,120
Additions	3,269	540
	<hr/>	<hr/>
At end of year	4,929	1,660
	<hr/>	<hr/>

	Country of incorporation	Principal activity	% Share Capital owned by JLL	No of shares held by JLL
<i>Easter Development Partnership General Partner Limited</i>	England & Wales	General Partner	50	500
<i>Abacus Park General Partner Limited</i>	England & Wales	General Partner	100	10
<i>Abacus Park Property General Partner Limited</i>	England & Wales	General Partner	100	10
<i>Anderson Wharf General Partner Limited</i>	England & Wales	General Partner	100	10
<i>Albourne General Partner Limited (formerly Retail Development Partnership General Partner Limited)</i>	England & Wales	General Partner	50	10
<i>JLW Finance Limited</i>	England & Wales	Dormant	100	10
<i>JLLCF DP Limited</i>	England & Wales	General Partner	100	10
<i>CPPI Bridgewater Place General Partner Limited</i>	England & Wales	General Partner	100	1000
<i>Euro Industrial (GP) Limited</i>	England & Wales	General Partner	100	10
<i>Development Partnership No 1 General Partner Limited</i>	England & Wales	General Partner	50	100
<i>Terrace Hill Development Partnership General Partner Ltd</i>	England & Wales	General Partner	50	10
<i>German Offices General Partner Limited</i>	England & Wales	General Partner	100	3,249

## Notes (continued)

### 13 Pension scheme

The Company is a member of a larger group pension scheme providing benefits based on final pensionable pay but 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 in these financial statements for as if the scheme was a defined contribution scheme. The scheme deficit at the end of the year was £6,508,000 (2005 £11,969,000)

The latest full actuarial valuation was carried out at 31 December 2003 and was updated for FRS 17 purposes to 31 December 2005 and 31 December 2006 by a qualified independent actuary. The Group contributions for the year were £2,537,000 (2005 £4,344,000). It has been agreed with the Trustee that the Group contributions for the next three years will be in accordance with the Schedule of Contributions certified on 19 September 2006.

Full disclosure of the scheme can be found in the accounts of Jones Lang LaSalle Limited.

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 £159,827 (2005 £73,485). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

### 14 Contingents and Commitments

The company has no contingent assets or liabilities (2005 nil)

The company has no commitments

### 15 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.