

Registered number: 01144849

JONES LANG LASALLE CORPORATE FINANCE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



JONES LANG LASALLE CORPORATE FINANCE LIMITED

COMPANY INFORMATION

DIRECTORS

M Attolico (appointed 2 January 2018)
TJD Edghill (resigned 9 May 2018)
C Hepp (resigned 16 July 2018)
SJ Edwards (appointed 2 January 2018)
PG Evans (appointed 16 July 2018)

COMPANY SECRETARY

RH Webster
NG Taylor

REGISTERED NUMBER

01144849

REGISTERED OFFICE

30 Warwick Street
London
W1B 5NH

INDEPENDENT AUDITOR

KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

JONES LANG LASALLE CORPORATE FINANCE LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Directors' Responsibilities Statement	4
Independent Auditor's Report	5 - 7
Income Statement	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 22

JONES LANG LASALLE CORPORATE FINANCE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

INTRODUCTION

Jones Lang LaSalle Corporate Finance Limited provides regulated services to professional clients including merger & acquisition, joint venture and funds advice.

BUSINESS REVIEW

The results for the year and the financial position of the Company are considered to be satisfactory by the Directors. A consolidation of operations took place to manage the future cost base of the business and hence the Directors consider that the Company remains well-placed to successfully negotiate the current fragile political and economic environment, and to continue to look for growth opportunities.

The Directors expect that the present level of activity will be sustained for the foreseeable future, the Company will continue to develop its business in the UK and Europe and will continue to provide services to fellow group companies.

Jones Lang LaSalle Corporate Finance Limited remains focused on complex real estate and corporate M&A transactions and capital raising.

PRINCIPAL RISKS AND UNCERTAINTIES

Following the UK's decision to leave the EU, UK regulated firms may lose their MiFID passport rights, therefore the Spanish branch is being carefully monitored. The German branch ceased trading in 2017. The risks are integrated with the principal risks of the Jones Lang LaSalle group of companies ('the group') and are managed in accordance with group guidelines.

In relation to the assessment and monitoring of economic, political and regulatory risks, the Company is continuing to evaluate the impact of the outcome of the 2016 referendum in relation to the UK's membership of the EU on the Company's business strategy and business risks in the short, medium and long term. In the short term there is no significant impact expected on the Company's business activities, there will be no immediate change in business strategy, and it does not affect the going concern position of the Company. The Company continues to closely monitor developments and will make appropriate changes to the business strategy once the impact on the UK and European real estate services industry is more certain. The delays to Brexit have caused even more uncertainty, however, the Company has contingency plans in place if a no deal Brexit occurs and no significant impact on the financials is expected.

FINANCIAL KEY PERFORMANCE INDICATORS

The results of the Company show a post tax loss of £2,761,605 (2017: profit £1,403,754) and sales of £7,563,506 (2017: £12,767,123). The Company has net assets of £12,369,144 (2017: £15,124,229).

This report was approved by the board on 25th April 2019 and signed on its behalf.



RH Webster
Secretary

JONES LANG LASALLE CORPORATE FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their report and the financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

The Company is engaged in the provision of property related financial services and is regulated by the Financial Conduct Authority. The Company's FCA Pillar 3 disclosure document is available on www.jll.com.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £2,761,605 (2017: profit £1,403,754).

The loss sustained during the year is primarily a consequence of the investment made in building a global fundraising team. The time required to undertake a successful fundraise can be slower than other business lines and the Directors expect revenues to grow over the coming years, offering a healthy return on investment. In summary, the increased costs and limited revenues were fully anticipated by the Board and thus, the Board ensured sufficient regulatory capital was held to cover the losses.

The Directors did not pay an interim dividend during the year (2017: £nil). The Directors do not recommend the payment of a final dividend (2017: £nil).

DIRECTORS

The Directors who served during the year were:

M Attolico (appointed 2 January 2018)
TJD Edghill (resigned 9 May 2018)
C Hepp (resigned 16 July 2018)
SJ Edwards (appointed 2 January 2018)
PG Evans (appointed 16 July 2018)

POLITICAL CONTRIBUTIONS

During the year the Company made no contributions for political purposes (2017 - £nil).

