

Touche
Ross

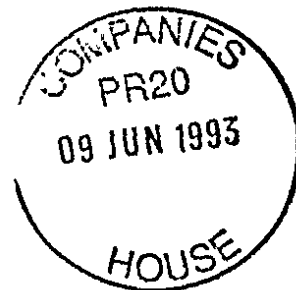


Company Registration No. 1188567

J.L.W. SUPPLY COMPANY

Report and Financial Statements

30 April 1992



**Touche Ross & Co.
Hill House
1 Little New Street
London EC4A 3TR**



REPORT AND FINANCIAL STATEMENTS 1992

CONTENTS

Page

Officers and professional advisers	1
Directors' report	2
Auditors' report	4
Consolidated profit and loss account	5
Statement of movements on reserves	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Notes to the consolidated cash flow statement	10
Notes to the accounts	13



REPORT AND FINANCIAL STATEMENTS 1992

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C J Bartram
J A S Bassett
R S Broadhurst
R A Campbell
Mrs H M R Chapman
K J Clarke
R Cumming Bruce
J M Dow
C A J Drury
M E Follett
D J W Larkin
P J Mantle
W F Monk
R M Naish
C A Peacock
C A Penn
C J Pickford
J H Stephen

SECRETARY

A H Jones

BANKERS

National Westminster Bank PLC

AUDITORS

Touche Ross & Co.
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR



DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 1992.

The Company is owned by the partners in the London firm of Jones Lang Wootton. The London firm together with associated companies and firms and the trading subsidiaries of the Company provide advice on all aspects of commercial real estate, including surveying and related services to clients worldwide.

ACTIVITIES

J.L.W. Supply Company is the parent company of a group of companies established in Europe and Eastern Europe. The company also operates as the service organisation for the Jones Lang Wootton London Partnership.

REVIEW OF BUSINESS DEVELOPMENTS AND FUTURE PROSPECTS

The financial position of the Group is shown by the consolidated balance sheet on page 7; that of the Company is shown by the balance sheet on page 8. It is intended that the Company will continue to act as the group European parent company and the service company to the Jones Lang Wootton London Partnership for the foreseeable future.

DIRECTORS

The present membership of the Board is set out on page 1. All directors served throughout the year except as noted below. N D Holmes served as a director throughout the year and resigned on 30 April 1993.

A R Wyatt	-	resigned 30 April 1992
R M Naish	-	appointed 1 May 1992.

All directors have joint interests in the entire share capital of the company.

The directors are partners in the London firm of Jones Lang Wootton and in that capacity they are interested in the Company's agreement for providing services and other facilities to the firm.

CHARITABLE CONTRIBUTIONS

During the year the Company made contributions for charitable purposes of £82,103 (1991 - £35,988).

EMPLOYMENT OF DISABLED PERSONS

The Company has a policy of giving full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities and of providing retraining for alternative work for employees who become disabled. At the present time the Company has two registered disabled persons in its employ.

EMPLOYEE CONSULTATION

The Company has in place established procedures for providing information to all its staff on matters affecting them as employees and in relation to the business affairs of Jones Lang Wootton. Information is provided by regular written briefings circulated to all staff and by meetings of designated staff designed to provide information to operating units and to receive feedback.

DIVIDENDS AND TRANSFERS TO RESERVES

Interim dividends of £1,376,588 have been paid for the year ended 30 April 1992 (1991 - £nil).

The profit retained and transferred to reserves for the financial year amounted to £517,000 (1991 - £77,000).

FIXED ASSETS

Details of fixed assets owned and acquired during the year are as set out in notes 7 and 8 to the accounts.



DIRECTORS' REPORT

SHARE CAPITAL

During the year the Company increased the authorised share capital to £300,000 and the issued share capital from £50,000 to £276,000 as part of the acquisition purchase funding for JLW Finance Limited and Jones Lang Wootton Country.

AUDITORS

The Company has passed an Elective Resolution in accordance with Section 386 of the Companies Act 1985 dispensing with the obligation to appoint auditors annually and, accordingly, Touche Ross shall remain in office until the Company or Touche Ross & Co. otherwise determine.

ANNUAL GENERAL MEETING

The Company has also passed an Elective Resolution pursuant to Sections 252 and 366A of the Companies Act 1985 (as amended) dispensing with Annual General Meetings and the laying before the Company in general meeting copies of the Annual Accounts, the Directors' Report and the Auditors' Report on the Accounts.

