Jones Lang LaSalle Corporate Finance Limited

Directors' report and financial statements
31 December 2012

Registered number – 01144849

Contents

Directors' report

The dırectors present theır dırectors' report and financıal statements for the year ended 31 December 2012

Busıness revıew and prıncıpal actıvıties

The company ıs engaged ın the provısıon of property related financıal servıces and ıs regulated by the Fınancıal Servıces Authorıty Please note that the company's FSA Pıllar 3 dısclosure document ıs avaılable on www jones langlasalle com

The results for the year, as shown on page 5, and the financıal posıtıon of the company, as shown on page 6, are consıdered to be satısfactory by the dırectors

The dırectors consıder the company wıll contınue to develop ıts busıness ın the UK and wıll contınue to provıde servıces to fellow group companıes

Results and dıvıdends

The results of the company for the year ended 31 December 2012 are set out on page 5

The dırectors dıd not pay an ınterım dıvıdend durıng the year *(2011 £nıl)* The dırectors do not recommend the payment of a final dıvıdend *(2011 £nıl)*

Dırectors

The dırectors durıng the year and to the date of sıgnıng were

RJ Mowthorpe	(resıgned 24 July 2012)
N Sınfield	
BO Osılaja	(resıgned 31 July 2012)
TJD Edghıll	
CGR Pratt	(appoınted 1 March 2012)
DJG Reılly	(appoınted 1 March 2012)
JH Martın	(appoınted 1 March 2012)

Secretary

NG Taylor
RH Webster

Employees

The average number of employees durıng the year was 46 *(2011 26)*

Polıtıcal and charıtable contrıbutıons

The company made no polıtıcal or charıtable contrıbutıons durıng eıther year

Directors' report *(continued)*

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors, KPMG Audit Plc will be deemed to be reappointed and will therefore continue in office

By order of the board on 27th March 2013

RH Webster
Secretary

Registered office
22 Hanover Square
London W1S 1JA

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 the year

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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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 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

Independent auditor's report to the members of Jones Lang LaSalle Corporate Finance Limited

We have audited the financial statements of Jones Lang LaSalle Corporate Finance Limited for the year ended 31 December 2012 set out on pages 5 to 14 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities 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 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

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www frc org uk/auditscopeukprivate

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 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with UK 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

S. McCallion

28 March 2013

Sean McCallion (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Profit and loss account

for the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	*2*	**4,995,855**	3,623,025
Staff costs	*4*	**(3,618,776)**	(2,277,677)
Other operating charges		**(3,063,203)**	(2,607,367)
Loss on ordinary activities before interest and taxation		**(1,686,124)**	(1,262,019)
Interest receivable and similar income	*5*	**270,568**	226,934
Loss on ordinary activities before taxation		**(1,415,556)**	(1,035,085)
Tax on loss on ordinary activities	*6*	**-**	1,847,168
(Loss)/profit for the financial year	*11*	**(1,415,556)**	812,083

All activities derive from continuing operations

There were no recognised gains or losses for the current or preceding year, other than as stated in the profit and loss account Accordingly no statement of total recognised gains or losses has been presented

There is no difference between the results as stated and the results on a historical cost basis

The notes on pages 8 to 14 form part of these financial statements

Balance sheet
at 31 December 2012

	Note	2012 £	2011 £
Fixed assets			
Investments	7	**5,023**	8,872
Current assets			
Debtors	8	**19,462,115**	13,993,275
Cash at bank and in hand		-	3,747
		19,462,115	13,997,022
Creditors amounts falling due within one year	9	**(15,802,298)**	(8,925,498)
Net current assets		**3,659,817**	5,071,524
Net assets		**3,664,840**	5,080,396
Capital and reserves			
Called up share capital	10	**225,000**	225,000
Profit and loss account	11	**3,439,840**	4,855,396
Equity shareholders' funds		**3,664,840**	5,080,396

These financial statements were approved by the board of directors on 27th March 2013 and were signed on its behalf by

CGR Pratt
Director

The notes on pages 8 to 14 form part of these financial statements

Reconciliation of movement in shareholders' funds
for the year ended 31 December 2012