FUTURE DEVELOPMENTS

The Directors expect that the present level of activity will be sustained for the foreseeable future.

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.

JONES LANG LASALLE CORPORATE FINANCE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

AUDITOR

Under section 487(2) of the Companies Act 2006, KPMG LLP, Statutory Auditor will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 29th April 2019 and signed on its behalf.



RH Webster
Secretary

JONES LANG LASALLE CORPORATE FINANCE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors are responsible for preparing the Strategic Report, 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 and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JONES LANG LASALLE CORPORATE FINANCE LIMITED

OPINION

We have audited the financial statements of Jones Lang LaSalle Corporate Finance Limited (the 'Company') for the year ended 31 December 2018, which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 '*The Financial Reporting Standard applicable in the UK and Republic of Ireland*'; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is sufficient and appropriate basis for our opinion.

THE IMPACT OF UNCERTAINTIES DUE TO THE UK EXITING THE EUROPEAN UNION ON OUR AUDIT

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the Directors and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

GOING CONCERN

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JONES LANG LASALLE CORPORATE FINANCE LIMITED (CONTINUED)

OTHER INFORMATION

The Directors are responsible for the other information, which comprises the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

DIRECTORS' RESPONSIBILITIES

As explained more fully in their statement set out on page 4, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES

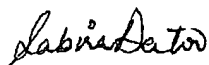
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an Auditor's Report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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 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 is provided on the FRC's website at:
www.frc.org.uk/auditorsresponsibilities.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JONES LANG LASALLE
CORPORATE FINANCE LIMITED (CONTINUED)**

THE PURPOSE OF OUR AUDIT REPORT AND TO WHOM WE OWE OUR RESPONSIBILITIES

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.



Sabira Datto (Senior Statutory Auditor)

for and on behalf of

KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

Date: 28th April 2019

JONES LANG LASALLE CORPORATE FINANCE LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	3	<u>7,563,506</u>	12,767,123
GROSS PROFIT		<u>7,563,506</u>	12,767,123
Administrative expenses		<u>(10,814,431)</u>	(11,701,614)
OPERATING (LOSS)/PROFIT	4	<u>(3,250,925)</u>	1,065,509
Interest receivable and similar income	7	<u>500,517</u>	358,050
Interest payable and similar expenses	8	<u>(11,197)</u>	(19,805)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u><u>(2,761,605)</u></u>	<u><u>1,403,754</u></u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the income statement.

The notes on pages 12 to 22 form part of these financial statements.

JONES LANG LASALLE CORPORATE FINANCE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Profit for the financial year		<u>(2,761,605)</u>	<u>1,403,754</u>
OTHER COMPREHENSIVE INCOME			
Change in foreign exchange reserve		<u>6,521</u>	<u>(49,612)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>(2,755,084)</u></u>	<u><u>1,354,142</u></u>

The notes on pages 12 to 22 form part of these financial statements.

JONES LANG LASALLE CORPORATE FINANCE LIMITED
REGISTERED NUMBER:01144849

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
CURRENT ASSETS			
Debtors: amounts falling due within one year	10	40,612,316	35,068,252
Cash at bank and in hand	11	17	-
		<u>40,612,333</u>	<u>35,068,252</u>
Creditors: amounts falling due within one year	12	(28,243,188)	(19,944,023)
NET CURRENT ASSETS		12,369,145	15,124,229
NET ASSETS		12,369,145	15,124,229
CAPITAL AND RESERVES			
Called up share capital	14	225,000	225,000
Foreign exchange reserve	15	(122,865)	(129,386)
Profit and loss account	15	12,267,010	15,028,615
		<u>12,369,145</u>	<u>15,124,229</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

25th April 2019



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SJ Edwards
 Director

JONES LANG LASALLE CORPORATE FINANCE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	225,000	(129,386)	15,028,615	15,124,229
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	-	(2,761,605)	(2,761,605)
Foreign exchange gains	-	6,521	-	6,521
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	6,521	-	6,521
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	6,521	(2,761,605)	(2,755,084)
AT 31 DECEMBER 2018	225,000	(122,865)	12,267,010	12,369,145

The notes on pages 12 to 22 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	225,000	(79,774)	13,624,861	13,770,087
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	1,403,754	1,403,754
Foreign exchange losses	-	(49,612)	-	(49,612)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	(49,612)	-	(49,612)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(49,612)	1,403,754	1,354,142
AT 31 DECEMBER 2017	225,000	(129,386)	15,028,615	15,124,229

The notes on pages 12 to 22 form part of these financial statements.