Approved by the Board of Directors
and signed on behalf of the Board

Secretary

28 May 1993



Chartered Accountants

Touche Ross & Co.
Hill House
1 Little New Street
London EC4A 3TR

Telephone: National 071 936 3000
International +44 71 936 3000
Telex: 884739 TRLNDN G
Fax (Gp. 3): 071 583 8517
LDE: DX 599

J.L.W. SUPPLY COMPANY

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 26 in accordance with Auditing Standards.

The company has not included work in progress in the accounts for this year or the preceding year. This is not in compliance with Statement of Standard Accounting Practice No. 9. It is not practicable to quantify the effects of this departure.

As explained in notes 19 and 20 to the accounts, the group financial statements consolidate the financial statements of JLW European Holdings Limited, the subsidiaries listed under indirect holdings in note 19, Property Management Resources Limited, JLW Pension Trustees and Jones Lang Wootton for the year ended 31 December 1991. This is not in compliance with Schedule 4A, paragraph 2(2)(a) of the Companies Act 1985 which permits group accounts to be prepared from the accounts of a subsidiary undertaking for its financial year last ending before the end of the parent company's financial year, provided that year ended no more than three months before that of the parent. It is not practicable to quantify the effects of this departure.

Except for the effects of any adjustments which arise as a result of the matters described above, in our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 30 April 1992 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and
Registered Auditor

28 May 1993

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 30 April 1992

	Note	1992 £'000	1991 £'000
TURNOVER	1	93,742	88,960
OPERATING PROFIT	2	4,937	3,111
Income/(losses) from interests in associated companies	13	176	(177)
Interest receivable		450	392
Interest payable and similar charges	3	(815)	(353)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,748	2,973
Tax on profit on ordinary activities	4	(2,778)	(2,234)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,970	739
Minority interests		(77)	(662)
Profit on ordinary activities attributable to the members of J.L.W. Supply Company		1,893	77
Dividends paid	6	(1,376)	-
Profit retained, transferred to reserves		517	77



STATEMENT OF MOVEMENTS ON RESERVES
Year ended 30 April 1992

THE GROUP	Other reserves £'000	Foreign exchange translation reserve £'000	Profit and loss account £'000
Balance at 1 May 1991	2,406	240	6,296
Profit retained for the year	-	-	517
Foreign exchange translation differences	-	15	-
Capital reserves arising on purchase of Jones Lang Wootton Country and JLW Finance Limited	127	-	-
Write off of goodwill on purchase of Balay Prenot Jones Lang Wootton SA and SARL SGIE	(1,461)	-	-
Balance at 30 April 1992	<u>1,072</u>	<u>255</u>	<u>6,813</u>
THE COMPANY			
Balance at 1 May 1991			5,340
Profit retained for the year			<u>887</u>
Balance at 30 April 1992			<u>6,227</u>

Other reserves are not distributable.

Other reserves represent the net amount of capital reserves and goodwill arising on consolidation to date.

CONSOLIDATED BALANCE SHEET
Year ended 30 April 1992

	Note	1992 £'000	1991 £'000
FIXED ASSETS			
Tangible assets	7	9,636	11,013
Investments	8	32	13
		<u>9,668</u>	<u>11,026</u>
CURRENT ASSETS			
Debtors	9	27,322	29,820
Cash at bank and in hand		6,099	5,842
		<u>33,421</u>	<u>35,662</u>
CREDITORS: amounts falling due within one year	10	33,226	36,551
		<u>195</u>	<u>(889)</u>
NET CURRENT ASSETS/(LIABILITIES)			
TOTAL ASSETS LESS CURRENT LIABILITIES		9,863	10,137
CREDITORS: amounts falling due after more than one year	11	(491)	(152)
PROVISIONS FOR LIABILITIES AND CHARGES	13	(879)	(873)
MINORITY INTERESTS		<u>(77)</u>	<u>(120)</u>
		<u>8,416</u>	<u>8,992</u>
CAPITAL AND RESERVES			
Called up share capital	14	276	50
Other reserves		1,072	2,406
Foreign exchange translation reserve		255	240
Profit and loss account		<u>6,813</u>	<u>6,296</u>
		<u>8,416</u>	<u>8,992</u>

These financial statements were approved by the Board of Directors on 28 May 1993

Signed on behalf of the Board of Directors


Director



COMPANY BALANCE SHEET
Year ended 30 April 1992

	Notes	1992 £'000	1991 £'000
FIXED ASSETS			
Tangible assets	7	5,016	6,738
Investments	8	662	432
		<u>5,678</u>	<u>7,170</u>
CURRENT ASSETS			
Debtors	9	10,813	12,768
Cash at bank and in hand		400	793
		<u>11,213</u>	<u>13,561</u>
CREDITORS: amounts falling due within one year	10	10,310	15,341
NET CURRENT ASSETS/(LIABILITIES)		<u>903</u>	<u>(1,780)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,581	5,390
PROVISIONS FOR LIABILITIES AND CHARGES	13	(78)	-
		<u>6,503</u>	<u>5,390</u>
CAPITAL AND RESERVES			
Called up share capital	14	276	50
Profit and loss account		6,227	5,340
		<u>6,503</u>	<u>5,390</u>

