

Registered number: 2597050

## **CIN LA SALLE INVESTMENT MANAGEMENT**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1998**



**CIN LA SALLE INVESTMENT MANAGEMENT****DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1998****Directors**

Mr D.W. Cummings	Chairman
Mr P. Beasley	
Mr B.C. Bossom	
Mr B. Ellinthorpe	
Mr B.R. Fossett	(Resigned 31 January 1998)
Dr R.N. Goodchild	
Mrs C.C. Karnezis-Frigo	
Mr P.M. Manley	
Mr P.C. Mason	(Resigned 30 April 1998)
Mr V.J. Stults	
Mr J.C. Wood	
Mr I. Yeatman	

**Secretary**

Mr P.M. Manley

**Directors' Report**

The Directors present their report for the year ended 31 December 1998 together with the company's financial statements.

None of the Directors acting during the period had any interest in the shares of the company at either 31 December 1997 or 31 December 1998.

**Principal Activity**

The principal activity of the company continues to be the management of property investments.

**Results for the Year**

The cumulative results of the company's operations were as follows :-

	£
Profit for the year	1,714,738
Dividends paid	(1,650,000)
Accumulated surplus brought forward	1,524,753
Accumulated surplus carried forward	<u>1,589,491</u>

**Dividends**

Dividends paid during the year amounted to £1,650,000 (1997:£nil). The Directors do not recommend the payment of a final dividend (1997: £nil).

**Year 2000**

The company has established a working party to identify the business risks and uncertainties associated with the date change to the year 2000 and to ensure that the problem is resolved without material impact on its operations.

All critical systems are being tested, and where the possibility of non - compliance has been identified, a programme of corrective action is being implemented.

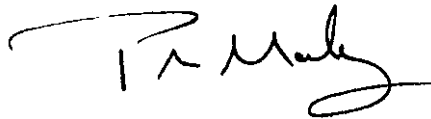
The company has advised all major suppliers of their responsibility to ensure Year 2000 compliance with regard to recent and future purchases.

The cost of the project is forecast to amount to £25,000, £1,000 of this has been incurred in the year ended 31 December 1998 and the remainder will be spent before 31 December 1999.

**Auditors**

The company has in place an elective resolution whereby there is no requirement to reappoint auditors annually KPMG Audit plc have remained auditors throughout the year.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read 'P Manley', with a long horizontal stroke extending to the left.

Peter Manley  
SECRETARY  
24 February 1999

**Registered Office**

33 Cavendish Square  
PO Box 2326  
London  
W1A 2NF

**CIN LA SALLE INVESTMENT MANAGEMENT**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

Company law requires the Directors to prepare financial statements which give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

**REPORT OF THE AUDITORS TO THE MEMBERS OF**  
**CIN LA SALLE INVESTMENT MANAGEMENT**

We have audited the financial statements on pages 5 to 11.

**Respective responsibilities of directors and auditors**

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

**Basis of opinion**

We conducted our audit 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 affairs of the company at 31 December 1998 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit plc  
Chartered Accountants  
Registered Auditor  
8 Salisbury Square  
London  
EC4Y 8BB

*24 February 1999*

**CIN LA SALLE INVESTMENT MANAGEMENT****PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1998**

	<u>Notes</u>	<u>Year to</u> <u>31/12/98</u> £	<u>Year to</u> <u>31/12/97</u> £
Turnover	2	9,634,639	8,963,822
Operating costs	3	<u>7,340,650</u>	<u>6,843,326</u>
Operating profit		2,293,989	2,120,496
Net interest receivable	5	<u>245,749</u>	<u>162,009</u>
Profit on ordinary activities before taxation		2,539,738	2,282,505
Tax on profit on ordinary activities	6	<u>825,000</u>	<u>757,752</u>
Profit on ordinary activities after taxation		1,714,738	1,524,753
Dividends paid		<u>1,650,000</u>	<u>-</u>
Retained profit for the financial year	14	<u>64,738</u>	<u>1,524,753</u>

The company has no recognised gains and losses other than those passing through the profit and loss account.

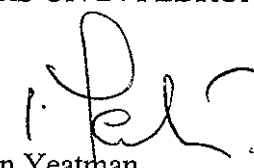
All the company's revenues and costs are derived from continuing operations.

The company's revenues and costs are reported on an historical cost basis. Accordingly there is no difference between historical cost profits and losses and those presented.