	Note	2012 £	2011 £
(Loss)/profit for the financial year		**(1,415,556)**	812,083
Net (reduction)/increase in shareholders' funds		**(1,415,556)**	812,083
Opening shareholders' funds		**5,080,396**	4,268,313
Closing shareholders' funds		**3,664,840**	5,080,396

The notes on pages 8 to 14 form part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under Financial Reporting Standard No 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

The company is exempt by virtue of S401 of the Companies Act 2006 from the requirement to prepare group accounts These financial statements present information about the company as an individual undertaking and not about its group

As the company is a wholly owned subsidiary of Jones Lang LaSalle Incorporated, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investors in the group qualifying as related parties) The consolidated financial statements of Jones Lang LaSalle Incorporated within which this company is included can be obtained from the address given in note 13

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

Turnover

Turnover is measured at the fair value of the consideration received or receivable Revenue comprises financing and consulting fees, exclusive of sales-related taxes and amounts due to third parties

Financing fees related to transactional business are recognised as income in the period in which the transaction is completed

Consulting fees related to corporate finance services and strategic consulting are recognised as income in the period in which the related service is performed

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Notes *(continued)*

1 Accounting policies *(continued)*

Post-retirement benefits

The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

The company also participates in the Jones Lang LaSalle pension scheme providing benefits based on final pensionable pay The assets of the scheme are held separately from those of the company The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

Investments

Investments held as fixed assets are stated at cost less provision for impairment

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

Share based payments

Employees of the company are entitled to participate in the SAYE scheme of the Jones Lang LaSalle group This is administered by the company's immediate parent, Jones Lang LaSalle Limited All costs of this scheme are borne by the parent entity, in accordance with group policy

2 Turnover

Turnover represents the amounts invoiced, excluding VAT, for services rendered to external third parties in respect of the company's business The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

3 Audit fees

The audit fee of £17,075 (2011 £17,075) has been borne by the company's immediate parent company in both 2011 and 2012

Notes *(continued)*

4 Staff numbers and costs

	2012	2011
	No.	No
Average number of persons employed (including directors)		
Sales and administration	46	26

	2012	2011
	£	£
Wages and salaries	2,995,574	1,893,781
Social security costs	369,209	230,079
Other pension costs	253,993	153,817
	3,618,776	2,277,677

All employee costs are recharged from the parent company, Jones Lang LaSalle Limited, with whom all employees are contracted

The directors did not receive any remuneration during either year

5 Interest receivable and similar income

	2012	2011
	£	£
Interest receivable from parent undertaking	270,568	226,231
Interest receivable from third parties	-	703
	270,568	226,934

Notes *(continued)*

6 Tax on loss on ordinary activities

	2012 £	2011 £
Analysis of tax charge for the year		
UK corporation tax		
Current tax on loss for the year at 24 5% (2011 26 5%)	-	-
Amount payable to parent company in respect of tax saved by group relief	-	(1,847,168)
Total current tax	-	(1,847,168)
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax charge/(credit) for the year	-	(1,847,168)

The tax assessed differs from the application of the standard rate of corporation tax in the UK (24 5%) (2011 26 5%) to the company's profit before taxation for the following reasons

	2012 £	2011 £
Loss on ordinary activities before tax	**(1,415,556)**	(1,035,085)
Loss on ordinary activities multiplied by a standard rate of corporation tax in the UK (24 5%) (2011 26 5%)	**(346,811)**	(274,298)
Effects of		
Losses surrendered to group in respect of group relief claim for no charge	**346,811**	274,298
Adjustment in respect of previous years	-	(1,847,168)
Total current tax	-	(1,847,168)

The Budget of the Chancellor of the Exchequer, dated 21 March 2012 announced a phased reduction in the main UK corporation tax rate from 26% to 22% by April 2014, with a 2% reduction taking effect from 1 April 2012 (substantively enacted on 26 March 2012), followed by a subsequent reduction to 23% from 1 April 2013 (substantively enacted on 3 July 2012) and a further reduction to 22% from 1 April 2014 The Autumn Statement of the Chancellor of the Exchequer, dated 5 December 2012 announced the intention to reduce the corporation tax rate in the UK for large companies to 21% by April 2014 The Budget of the Chancellor of the Exchequer, dated 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 1 April 2015

