

CHURSTON HEARD LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



CHURSTON HEARD LIMITED

COMPANY INFORMATION

Directors	JE Gregory CM Ireland
Company secretary	RH Webster
Registered number	01210245
Registered office	30 Warwick Street London W1B 5NH
Independent auditor	KPMG LLP Chartered Accountants and Statutory Auditors 15 Canada Square London E14 5GL

CHURSTON HEARD LIMITED

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CHURSTON HEARD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Business review

The results for the year, as shown on page 7, and the financial position of Churston Heard Limited ("the Company"), as shown on page 8 are considered to be satisfactory by the Directors due to the profits earned during the year.

The Directors consider that the Company will continue to develop its business in the UK and will continue to provide services to group Companies.

Principal risks and uncertainties

From the perspective of the Company, the key risk continues to be based on the intercompany royalty payments which depend on the ongoing performance of the Jones Lang LaSalle group of Companies ("the group") to enable payments or settlement to be made as required. Otherwise, risks are integrated with the principal risks of 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 profit of £1,283,032 (2017: £1,283,032). The Company has net assets of £8,068,734 (2017: £6,785,702).

This report was approved by the board on 19th September 2019 and signed on its behalf.



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JE Gregory
Director

CHURSTON HEARD 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 has licensed its trade to Jones Lang LaSalle Limited for which it receives royalties on an arm's length basis.

Results and dividends

The profit for the year, after taxation, amounted to £1,283,032 (2017: £1,283,032).

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:

JE Gregory
CM Ireland

Political contributions

The Company made no disclosable political contributions or incurred any disclosable political expenditures during the year.

Future developments

The Directors expect that the present level of activity will be sustained in 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.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board on 19th September 2019 and signed on its behalf.



JE Gregory
Director

CHURSTON HEARD LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT IN RESPECT OF THE ANNUAL REPORT, 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 of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting 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;
- 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 of accounting 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 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.

CHURSTON HEARD LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHURSTON HEARD LIMITED

Opinion

We have audited the financial statements of Churston Heard Limited (the 'Company') for the year ended 31 December 2018, which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and 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 profit 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 a 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 related disclosures 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.

CHURSTON HEARD LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHURSTON HEARD 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.
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, 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 is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

CHURSTON HEARD LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHURSTON HEARD LIMITED
(CONTINUED)**

The purpose of our audit work 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

Sabira Datto (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

Date: *23 September 2019*

CHURSTON HEARD LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Turnover	3	1,283,032	1,283,032
Profit before tax		<u>1,283,032</u>	<u>1,283,032</u>
Tax on profit	6	-	-
Profit after taxation		<u><u>1,283,032</u></u>	<u><u>1,283,032</u></u>

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

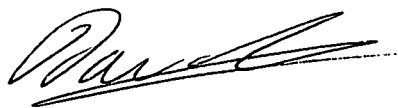
The notes on pages 10 to 15 form part of these financial statements.

CHURSTON HEARD LIMITED
REGISTERED NUMBER:01210245

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Current assets			
Debtors: amounts falling due within one year	7	8,068,734	6,785,702
Total assets less current liabilities		<u>8,068,734</u>	<u>6,785,702</u>
Net assets		<u>8,068,734</u>	<u>6,785,702</u>
Capital and reserves			
Called up share capital	9	2,873	2,873
Share premium account	10	534,103	534,103
Other reserves	10	42,077	42,077
Profit and loss account	10	7,489,681	6,206,649
		<u>8,068,734</u>	<u>6,785,702</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
19th September 2019.



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JE Gregory
Director

The notes on pages 10 to 15 form part of these financial statements.

CHURSTON HEARD LIMITED

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

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2018	2,873	534,103	42,077	6,206,649	6,785,702
Comprehensive income for the year					
Profit for the year	-	-	-	1,283,032	1,283,032
At 31 December 2018	2,873	534,103	42,077	7,489,681	8,068,734

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

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2017	2,873	534,103	42,077	4,923,617	5,502,670
Comprehensive income for the year					
Profit for the year	-	-	-	1,283,032	1,283,032
At 31 December 2017	2,873	534,103	42,077	6,206,649	6,785,702

The notes on pages 10 to 15 form part of these financial statements.

CHURSTON HEARD LIMITED

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

1. Accounting policies

1.1 Basis of preparation of financial statements

Churston Heard Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 01210245 and the registered address is 30 Warwick Street, London, W1B 5NH.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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 presentation currency of these financial statements is pound sterling rounded to the nearest pound.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in 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 200 East Randolph Drive, Chicago, Illinois 60601, USA.

CHURSTON HEARD LIMITED

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

1. Accounting policies (continued)

1.3 Going concern

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;
- 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 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. The following criteria must also be met before revenue is recognised:

Revenue comprises royalties received and receivable on an arm's length basis. Royalties are recognised on an accruals basis.

1.5 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.

1.6 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.

1.7 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

CHURSTON HEARD LIMITED

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

1. Accounting policies (continued)

1.7 Financial instruments (continued)

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.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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 material adjustments to the carrying amounts of assets and liabilities within the next financial year.

3. Turnover

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

	2018 £	2017 £
Royalties	<u>1,283,032</u>	<u>1,283,032</u>

All turnover arose within the United Kingdom.

CHURSTON HEARD LIMITED

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

4. Auditor's remuneration

	2018	2017
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	2,500	3,000

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

The audit fee has been borne by Jones Lang LaSalle Limited, a fellow group company, in both 2018 and 2017.

5. Employees

The Company has no employees (2017: nil) and the Directors did not receive any remuneration in either year for qualifying services, as a Director of this entity, from the Company.

CHURSTON HEARD LIMITED

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

6. Taxation

	2018 £	2017 £
Total current tax	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower 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 £
Profit on ordinary activities before tax	1,283,032	1,283,032
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	243,776	246,984
Effects of:		
Group relief at no charge	(243,776)	(246,984)
Total tax charge/(credit) for the year	-	-

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%.

7. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	8,068,734	6,785,702

CHURSTON HEARD LIMITED

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

8. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>8,068,734</u>	<u>6,785,702</u>

Financial assets that are debt instruments measured at amortised cost comprise amounts owed by group companies.

9. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
28,730 (2017: 28,730) Ordinary shares of £0.10 each	<u>2,873</u>	<u>2,873</u>

10. Reserves

Share premium account

Amounts received by the Company in excess of the par value of shares issued.

Other reserves

Non-distributable pre-acquisition reserve.

Profit and loss account

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

11. 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.

12. Controlling party

The Company's immediate parent Company during the year was Jones Lang LaSalle Capital Investments, 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.