JONES LANG LASALLE CORPORATE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company is a private company incorporated, domiciled and registered in England in the UK. The registered number is 01144849 and the registered address is 30 Warwick Street, London, W1B 5NH.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional and presentational currency of these financial statements is pound sterling, rounded to the nearest pound.

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 2).

The following principal accounting policies have been applied:

1.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Jones Lang LaSalle Incorporated as at 31 December 2018 and these financial statements may be obtained from Jones Lang LaSalle Incorporated, 200 East Randolph Drive, Chicago, Illinois 60601, USA.

JONES LANG LASALLE CORPORATE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.3 GOING CONCERN

Notwithstanding the loss of £2,761,605 in 2018, the financial statements have been prepared on the going concern basis which the Directors believe to be appropriate for the following reasons:

- The Directors assessed the Company's financial position, and they have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future;
- Jones Lang LaSalle Incorporated, the ultimate parent company, has expressed, in the form of a letter of support, that it will continue to provide further financial support to the Company, enabling it to meet its financial liabilities as they fall due and to continue to trade.
- There are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern.

On the basis of their assessment the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

1.4 FOREIGN CURRENCY TRANSLATION

Profit and loss

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement.

Other comprehensive income

Foreign currency translation differences arising from the translation of assets, liabilities, income and expenses from a Company's branch functional currency to a Company's presentation currency.

The exchange differences recognised in other comprehensive income result from:

- Translating income and expenses at the spot or average rate and assets and liabilities at the closing rate.
- Translating opening net assets that continue to be recognised at a closing rate different from the previous closing rate.

JONES LANG LASALLE CORPORATE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.5 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Specifically, revenue comprises financing and consulting fees for the following types of transactions:

- Mergers and acquisitions - where the revenue is recognised on unconditional exchange;
- Joint ventures - where the revenue is recognised on unconditional exchange;
- Capital raising - where the revenue is recognised on contractual commitment of capital.

1.6 INTEREST INCOME

Interest income is recognised in the Income Statement using the effective interest method.

1.7 FINANCE COSTS

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.8 BORROWING COSTS

All borrowing costs are recognised in the Income Statement in the year in which they are incurred.

1.9 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 Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

JONES LANG LASALLE CORPORATE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.10 SHARE BASED PAYMENTS

Employees of the Company are entitled to participate in the Save As You Earn ('SAYE') scheme of the Jones Lang LaSalle group. This is administered by the Company's immediate parent, Jones Lang LaSalle Limited. All costs of this scheme are borne by the parent entity, in accordance with the group policy.

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Income Statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Income Statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Income Statement is charged with fair value of goods and services received.

1.11 TAXATION

Tax is recognised in the Income Statement, 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 reporting date in the countries where the Company operates and generates income.

1.12 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.

1.13 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. 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.

1.14 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.

JONES LANG LASALLE CORPORATE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.15 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 Income Statement.

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 reporting date.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors have not made any judgements in the process of applying the accounting policies that have a significant effect on the amounts recognised in the financial statements other than already disclosed in the notes to the accounts or made any key assumptions concerning the future and any other key sources of estimation uncertainty at the reporting date, that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities within the next financial year.

JONES LANG LASALLE CORPORATE FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. TURNOVER

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Professional services	<u>7,563,506</u>	<u>12,767,123</u>

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	7,408,690	12,122,140
Rest of Europe	<u>154,816</u>	<u>644,983</u>
	<u>7,563,506</u>	<u>12,767,123</u>

4. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2018 £	2017 £
Defined contribution pension cost	<u>185,878</u>	<u>178,561</u>

5. AUDITOR'S REMUNERATION

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>10,000</u>	<u>18,000</u>
Non-audit services	<u>10,000</u>	<u>10,000</u>

JONES LANG LASALLE CORPORATE FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. EMPLOYEES

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	5,957,579	7,134,812
Social security costs	935,735	1,005,322
Cost of defined contribution scheme	185,878	178,561
	<u>7,079,192</u>	<u>8,318,695</u>

Employee cost paid in the UK is recharged from the parent Company, Jones Lang LaSalle Limited, with whom UK employees are contracted.