These financial statements were approved by the Board of Directors on 28 May 1993

Signed on behalf of the Board of Directors

Director

CONSOLIDATED CASH FLOW STATEMENT
Year ended 30 April 1992

	Note to cash flow statement	1992 £'000	1991 £'000
Net cash inflow from operating activities	1	6,324	5,055
Returns on investments and servicing of finance			
Interest received		450	392
Interest paid		(731)	(308)
Interest element of finance lease rental payments		(84)	(45)
Ordinary dividends paid		(1,376)	-
Dividends paid to minority shareholders in subsidiary undertakings		(120)	(542)
Net cash outflow from returns on investments and servicing of finance		(1,861)	(503)
Taxation			
UK corporation tax paid		(802)	(443)
Overseas tax paid		(2,783)	(1,552)
Tax paid		(3,585)	(1,995)
Investing activities			
Purchase of associates		(3)	-
Payments to acquire tangible fixed assets		(2,593)	(4,540)
Purchase of subsidiary undertakings	5, 6	(491)	3,343
Receipts from sales of tangible fixed assets		547	692
Receipts from sales of investments		68	-
Net cash outflow from investing activities		(2,472)	(505)
Net cash (outflow)/inflow before financing		(1,594)	2,052
Financing			
Capital element of finance lease rental payments	4	(283)	(85)
Net cash outflow from financing		(283)	(85)
(Decrease)/increase in cash and cash equivalents	2, 3	(1,877)	1,967



NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 April 1992

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1992 £'000	1991 £'000
Operating profit	4,937	3,111
Depreciation charges	4,092	3,878
Profit on sale of tangible fixed assets	(27)	(29)
Increase in provisions for liabilities and charges	126	456
Decrease/(increase) in debtors	4,033	(3,733)
(Decrease)/increase in creditors	(6,837)	1,372
Net cash inflow from operating activities	<u>6,324</u>	<u>5,055</u>

2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	1992 £'000
Balance at 1 May 1991	2,730
Net cash outflow before adjustments for the effect of foreign exchange rates	(1,877)
Effect of foreign exchange rate changes	25
Balance at 30 April 1992	<u>878</u>

3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1992 £'000	1991 £'000	Change in year £'000
Cash at bank and in hand	6,099	5,842	257
Bank loans and overdrafts	(5,221)	(3,112)	(2,109)
	<u>878</u>	<u>2,730</u>	<u>(1,852)</u>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Year ended 30 April 1992

4. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Finance leases £'000	Share capital £'000
Balance at 1 May 1991	228	50
Shares issued for non-cash consideration	-	226
Inception of finance lease contracts	338	-
Capital element of finance lease rental payments	(283)	-
Balance at 30 April 1992	<u>283</u>	<u>276</u>

5. PURCHASE OF SUBSIDIARY UNDERTAKINGS

	£'000
Net fixed assets acquired:	
Tangible assets	241
Investments	84
Debtors	1,535
Cash at hand and in bank	1,904
Creditors	(2,477)
	<u>1,287</u>
Goodwill (net of capital reserves arising on acquisitions in the year)	1,334
	<u>2,621</u>
Satisfied by	
Cash	2,395
Shares allotted	226
	<u>2,621</u>

The subsidiary undertakings acquired during the year reduced the group's net operating cash flow by £430,000, received £72,000 in respect of net returns on investments and servicing of finance, paid £180,000 in respect of taxation and realised £14,000 from investing activities.

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Year ended 30 April 1992

6. ANALYSIS OF THE NET OUTFLOW OF CASH AND CASH EQUIVALENTS IN RESPECT OF THE PURCHASE OF SUBSIDIARY UNDERTAKINGS

	£'000
Cash consideration	2,395
Cash at bank and in hand acquired	(1,904)
	<hr/>
Net outflow of cash and cash equivalents in respect of the purchase of subsidiaries	491
	<hr/>

NOTES TO THE ACCOUNTS
Year ended 30 April 1992

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards except in respect of Statement of Standard Accounting Practice Number 9 which is referred to in the paragraph on work in progress below. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The financial statements consolidate the financial statements of the company for the year ended 30 April 1992 and all subsidiaries whose year ends range between 31 December 1991 and 30 April 1992. Further details are given in note 20 to the accounts.

