

Registered number: 2597050

## **CIN LA SALLE INVESTMENT MANAGEMENT**

**DIRECTORS' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 1997**



# CIN LA SALLE INVESTMENT MANAGEMENT

## DIRECTORS' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

### 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	(Appointed 26 June 1997)
Mrs C.C. Karnezis-Frigo	(Appointed 1 April 1997)
Mr P.M. Manley	
Mr P.C. Mason	
Mr V.J. Stults	
Mr A.W. Walker	(Resigned 2 April 1997)
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 1997 together with the Company's accounts.

None of the Directors acting during the period had any interest in the shares of the Company at either 31 December 1996 or 31 December 1997.

### 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	1,524,753
Accumulated surplus brought forward	-
Accumulated surplus carried forward	<u>1,524,753</u>

The Directors do not recommend the payment of a dividend (previous year £214,044).

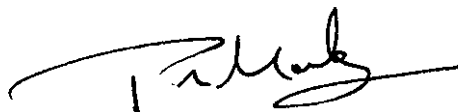
## Group Structure

The company is 99% owned by La Salle Partners International (LPI). Group accounts for LPI are available from the registered office. The company has two wholly owned subsidiaries, CIN La Salle Property Services (UK) Ltd (formerly CIN Property Services Ltd ) and CIN La Salle Property Services (London) Ltd. The latter company was formed in March 1997 and commenced trading 25 March 1997.

## Auditors

KPMG Audit Plc remained the company's auditors throughout the period.

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 right.

Peter Manley  
SECRETARY  
6 April 1998

Registered Office  
33 Cavendish Square  
PO Box 2326  
London  
W1A 2NF

## **CIN LA SALLE INVESTMENT MANAGEMENT**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS**

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 of the company for the 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; 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 12.

**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 1997 and of the profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
London

14 April 1998

**CIN LA SALLE INVESTMENT MANAGEMENT**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1997**

	<u>Notes</u>	Year to <u>31/12/97</u> £	9 months to 31/12/96 £
Turnover - continuing operations	2(d)	8,963,822	3,122,287
Operating Costs	3	<u>6,843,326</u>	<u>2,810,286</u>
Operating profit - continuing operations		2,120,496	312,001
Net interest receivable	5	<u>162,009</u>	<u>7,043</u>
Profit on ordinary activities before taxation		2,282,505	319,044
Taxation on profit on ordinary activities	6	<u>757,752</u>	<u>105,000</u>
Profit on ordinary activities after taxation		1,524,753	214,044
Proposed dividend		<u>-</u>	<u>(214,044)</u>
Retained profit brought forward		<u>-</u>	<u>-</u>
Retained profit carried forward		<u><u>1,524,753</u></u>	<u><u>-</u></u>

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

All the Company's turnover and net operating costs are derived from continuing operations.

The notes on pages 7 to 12 form part of these financial statements.

# CIN LA SALLE INVESTMENT MANAGEMENT

## BALANCE SHEET AS AT 31 DECEMBER 1997

	<u>Notes</u>	<u>31/12/97</u>	<u>31/12/96</u>
		£	£
<b>Fixed Assets</b>			
Tangible assets	7	52,512	2,870
Investment in subsidiaries	9	2,000	1,000
		<u>54,512</u>	<u>3,870</u>
<b>Current Assets</b>			
Debtors	10	1,000,931	263,180
Cash		<u>4,248,058</u>	<u>2,566,314</u>
		5,248,989	2,829,494
<b>Creditors: - Amounts falling due within one year</b>	11	<u>2,271,863</u>	<u>1,157,479</u>
<b>Net Current Assets</b>		<u>2,977,126</u>	<u>1,672,015</u>
<b>Total Assets less Current Liabilities</b>		3,031,638	1,675,885
<b>Creditors: - Amounts falling due after more than one year</b>	12	676,000	845,000
		<u>2,355,638</u>	<u>830,885</u>
<b>Capital and Reserves</b>			
Called up ordinary share capital - fully paid	13	830,885	830,885
Profit and loss account		1,524,753	0
<b>Equity shareholders' funds</b>		<u>2,355,638</u>	<u>830,885</u>

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS ON 6 APRIL 1998

  
 Ivan Yeatman  
 DIRECTOR

The notes on pages 7 to 12 form part of these financial statements.

## **CIN LA SALLE INVESTMENT MANAGEMENT**

### **NOTES TO BE READ IN CONJUNCTION WITH THE ACCOUNTS** **FOR THE YEAR ENDED 31 DECEMBER 1997**

#### **1. Accounting Policies**

##### **a) Basis of accounts**

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

##### **b) Deferred taxation**

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

##### **c) 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.

##### **d) Turnover**

Turnover principally consists of fees receivable and is stated net of VAT.

##### **e) Pension Superannuation schemes and other post retirement benefits**

Employer's contributions are made to the Industry Wide Staff Superannuation Scheme on a basis agreed with the Scheme's Committee of Management, having regard to the actuary's recommendations. Material deficiencies or surpluses arising from triennial valuations of the Scheme are dealt with by changes in the level of contribution or improvements in benefits, or both. An actuarial valuation of the pension scheme is being carried out as at 31 December 1997, the results of which are not known at the date of these published accounts.