The Directors did not receive any remuneration in either year for qualifying services, as a Director of this entity, from the Company.

The average monthly number of employees, including the Directors, during the year was as follows:

	2018 No.	2017 No.
Managerial and professional	<u>28</u>	<u>25</u>

7. INTEREST RECEIVABLE

	2018 £	2017 £
Interest receivable from group companies	<u>500,517</u>	<u>358,050</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Loans from group undertakings	<u>11,197</u>	<u>19,805</u>

JONES LANG LASALLE CORPORATE FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. TAXATION

	2018 £	2017 £
TOTAL CURRENT TAX	<u>-</u>	<u>-</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018 £	2017 £
(Loss)/profit on ordinary activities before tax	<u>(2,761,605)</u>	<u>1,403,754</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	(524,705)	270,223
EFFECTS OF:		
Group relief	<u>524,705</u>	<u>(270,223)</u>
TOTAL TAX CHARGE FOR THE YEAR	<u>-</u>	<u>-</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The main rate of UK corporation tax for 2018 is 19%, it was reduced from 20% to 19% effective from 1 April 2017 (2017: 19.25%) by Finance Act 2016. Finance Act 2016 has set the UK corporation tax rate for the Financial Year 2020, commencing 1 April 2020, at 17%.

JONES LANG LASALLE CORPORATE FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. DEBTORS

	2018 £	2017 £
Trade debtors	401,411	3,242,809
Amounts owed by group undertakings	38,557,731	27,374,725
Other debtors	239,580	273,311
Prepayments and accrued income	1,413,594	4,177,407
	<u>40,612,316</u>	<u>35,068,252</u>

11. CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	17	-
Less: bank overdrafts	-	(5,310)
	<u>17</u>	<u>(5,310)</u>

Jones Lang LaSalle Corporate Finance Limited, as a part of the JLL Group, is included in the Group regional cash pooling and has a regional cash facility.

12. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	-	5,310
Amounts owed to group undertakings	23,851,828	15,634,720
Other taxation and social security	562,797	518,877
Accruals and deferred income	3,828,563	3,785,116
	<u>28,243,188</u>	<u>19,944,023</u>

JONES LANG LASALLE CORPORATE FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. FINANCIAL INSTRUMENTS

	2018 £	2017 £
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost	38,959,142	30,617,534
	<u>38,959,142</u>	<u>30,617,534</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(27,680,391)	(19,419,836)
	<u>(27,680,391)</u>	<u>(19,419,836)</u>

Financial assets measured at amortised cost comprise trade debtors and amounts owed by group undertakings.

Financial Liabilities measured at amortised cost comprise accruals and amounts owed to group undertakings.

14. SHARE CAPITAL

	2018 £	2017 £
ALLOTTED, CALLED UP AND FULLY PAID		
225,000 (2017 - 225,000) Ordinary shares of £1.00 each	225,000	225,000
	<u>225,000</u>	<u>225,000</u>

15. RESERVES

Foreign exchange reserve

Foreign currency translation differences arising from the translation of assets, liabilities, income and expenses from a Company's branch functional currency to Company's presentational currency.

Profit and loss account

Company's accumulated profits less any accumulated losses available for the distribution to shareholders.

JONES LANG LASALLE CORPORATE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

16. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £185,878 (2017: £178,561). Included in creditors are £Nil of accrued pension payments (2017: £Nil).

17. POST BALANCE SHEET EVENTS

There are no events after the reporting period, up to the date the financial statements are signed, requiring disclosure in these financial statements.

18. CONTROLLING PARTY

The Company's immediate parent company during the year was Jones Lang LaSalle Limited, a company incorporated in England and Wales, registered office at 30 Warwick Street, London, W1B 5NH. The ultimate parent company is Jones Lang LaSalle Incorporated, a company incorporated in Maryland, USA.

The only 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