Goodwill

Goodwill, which represents the difference between the consideration paid for a business and the aggregate of the fair value of its separable net assets at the date of acquisition, is written off immediately against reserves. A capital reserve arising on acquisition is credited to other reserves.

Turnover

Turnover represents the amounts invoiced, excluding VAT, for the provision of services falling within the Group's ordinary activities.

In the opinion of the directors, it is seriously prejudicial to the interests of the company to give an analysis of turnover, profit or assets by geographical area.

Depreciation

Depreciation is provided annually on the various categories of fixed assets using the following rates:

Motor vehicles	- on written down value	20% - 33%
Office machinery and fixtures	- on cost greater than £500	10% - 33%
Office machinery and fixtures	- on cost less than £500	100%
Computer equipment	- on cost	25%
Freehold buildings	- on cost	2%
Short leasehold improvements	- on cost	10% - 25%

Leasehold property is amortised equally over the length of the lease.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. In the consolidated accounts, shares in associated companies are accounted for using the equity method of accounting. The consolidated profit and loss account includes the Group's share of pre-tax losses and attributable taxation of the associates. In the consolidated balance sheet, the shares in associates are shown as the Group's share of the net assets, excluding goodwill, of the associates.

NOTES TO THE ACCOUNTS
Year ended 30 April 1992

1. ACCOUNTING POLICIES (continued)

Leases

Assets obtained under finance leases are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Operating lease rentals are charged to income in equal amounts over the lease term.

Pension costs

The Group operates a variety of schemes including defined benefit and defined contribution schemes:

(i) UK Schemes

Defined Benefit Scheme - Company

The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of the employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

Defined Contribution Scheme - Property Management Resources Limited

Retirement benefits to employees are provided by a defined contribution scheme. Contributions payable by the scheme in respect of each accounting period are charged to the profit and loss account.

(ii) Overseas Schemes

The pension charges relating to Overseas Schemes are determined in accordance with local best practice and regulations in the countries concerned.

Foreign exchange

Transactions of UK companies denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

The financial statements of foreign subsidiaries are translated into sterling at the closing rates of exchange and the differences arising from the translation of the opening net investment in subsidiaries at the closing rates are taken direct to reserves.

Work in progress

No account has been taken of work in progress in these accounts as required by Statement of Standard Accounting Practice Number 9 as, in the opinion of the directors, it would be impractical and of no real value to calculate the amounts involved.

NOTES TO THE ACCOUNTS
Year ended 30 April 1992

2. OPERATING PROFIT

	1992 £'000	1991 £'000
Operating profit is stated after including:		
(a) Other operating income:		
Premium on disposal of lease	500	-
Gross rents receivable	359	344
(b) Staff costs:		
Wages and salaries	41,818	39,864
Social security costs	6,881	6,776
Other pension costs	1,243	768
	49,942	47,408
	No.	No.
Average number of persons employed:		
Technical and administration	1,750	1,693
The directors did not receive any remuneration from the company during the year (1991 - £nil).		
	£'000	£'000
(c) Other operating charges:	35,630	34,907
Other operating charges include the following:		
Auditors' remuneration	204	149
Rentals under operating leases:		
Hire of plant and machinery	1,281	1,296
Other operating leases	7,564	8,944
Prior year release of rent provision	(150)	(3,000)
(d) Depreciation and other amounts written off tangible fixed assets:		
Own assets	3,861	3,807
Assets held under finance leases	231	71

3. INTEREST PAYABLE AND SIMILAR CHARGES

	1992 £'000	1991 £'000
Bank loans, overdrafts and other loans repayable within five years	731	308
Finance charges - finance leases	84	45
	815	353

NOTES TO THE ACCOUNTS
Year ended 30 April 1992

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1992 £'000	1991 £'000
United Kingdom corporation tax based on the profit for the year at 33% (1991 - 33.9%)		
- current year	702	(126)
- prior year	(9)	(8)
Deferred taxation	78	-
Overseas taxation	2,036	2,385
Double tax relief	(29)	(17)
	<u>2,778</u>	<u>2,234</u>

The consolidated tax charge is high as a result of:

- (i) the high incidence of non-allowable expenditure in the UK parent company;
- (ii) the comparatively high rate of corporation tax in the overseas locations in which the subsidiary companies operate.

5. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit for the financial year amounted to £2,263,000 (1991 - £66,000).