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.



**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 Economic Life</u>
Computer hardware and software	3 years
Office equipment	4 years
Fixtures and fittings	5 years

**g) Operating leases**

Operating lease rentals are charged to the profit and loss account on a straight-line basis.

**2 Turnover**

	<u>Year to 31/12/97</u>	<u>9 months to 31/12/96</u>
	<u>£</u>	<u>£</u>
Management fees	8,944,100	3,084,475
Directors fees received	19,722	10,000
Fees due from group companies	-	20,812
Other income	-	7,000
	<u>8,963,822</u>	<u>3,122,287</u>

Turnover arose in the UK from continuing operations.

**3 Operating Costs**

Operating costs include the following amounts.

	<u>Year to 31/12/97</u>	<u>9 months to 31/12/96</u>
	<u>£</u>	<u>£</u>
Wages and salaries	2,804,616	1,390,350
Social security costs	267,007	125,722
Pension costs	327,726	58,615
Auditor's remuneration	10,000	10,000
Depreciation	5,124	410
Operating lease rentals - buildings	513,377	166,499
Operating lease rentals - motor vehicles	130,182	48,596
Operating lease rentals - computer equipment	216,897	39,924
Other fees paid to the auditor	105,055	-

The average number of employees during the period was 68 (prior period - 69).

**4 Emoluments and interests of Directors**

The total emoluments of the Directors were: £859,158 (prior period - £516,644).

The emoluments of the Chairman were nil (prior period - £nil) and the highest paid Director £226,597 (prior period - £151,094). The highest paid Director's emoluments comprised £171,597 (prior period - £64,030) in respect of salary and benefits in kind and £55,000 (prior period - £87,064) 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.

None of the Directors held any interest in, or option to acquire, the shares of the Company or its subsidiaries or its parent.

**5 Interest receivable less interest payable**

	Year to 31/12/97 £	9 months to 31/12/96 £
Interest receivable on bank deposits	237,559	22,878
Interest payable on subordinated loan note	(75,550)	(15,835)
	<u>162,009</u>	<u>7,043</u>

**6 Taxation**

The corporation tax provision for the year, calculated at an average rate of 31.5%, is £751,109 (prior period - £105,000). In addition, an adjustment of £6,643 in respect of the prior year has been charged against current year results.

**7 Tangible fixed assets**

	<u>Computer &amp; Office Equipment</u>	
	31/12/97	31/12/96
	£	£
<b>Cost</b>		
At start of period	3,280	-
Additions	54,766	3,880
Disposals	-	600
At end of period	<u>58,046</u>	<u>3,280</u>
<b>Depreciation</b>		
At start of period	410	-
Additions	5,124	410
Disposals	-	-
At end of period	<u>5,534</u>	<u>410</u>
Net book value at end of period	<u>52,512</u>	<u>2,870</u>

**8 Financial Commitments**

As at 31 December 1997, the Company was committed under operating leases to make payments of £689,104 in 1998 which expire as follows:-

	£
Within one year	62,870
Between two and five years	626,234
After five years	-
	<u>689,104</u>

At 31 December 1997 the company had authorised and contracted capital commitments of £79,585.

**9 Investment in subsidiaries**

The investment in the subsidiary companies, CIN La Salle Property Services (UK) Ltd (formerly CIN Property Services Ltd) and CIN La Salle Property Services (London) Ltd, which are registered in England, 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 31/12/97 £	9 months to 31/12/96 £
Trade debtors	30,010	8,930
Amounts due from subsidiary undertaking	-	8,800
Amounts due from associated companies	357,533	-
Amounts due from parent company	136,030	71,391
Prepayments	376,934	168,018
Other debtors	100,425	6,041
	<u>1,000,932</u>	<u>263,180</u>

**11 Creditors - Amounts falling due within one year**

	Year to 31/12/97 £	9 months to 31/12/96 £
Trade creditors	4,218	35,332
Corporation tax	851,321	105,000
Proposed dividend	-	214,044
Amounts due to associated companies	5,149	136,301
Social security and other taxes	76,436	357,380
Accruals	951,255	290,147
Other creditors	383,484	19,275
	<u>2,271,863</u>	<u>1,157,479</u>

**12 Creditors - Amounts falling due after more than one year**

	31/12/97 £	31/12/96 £
Amounts payable in two to five years		
- Subordinated Loan Stock	<u>676,000</u>	<u>845,000</u>

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

**13 Share Capital**

	31/12/97	31/12/96
Authorised share capital:		
Ordinary shares of £1 each	830,885	830,885
Allotted called up and fully paid:		
Ordinary shares of £1 each	<u>830,885</u>	<u>830,885</u>

**14 Immediate Holding Company**

The company's intermediate holding company is La Salle Partners International, a company registered in England. Group accounts for LPI are available from the registered office.

**15 Ultimate Holding Company**

Since 21 July 1997, the company's ultimate holding company has been LaSalle Partners Inc which is registered in the United States of America. Prior to that date the ultimate holding company was LaSalle Partners Limited. Consolidated accounts of LaSalle Partners Inc are available from 200 East Randolph Drive, Chicago 60601, Illinois, USA.