

**KING STURGE FINANCIAL SERVICES LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2011**

TUESDAY



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**CONTENTS**

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	<b>PAGE</b>
<b>DIRECTORS AND ADVISERS</b>	<b>1</b>
<b>DIRECTORS' REPORT</b>	<b>2</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>4</b>
<b>PROFIT AND LOSS ACCOUNT</b>	<b>5</b>
<b>BALANCE SHEET</b>	<b>6</b>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>7</b>

**DIRECTORS AND ADVISERS**

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**Directors**

C M Ireland  
C G R Pratt  
P B Marsden  
D J G Reilly

**Company secretaries**

R Webster  
G Thomas  
A J Bruce

**Registered office**

30 Warwick Street  
LONDON  
W1B 5NH

**Bankers**

Barclays Bank PLC  
1 Churchill Place  
LONDON  
E14 5HP

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
LONDON  
WC2N 6RH

**DIRECTORS REPORT**

**For the year ended 30 April 2011**

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The Directors present their annual report and the audited financial statements of the Company for the year ended 30 April 2011

**Principal activities, business review and future developments**

The Company provides consultancy services with respect to property and property transactions in the United Kingdom. The Directors consider that all turnover derives from a single class of business.

The Directors consider the results for the year, which are set out in the profit and loss account on page 5, to be in line with expectations. The Directors recommend the payment of a dividend of £500,000 (2010: £nil).

On 31 July 2010 the trade and assets of the Company were transferred to King Sturge Finance LLP and the Company ceased to trade. On 31 May 2011 the Company was sold by the King Sturge International LLP Group to the Jones Lang LaSalle Inc Group of companies.

**Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks. Further discussion of these risks and uncertainties, in the context of the King Sturge International LLP group (of which King Sturge Financial Services Limited is a part), is provided in that group's Members' report.

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

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

**Directors**

The Directors of the Company during the year and up to the date of signing the financial statements were as shown below:

C M Ireland  
C G R Pratt  
P B Marsden  
D J G Reilly

**Directors' responsibilities statement**

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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**DIRECTORS REPORT**

**For the year ended 30 April 2011**

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**Directors' responsibilities statement (continued)**

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 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.

**Statement of disclosure of information to auditors**

Having made enquiries of fellow Directors, each of the Directors who were members of the Board at the time of approving the Directors' Report confirms that, to the best of each Director's knowledge and belief, there is no relevant audit information (information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware and that each Director has taken all steps that they ought to have taken as a Director to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Directors' liability insurance**

As permitted by the Companies Act 2006, the Company has purchased insurance cover in respect of Directors' and officers' liabilities which was in force throughout the year and at the date of approval of the financial statements.

On behalf of the board



A J Bruce  
**Company Secretary**

21 December 2011

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KING STURGE FINANCIAL SERVICES LIMITED**

We have audited the financial statements of King Sturge Financial Services Limited for the year ended 30 April 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.



**Kate Wolstenholme (Senior Statutory Auditor)**  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

21 December 2011

**PROFIT AND LOSS ACCOUNT**

**For the year ended 30 April 2011**

	Note	2011 £	2010 £
<b>Turnover</b>	1	<b>397,597</b>	<b>1,284,644</b>
Cost of sales		(172,610)	(686,037)
<b>Gross profit</b>		<b>224,987</b>	<b>598,607</b>
Administrative expenses		(239,540)	(463,854)
<b>Operating (loss) / profit</b>	2	<b>(14,553)</b>	<b>134,753</b>
Interest receivable and similar income		1,326	4,516
Interest payable and similar charges	4	-	(4,455)
<b>(Loss) / profit on ordinary activities before taxation</b>		<b>(13,227)</b>	<b>134,814</b>
Tax on (loss) / profit on ordinary activities	5	1	-
<b>(Loss) / profit for the financial year</b>	10	<b>(13,226)</b>	<b>134,814</b>

The results above arise solely from discontinued operations

The Company has no recognised gains and losses for the current or preceding financial year other than as stated in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented

There are no material differences between the (loss) / profit on ordinary activities before taxation and the (loss) / profit for the financial year stated above and their historical cost equivalents

## BALANCE SHEET

As at 30 April 2011

	Note	2011 £	2010 £
<b>Fixed assets</b>			
Investments	7	450,000	-
Tangible assets	8	-	-
		<b>450,000</b>	<b>-</b>
<b>Current assets</b>			
Debtors	9	-	332,782
Cash at bank and in hand		8,432	762,369
		<b>8,432</b>	<b>1,095,151</b>
<b>Creditors: amounts falling due within one year</b>	10	-	(123,493)
<b>Net current assets</b>		<b>8,432</b>	<b>971,658</b>
<b>Net assets</b>		<b>458,432</b>	<b>971,658</b>
<b>Capital and reserves</b>			
Called up share capital	11	210,000	210,000
Profit and loss account	12	248,432	761,658
<b>Total shareholders' funds</b>	13	<b>458,432</b>	<b>971,658</b>

These financial statements on pages 5 to 12 were approved by the board of directors and signed on its behalf by



C G R Pratt

Director

King Sturge Financial Services Limited

Registered number 2030289

21 December 2011



**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 30 April 2011**

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**1 Accounting Policies**

The following accounting policies have been applied consistently throughout the year in dealing with items which are considered material in relation to the Company's financial statements

**a) Basis of preparation**

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the UK

**b) Turnover**

Turnover represents fees and commissions receivable excluding value added tax. Where the substance of a contract is that the Company's contractual obligations are performed gradually over time, turnover is recognised as the contract activity progresses to reflect the Company's partial performance of its contractual obligations. The amount of turnover reflects the accrual of the right to consideration as contract activity progresses by reference to value of the work performed. Where the substance of the contract is that a right to consideration does not arise until the occurrence of a critical event, turnover is not recognised until that event occurs. Where the Company's role in a transaction is that of an agent, turnover is recognised on a net basis and represents the commission earned.