**CIN LA SALLE INVESTMENT MANAGEMENT****BALANCE SHEET AT 31 DECEMBER 1998**

	<u>Notes</u>	<u>31/12/98</u> £	<u>31/12/97</u> £
<b>Fixed Assets</b>			
Tangible assets	7	169,913	52,512
Investments	9	2,000	2,000
		<u>171,913</u>	<u>54,512</u>
<b>Current Assets</b>			
Debtors	10	779,297	1,000,931
Cash		<u>4,548,663</u>	<u>4,248,058</u>
		5,327,960	5,248,989
<b>Creditors: - Amounts falling due within one year</b>	11	<u>2,572,497</u>	<u>2,271,863</u>
<b>Net Current Assets</b>		<u>2,755,463</u>	<u>2,977,126</u>
<b>Total Assets less Current Liabilities</b>		2,927,376	3,031,638
<b>Creditors: - Amounts falling due after more than one year</b>	12	507,000	676,000
		<u>2,420,376</u>	<u>2,355,638</u>
<b>Capital and Reserves</b>			
Called up share capital	13	830,885	830,885
Profit and loss account	14	1,589,491	1,524,753
Equity shareholders' funds	15	<u>2,420,376</u>	<u>2,355,638</u>

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS ON 24 FEBRUARY 1999



Ivan Yeatman  
DIRECTOR

**CIN LA SALLE INVESTMENT MANAGEMENT**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1998**

**1. Accounting Policies**

**a) Basis of preparation**

The financial statements of the company have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

**b) Related party disclosures**

Under Financial Reporting Standard 8, the company is exempt from the requirement to disclose transactions with group undertakings as more than 90% of its voting rights are controlled within the group.

**c) Turnover**

Turnover arising in the UK, principally consists of fees receivable and is stated net of VAT.

**d) Cash flow statement**

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that one is prepared by the parent company.

**e) Deferred taxation**

Provision is made for deferred taxation to the extent that a liability is expected to arise in the foreseeable future.

**f) Tangible fixed assets and depreciation**

Fixed assets are stated in the balance sheet at cost, less provision for depreciation.

Depreciation is provided on a straight line basis, calculated on historical amounts so as to write-off the cost, less the estimated residual values of the assets, over their estimated useful economic lives.

The current depreciation policy is as follows:-

<u>Type of Asset</u>	<u>Estimated Useful Life</u>
Computer hardware and software	3 - 5 years
Office equipment	4 years
Fixtures and fittings	5 years

**g) Operating leases**

Operating lease rentals are charged to the profit and loss account as incurred.

**2 Turnover**

	<u>Year to</u> <u>31/12/98</u>	<u>Year to</u> <u>31/12/97</u>
	<u>£</u>	<u>£</u>
Management fees	9,612,040	8,944,100
Directors' fees received	10,000	19,722
Other income	12,599	-
	<u>9,634,639</u>	<u>8,963,822</u>



### **3 Operating Costs**

Operating costs include the following amounts:

	Year to <u>31/12/98</u> £	Year to <u>31/12/97</u> £
Wages and salaries	2,919,614	2,804,616
Social security costs	287,706	267,007
Pension costs	330,048	327,726
Auditor's remuneration	10,000	10,000
Other fees paid to the auditor	79,254	105,055
Depreciation	46,433	5,124
Charitable donations	572	-
Operating lease rentals - buildings	525,281	513,377
Operating lease rentals - motor vehicles	131,911	130,182
Operating lease rentals - computer equipment	-	216,897

The average number of employees during the year was 71 (prior year - 68).

### **4 Emoluments and Interests of Directors**

The total emoluments of the Directors were: £791,698 (prior year - £859,158).

The emoluments of the Chairman were £nil (prior year - £nil) and the highest paid Director £224,168 (prior year - £226,597). The highest paid Director's emoluments comprised £163,168 (prior year - £171,597) in respect of salary and benefits in kind and £61,000 (prior year - £55,000) in respect of performance bonuses.

None of the Directors had any material interest in any contract or arrangement made by the Company or its subsidiaries.

#### **Pensions**

Both CIN La Salle Investment Management and CIN La Salle Property Services (UK) Ltd make contributions to defined benefit schemes. Contributions are made on a basis agreed with the Schemes' Committee of Management, having regard to the actuary's recommendations. Actuarial valuations are carried out every three years by a qualified actuary.

Particulars of the most recent actuarial valuations may be seen in the consolidated financial statements of La Salle Partners International.

In accordance with SSAP24, pension costs are recognised on a systematic basis so that the cost of providing retirement benefits to employees is evenly spread, so far as is possible, over the service lives of the employees concerned. Any excess or deficiency of the actuarial value of assets over the actuarial value of liabilities of the Pension Scheme is allocated over the average remaining service lives of the current employees in the Scheme. Where an excess of assets so allocated is greater than the regular costs of accruing benefits the effect of the excess assets held in the Scheme is limited, on grounds of prudence, to an amount equal to the regular costs.