Notes *(continued)*

7 Investments

	2012 £	2011 £
Shares in group companies		
At beginning of year	**8,872**	8,872
Impairment	**(3,849)**	-
At end of year	**5,023**	8,872

	Country of incorporation	Principal activity	% Share Capital owned by JLL	No of shares held by JLL
Easter Development Partnership General Partner Limited	England & Wales	General Partner	50	500
CPPI Bridgewater Place General Partner Limited	England & Wales	General Partner	100	1
Euro Industrial (GP) Limited	England & Wales	General Partner	100	10
Terrace Hill Development Partnership General Partner Ltd	England & Wales	General Partner	50	511
Space Business Centres Investment General Partner Limited	England & Wales	General Partner	50	501
London Waterloo Hotel Investment General Partner Limited	England & Wales	General Partner	100	1,000
don Waterloo Hotel Property General Partner Limited	England & Wales	General Partner	100	2,002

The following investments were fully impaired during the year

Albourne General Partner Limited (formerly Retail Development Partnership General Partner Limited)	England & Wales	General Partner	50	500
Development Partnership No 1 General Partner Limited	England & Wales	General Partner	100	100
German Offices General Partner Limited	England & Wales	General Partner	100	3,250

Notes *(contınued)*

8 Debtors

	2012 £	2011 £
Trade debtors	**1,818,086**	1,350,238
Amounts owed by group undertakıngs	**17,085,333**	12,084,769
Prepayments and accrued ıncome	**555,835**	558,268
Other debtors	**2,861**	-
	19,462,115	13,993,275

A deferred tax asset of £247,431 ın respect of unutılısed tradıng losses carrıed forward at 31 December 2012 has not been provıded for The asset wıll be recoverable ın the future should taxable tradıng profits arıse ın the company

A deferred tax asset of £5,568 ın respect of unutılısed capıtal losses carrıed forward at 31 December 2012 has not been provıded for The asset wıll be recoverable ın the future should taxable profits arıse ın the company ın respect of capıtal dısposals

9 Credıtors: amounts fallıng due wıthın one year

	2012 £	2011 £
Amounts due to group undertakıngs	**15,559,323**	8,564,991
Taxatıon and socıal securıty	**240,634**	164,067
Accruals and deferred ıncome	**2,341**	196,440
	15,802,298	8,925,498

10 Called up share capıtal

	2012 £	2011 £
Allotted, called up and fully paıd		
225,000 ordınary shares of £1 each	**225,000**	225,000

Notes *(continued)*

11 Profit and loss account

	2012 £	2011 £
At beginning of year	**4,855,396**	**4,043,313**
(Loss)/profit for the year	**(1,415,556)**	**812,083**
At end of year	**3,439,840**	**4,855,396**

12 Pension scheme

The company is a member of a larger group pension scheme providing benefits based on final pensionable pay but because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits', the scheme has been accounted in these financial statements for as if the scheme was a defined contribution scheme The scheme deficit at the end of the year was £3,977,000 *(2011 £3,835,000 deficit)*

The latest full actuarial valuation was carried out at 24 February 2012 and was updated for FRS 17 purposes to 31 December 2012 by a qualified independent actuary The Jones Lang LaSalle Limited Group contributions for the year were £4,050,000 *(2011 £3,061,000)* It has been agreed with the Trustee that the Group contributions for the next two years will be in accordance with the Schedule of Contributions certified on 30 September 2009

Full disclosure of the scheme can be found in the accounts of Jones Lang LaSalle Limited

The company also operates a defined contribution pension scheme The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £253,993 *(2011 £153,817)* There were no outstanding or prepaid contributions at either the beginning or end of the financial year

13 Ultimate controlling party

The company's immediate parent company during the year was Jones Lang LaSalle Limited, a company incorporated in England and Wales, and 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, USA