**c) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Depreciation is calculated to write off the cost of the assets, less their residual values, over their expected useful economic lives on a straight line basis at the following rate:

Computer equipment	33.33%
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**d) Pensions**

The Company participates in the King Sturge Group Personal Pension Plan which is a defined contribution scheme. Contributions payable are charged in the profit and loss account in the year in which they are incurred.

**e) Deferred tax**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2011

## 1 Accounting Policies (continued)

## f) Cash flow statement

The Company is a wholly owned subsidiary of Warwick Street (KSI) LLP and is included in the consolidated financial statements of Warwick Street (KSI) LLP, which are publicly available. Consequently the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 "Cash Flow Statements" (revised 1996)

## g) Dividends

Ordinary dividends payable to the shareholders of the Company are recognised in the period that they are approved by the shareholders

## 2 Operating (loss) / profit

Operating (loss) / profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets - owned	-	482
Auditors' remuneration – audit	2,750	11,000
Auditors' remuneration – taxation services	750	3,000

## 3 Staff costs

	2011 £	2010 £
Wages and salaries	134,820	412,499
Social security costs	15,067	48,780
Other pension costs	6,732	16,982
	<b>156,619</b>	<b>478,261</b>

C M Ireland, C G R Pratt, D J G Reilly and P B Marsden are remunerated through King Sturge LLP, a limited liability partnership, in which these Directors are members

The average monthly number of persons employed by the Company (including Directors) during the year are as follows

	2011 Number	2010 Number
Fee earners	2	6
Support staff	1	2
	<b>3</b>	<b>8</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2011

## 4 Interest payable and similar charges

	2011 £	2010 £
Group interest	-	1,992
Other interest	-	2,463
	-	4,455

## 5 Tax on (loss) / profit on ordinary activities

	2011 £	2010 £
<b>Current tax.</b>		
UK corporation tax on profits for the year	-	-
Adjustments in respect of prior years	1	-
<b>Tax on (loss) / profit on ordinary activities</b>	<b>1</b>	<b>-</b>

The tax assessed for the year is higher (2010 lower) than the standard rate of corporation tax in the UK applied to the Company of 28% (2010 28%). The differences are explained below

	2011 £	2010 £
<b>(Loss) / profit on ordinary activities before taxation</b>	<b>(13,227)</b>	<b>134,814</b>
(Loss) / profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 28%)	<b>(3,704)</b>	<b>37,748</b>
Effects of		
Expenses not deductible for tax purposes	696	2,140
Other timing differences	(478)	(462)
Adjustments in respect of prior years	1	-
Utilisation of group losses	3,486	(39,426)
<b>Total current tax charge for the year</b>	<b>1</b>	<b>-</b>

There are no material recognised or unrecognised deferred tax assets or liabilities (2010 £nil)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2011

6 Dividends

The Directors have authorised the payment of a dividend for the year ended 30 April 2011 of £2.38 per £1 ordinary share, totalling £500,000 (2010 £nil)

7 Fixed asset investments

The Company has invested £450,000 (2010 £nil) in the capital of Jones Lang LaSalle Finance LLP (formerly King Sturge Finance LLP) during the year. The Company is a Member of Jones Lang LaSalle Finance LLP Company which is a Limited Liability Partnership which provides consultancy services with respect to property and property transactions in the United Kingdom.

8 Tangible fixed assets

	Computer equipment £
<b>Cost</b>	
At 1 May 2010	22,290
Disposals	(22,290)
<b>At 30 April 2011</b>	-
<b>Accumulated depreciation</b>	
At 1 May 2010	22,290
Eliminated on disposal	(22,290)
<b>At 30 April 2011</b>	-
<b>Net book value</b>	
<b>At 30 April 2011</b>	-
<b>At 30 April 2010</b>	-

9 Debtors

	2011 £	2010 £
Trade debtors	-	261,217
Amounts owed by group undertakings	-	71,565
	-	332,782

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2011

## 10 Creditors, amounts falling due within one year

	2011 £	2010 £
Other taxation and social security	-	70,897
Accruals and deferred income	-	52,596
	-	123,493

## 11 Called up share capital

	2011 £	2010 £
Authorised 500,000 ordinary shares of £1 each	500,000	500,000
Allotted, issued and fully paid 210,000 ordinary shares of £1 each	210,000	210,000

## 12 Profit and loss account

	£
At 1 May 2010	761,658
Loss for the financial year	(13,226)
Dividends	(500,000)
<b>At 30 April 2011</b>	<b>248,432</b>

## 13 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
(Loss) / profit for the financial year	(13,226)	134,814
Dividends (note 6)	(500,000)	-
Net (reduction) / increase in shareholders' funds	(513,226)	134,814
Opening shareholders' funds	971,658	836,844
<b>Closing shareholders' funds</b>	<b>458,432</b>	<b>971,658</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 April 2011**

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**14 Related parties**

The Company has taken the exemption available under paragraph 3(c) from the provisions of FRS 8, Related Party Disclosures, on the grounds that it is a wholly owned subsidiary of a group headed by Warwick Street (KSI) LLP whose accounts are publicly available

**15 Ultimate controlling party**

The Directors consider that, at 30 April 2011, Warwick Street (KSI) LLP, a Limited Liability Partnership, was the ultimate controlling party. Warwick Street (KSI) LLP is the smallest and largest group to consolidate the financial statements of the Partnership. Copies of the Group financial statements of Warwick Street (KSI) LLP are publicly available from Companies House, Crown Way, Cardiff

From 31 May 2011, the Directors consider that Jones Lang LaSalle Inc is the ultimate controlling party