**5 Net Interest Receivable**

	Year to <u>31/12/98</u>	Year to <u>31/12/97</u>
	£	£
Interest receivable on bank deposits	305,297	237,559
Interest payable on subordinated loan note	(59,548)	(75,550)
	<u>245,749</u>	<u>162,009</u>

**6 Tax on Profit on Ordinary Activities**

	Year to <u>31/12/98</u>	Year to <u>31/12/97</u>
	£	£
Corporation tax for the year at 31% (prior year 31.5%)	836,671	751,109
Adjustment to prior year's liability	(11,671)	6,643
	<u>825,000</u>	<u>757,752</u>

**7 Tangible Fixed Assets**

	<u>Computer &amp; Office Equipment</u> <u>31/12/98</u>	<u>31/12/97</u>
	£	£
<b>Cost</b>		
At start of year	58,046	3,280
Additions	163,834	54,766
Disposals	-	-
At end of year	<u>221,880</u>	<u>58,046</u>
<b>Depreciation</b>		
At start of year	5,534	410
Charge for depreciation	46,433	5,124
Disposals	-	-
At end of year	<u>51,967</u>	<u>5,534</u>
Net book value at end of year	<u>169,913</u>	<u>52,512</u>

**8 Financial Commitments**

At 31 December 1998, the company was committed to make annual payments under operating leases which expire in the following periods:

	Year to <u>31/12/98</u>	Year to <u>31/12/97</u>
	£	£
Within one year	25,256	62,870
Between two and five years	624,076	626,234
After five years	-	-
	<u>649,332</u>	<u>689,104</u>

At 31 December 1998 the company had authorised or contracted capital commitments of £ nil (prior year £79,585).

**9 Fixed Asset Investments**

The company owns two subsidiary companies, CIN La Salle Property Services (UK) Ltd and CIN La Salle Property Services (London) Ltd, which are registered in England and are valued at cost. The Directors are of the opinion that the value of the investments in the subsidiaries is not less than book value.

**10 Debtors**

	Year to 31/12/98 £	Year to 31/12/97 £
Trade debtors	3,559	30,010
Amounts due from group undertakings	300,549	493,563
Other debtors	45,878	100,425
Prepayments and accrued income	429,311	376,933
	<u>779,297</u>	<u>1,000,931</u>

**11 Creditors - Amounts Falling Due Within One Year**

	Year to 31/12/98 £	Year to 31/12/97 £
Trade creditors	52,585	4,218
Amounts due to group undertakings	10,571	5,149
Corporation tax	833,796	851,321
Social security and other taxes	75,815	76,436
Other creditors	295,275	383,484
Accruals	1,304,455	951,255
	<u>2,572,497</u>	<u>2,271,863</u>

**12 Creditors - Amounts Falling Due After More Than One Year**

	31/12/98 £	31/12/97 £
Amounts payable in two to five years - Subordinated Loan Stock	<u>507,000</u>	<u>676,000</u>

The subordinated loan stock is unsecured and carries interest at 9% per annum. The loan is repayable on 17 October 2001.

**13 Called Up Share Capital**

	31/12/98	31/12/97
Authorised share capital: Ordinary shares of £1 each	<u>830,885</u>	<u>830,885</u>
Allotted called up and fully paid: Ordinary shares of £1 each	<u>830,885</u>	<u>830,885</u>

**14 Profit and Loss Account**

	Year to 31/12/98 £	Year to 31/12/97 £
At the beginning of year	1,524,753	-
Movement for the year	64,738	1,524,753
At end of year	<u>1,589,491</u>	<u>1,524,753</u>

**15 Movement in Equity Shareholders' Funds**

	Year to <u>31/12/98</u> £	Year to <u>31/12/97</u> £
Profit for the financial year	64,738	1,524,753
Equity shareholders' funds at beginning of year	<u>2,355,638</u>	<u>830,885</u>
Equity shareholders' funds at end of year	<u><u>2,420,376</u></u>	<u><u>2,355,638</u></u>

**16 Status**

The company, which is registered in England, is wholly owned by La Salle Partners International, a company also registered in England.

The smallest group for which group financial statements are prepared is that headed by La Salle Partners International and these are available to the public from the registered office.

The largest group for which group financial statements are prepared is that headed by La Salle Partners Inc and these are available to the public from 200 East Randolph Drive, Chicago 60601, Illinois, USA.