

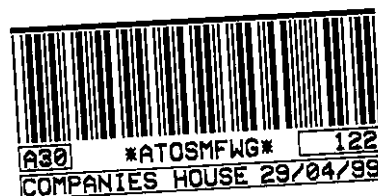


**JONES LANG LASALLE CORPORATE  
FINANCE LIMITED  
(formerly JLW Finance Limited)**

**Report and Financial Statements**

**31 December 1998**

**Deloitte & Touche  
Stonecutter Court  
1 Stonecutter Street  
London EC4A 4TR**



**REPORT AND FINANCIAL STATEMENTS 1998**

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**REPORT AND FINANCIAL STATEMENTS 1998**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

P J Gadsden  
R J Clarke  
R S Broadhurst  
M V Rosskelly  
N J Wilden  
R A Johnson (appointed 9 March 1998)  
R H Ringrose (appointed 23 June 1998)

**SECRETARY**

A H Jones

**REGISTERED OFFICE**

22 Hanover Square  
London W1A 2BN

**BANKERS**

Midland Bank plc  
Poultry and Princes Street  
London EC2P 2BX

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Stonecutter Court  
1 Stonecutter Street  
London EC4A 4TR

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 1998.

**ACTIVITIES**

The company is engaged in the property related financial services sector.

**REVIEW OF 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 do not envisage any change in the company's activities in the forthcoming year.

**DIRECTORS AND THEIR INTERESTS**

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

The directors had no beneficial interests in the shares of the company at 1 January 1998 or 31 December 1998.

R S Broadhurst has a joint interest in the shares of the parent company, J.L.W. Supply Company, at the beginning and the end of the year, which is disclosed in the financial statements of that company. The other directors had no interests in other group companies.

**RESULTS AND DIVIDENDS**

The profit on ordinary activities after taxation was £619,962 (8 months ended 31 December 1997 - £547,968).

No dividend has been declared (8 months ended 31 December 1997 - £nil).

**SIGNIFICANT POST BALANCE SHEET EVENT**

On 11 March 1999 the business and interests of the partners of Jones Lang Wootton, including Jones Lang LaSalle Supply Co. Limited (formerly J.L.W. Supply Company) and its subsidiaries, of which, JLW Finance Limited was one, were acquired by LaSalle Partners Incorporated, a company incorporated in the United States of America. LaSalle Partners Incorporated then changed its name to Jones Lang LaSalle Incorporated.

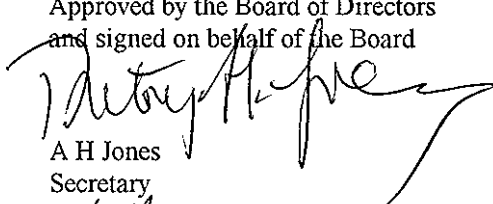
**YEAR 2000**

Jones Lang LaSalle Incorporated, the ultimate controlling party, has a programme in place designed to determine the extent of and solutions to problems associated with the Year 2000 issue. The directors are confident that any such problems identified in respect of the Company will be resolved satisfactorily. The programme's office in London monitors progress and offers advice to operations world-wide, however costs incurred in supporting this programme are borne by individual jurisdictions. In England, these costs are borne by the parent company, Jones Lang LaSalle Supply Co. Limited (formerly J.L.W. Supply 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 and, accordingly, Deloitte & Touche shall remain in office until the company or Deloitte & Touche otherwise determine.

Approved by the Board of Directors  
and signed on behalf of the Board

  
A H Jones  
Secretary

26<sup>th</sup> March 1999

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on a 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## AUDITORS' REPORT TO THE MEMBERS OF JONES LANG LASALLE CORPORATE FINANCE LIMITED (formerly JLW Finance Limited)

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

### Respective responsibilities of directors and auditors

As described on page 3, the directors are responsible for the preparation of financial statements. It is our responsibility as auditors to form an independent opinion, based on the audit, on the financial statements and to report our opinion to the members of the company.

### Basis of opinion

The audit has been conducted 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 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and  
Registered Auditors

26 March 1999


**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 1998**

	Note	Year ended 31 December 1998 £	8 months ended 31 December 1997 £
<b>TURNOVER - continuing activities</b>	2	1,883,474	1,222,393
Staff costs:			
Wages and salaries		(294,813)	(216,398)
Social Security costs		(27,523)	(12,824)
Other operating expenses		<u>(728,839)</u>	<u>(323,243)</u>
<b>OPERATING PROFIT - continuing activities</b>		832,299	669,928
Interest receivable and similar income		45,759	45,518
Interest payable on overdue corporation tax		<u>(1,097)</u>	<u>-</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	876,961	715,446
Tax on profit on ordinary activities	4	<u>(256,999)</u>	<u>(167,478)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED PROFIT FOR THE PERIOD</b>		619,962	547,968
Retained profit brought forward		<u>1,185,564</u>	<u>637,596</u>
Retained profit carried forward		<u><u>1,805,526</u></u>	<u><u>1,185,564</u></u>

There are no recognised gains or losses for the current year or prior period other than as stated in the profit and loss account. Accordingly no statement of total recognised gains and losses is presented.


**BALANCE SHEET**  
**As at 31 December 1998**

	Note	31 December 1998	31 December 1997
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	5	-	-
<b>CURRENT ASSETS</b>			
Debtors	6	616,957	793,311
Cash at bank and in hand		2,526,423	1,398,416
		<u>3,143,380</u>	<u>2,191,727</u>
<b>CREDITORS: amounts falling due within one year</b>			
Trade creditors		-	1,500
Amounts owed to parent company		602,124	216,806
Amounts owed to Jones Lang Wootton		126,244	8,324
Taxation and social security		366,564	550,033
Accruals and deferred income		17,922	4,500
		<u>(1,112,854)</u>	<u>(781,163)</u>
<b>NET CURRENT ASSETS</b>		<u>2,030,526</u>	<u>1,410,564</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,030,526</u>	<u>1,410,564</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	225,000	225,000
Profit and loss account		1,805,526	1,185,564
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>2,030,526</u>	<u>1,410,564</u>

These financial statements were approved by the Board of Directors on 26<sup>th</sup> March 1999.

Signed on behalf of the Board of Directors

R J Clarke  
Director




**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**
**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Tangible fixed assets**

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rate used for computer equipment is 25% p.a. of its cost.

**Deferred taxation**

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements, to the extent that it is probable that a liability or asset will crystallise in the future.

**2. TURNOVER**

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

**3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	Year ended 31 December 1998 £	8 months ended 31 December 1997 £
Profit on ordinary activities before taxation is after charging:		
Audit fee	4,588	4,700
	<u>No.</u>	<u>No.</u>
Average number of persons employed:		
Sales and administration	6	9

The directors did not receive any remuneration in respect of services to the company during the year (8 months ended 31 December 1997 - £nil).

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	Year ended 31 December 1998 £	8 months ended 31 December 1997 £
United Kingdom corporation tax at 31% (December 1997 - 31%)	268,424	228,140
Adjustment in respect of prior years	(11,425)	(60,662)
	<u>256,999</u>	<u>167,478</u>


**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**
**5. TANGIBLE FIXED ASSETS**

	Computer equipment £
<b>Cost</b>	
At 1 January 1998	68,868
Disposals	(68,868)
	<u>          </u>
At 31 December 1998	-
	<u>          </u>
<b>Accumulated depreciation</b>	
At 1 January 1998	68,868
Disposals	(68,868)
	<u>          </u>
At 31 December 1998	-
	<u>          </u>
<b>Net book value</b>	
At 31 December 1998	-
	<u>          </u>
At 1 January 1998	-
	<u>          </u>

**6. DEBTORS**

	31 December 1998 £	31 December 1997 £
Trade debtors	616,751	718,231
Amounts owed by Jones Lang Wootton	76,375	70,794
Prepayments and accrued income	1,883	50,658
Tax recoverable	-	12,180
	<u>695,009</u>	<u>851,863</u>
Provision for doubtful debts	(78,052)	(58,552)
	<u>616,957</u>	<u>793,311</u>

**7. CALLED UP SHARE CAPITAL**

	31 December 1998 £	31 December 1997 £
<b>Authorised:</b>		
250,000 ordinary shares of £ 1 each	250,000	250,000
	<u>          </u>	<u>          </u>
<b>Called up, allotted and fully paid:</b>		
225,000 ordinary shares of £1 each	225,000	225,000
	<u>          </u>	<u>          </u>


**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**
**8. MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS**

	Year ended 31 December 1998 £	8 months ended 31 December 1997 £
Profit for the year	619,962	547,968
Net addition to equity shareholders' funds	619,962	547,968
Opening equity shareholders' funds	1,410,564	862,596
Closing equity shareholders' funds	<u>2,030,526</u>	<u>1,410,564</u>

**9. GENERAL PARTNERSHIP INTERESTS**

On 6 December 1994, JLW Finance Limited became the general partner in the Real Ventures Property Partnership, which has one limited partner. The general partner is responsible for the management and investment for the funds of the Real Venture Property Partnership for which it is entitled to a share of the profits based on an agreed formula.

**10. DEFERRED TAXATION**

The company has not recognised a deferred tax asset since the amount is not considered material in either the current or preceding year.

**11. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemptions provided by paragraph 3(c) of Financial Reporting Standard No. 8 "Related Party Disclosures" to not disclose transactions with other members of the J.L.W. Supply Company Group.

As at the end of the period, the following balances existed with related parties.

	31 December 1998 £	31 December 1997 £
<b>Included in debtors</b>		
Amounts owed by Jones Lang Wootton	<u>76,375</u>	<u>70,794</u>
<b>Included in creditors</b>		
Amounts owed to Jones Lang Wootton	<u>£ 126,244</u>	<u>£ 8,324</u>

The balances represent the cumulative effect of sales to and payments from Jones Lang Wootton, the company's ultimate controlling party during the year.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998****12. SIGNIFICANT POST BALANCE SHEET EVENT**

On 11 March 1999 the business and interests of the partners of Jones Lang Wootton, including Jones Lang LaSalle Supply Co. Limited (formerly J.L.W. Supply Company) and its subsidiaries, of which, JLW Finance Limited is one, were acquired by LaSalle Partners Incorporated, a company incorporated in the United States of America. LaSalle Partners Incorporated then changed its name to Jones Lang LaSalle Incorporated.

**13. ULTIMATE PARENT COMPANY**

In the opinion of the directors, the company's immediate and ultimate parent company during the year was Jones Lang LaSalle Supply Co. Limited (formerly J.L.W. Supply Company), a company incorporated in England and Wales.

Copies of the group financial statements of Jones Lang LaSalle Supply Co. Limited are available from 9 Queen Victoria Street, London EC4N 4YY.

The ultimate controlling party was Jones Lang Wootton, a partnership. Certain partners in Jones Lang Wootton held shares in J.L.W. Supply Company on behalf of the partnership.

As noted in Note 12, subsequent to the year end the ultimate parent company became Jones Lang LaSalle Incorporated, a company incorporated in Maryland, United States of America.

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.