6. DIVIDENDS PAID

	1992 £'000	1991 £'000
Interim dividends paid - £4.988 per share (1991 - £nil per share)	<u>1,376</u>	<u>-</u>

NOTES TO THE ACCOUNTS
Year ended 30 April 1992

7. TANGIBLE FIXED ASSETS

GROUP	Motor vehicles £'000	Office machinery and fixtures £'000	Freehold property £'000	Improvements to short leasehold premises £'000	Leasehold property £'000	Total £'000
Cost						
At 1 May 1991	6,153	14,667	157	1,495	224	22,696
Foreign exchange translation differences	14	106	-	-	-	120
Additions						
- Subsidiaries acquired	72	165	-	-	4	241
- Capital expenditure	1,383	1,548	-	-	-	2,931
Disposals	(779)	(1,443)	-	-	(26)	(2,248)
At 30 April 1992	6,843	15,043	157	1,495	202	23,740
Accumulated depreciation						
At 1 May 1991	3,014	8,525	12	58	74	11,683
Foreign exchange translation differences	5	51	1	-	-	57
Charge for the year	1,165	2,813	3	88	23	4,092
Disposals	(482)	(1,220)	-	-	(26)	(1,728)
At 30 April 1992	3,702	10,169	16	146	71	14,104
Net book value						
At 30 April 1992	3,141	4,874	141	1,349	131	9,636
At 30 April 1991	3,139	6,142	145	1,437	150	11,013

The net book value of the group's fixed assets includes £349,000 (1991 - £242,000) in respect of assets held under finance leases.

NOTES TO THE ACCOUNTS
Year ended 30 April 1992

7. TANGIBLE FIXED ASSETS (continued)

COMPANY	Motor vehicles £'000	Office machinery and fixtures £'000	Freehold property £'000	Improvements to short leasehold premises £'000	Leasehold property £'000	Total £'000
At 1 May 1991	5,035	8,259	157	1,495	181	15,127
Additions	818	64	-	-	-	882
Disposals	(576)	(681)	-	-	-	(1,257)
At 30 April 1992	5,277	7,642	157	1,495	181	14,752
Accumulated depreciation						
At 1 May 1991	2,591	5,680	12	58	48	8,389
Charge for the year	762	1,521	3	90	12	2,388
Disposals	(362)	(679)	-	-	-	(1,041)
At 30 April 1992	2,991	6,522	15	148	60	9,736
Net book value						
At 30 April 1992	2,286	1,120	142	1,347	121	5,016
At 30 April 1991	2,444	2,579	145	1,437	133	6,738

8. INVESTMENTS

	1992 £'000	Group 1991 £'000	1992 £'000	Company 1991 £'000
Shares in group companies - subsidiaries	-	-	646	420
Interests in associated undertakings	16	13	16	12
Other investments other than loans	16	-	-	-
	32	13	662	432

All the above investments are unlisted.

Additional information in respect of investments for which there have been movements during the year:

	Company £'000
Investments in subsidiary undertakings:	
Balance at 1 May 1991	420
Acquisition of subsidiaries	226
Balance at 30 April 1992	646

NOTES TO THE ACCOUNTS
Year ended 30 April 1992

8. INVESTMENTS (continued)

	Group 1992 £'000	Company 1991 £'000
Interests in associated undertakings:		
Balance at 1 May 1991	13	12
Acquisition of associated undertaking	3	4
Balance at 30 April 1992	<u>16</u>	<u>16</u>
Other investments other than loans		
Balance at 1 May 1991	-	-
Subsidiaries acquired	84	-
Disposals	(68)	-
Balance at 30 April 1992	<u>16</u>	<u>-</u>

Investments in subsidiaries

On 19 April 1992 J.L.W. Supply Company acquired 100% of the issued ordinary share capital of JLW Finance Limited (JLWF) and Jones Lang Wootton Country (JLWC), an unlimited company, for a consideration of £225,000 and £1,000 respectively. The consideration was in the form of an issue of £1 ordinary shares at par. Both companies have coterminous year ends with that of J.L.W. Supply Company and their accounts have been consolidated as at 30 April 1992.

Jones Lang Wootton S A, France acquired 100% of the issued ordinary share capital of Balay Prenot Jones Lang Wootton S A (BP) on 27 March 1991 and SARL SGIE (SGIE) on 31 October 1991 for a consideration of £2,364,000 and £31,000 respectively in cash. These companies form part of the JLW European Holdings Limited group for consolidation purposes which has a 31 December year end. The companies' accounts for the period from the date of acquisition to 31 December 1991 have therefore been consolidated with those of the rest of the JLW European Holdings group at 31 December 1991 and in the J.L.W. Supply company accounts at 30 April 1992. The business of SARL SGIE was merged into that of Jones Lang Wootton SARL at the acquisition date, both trading thereafter as part of that company.

These acquisitions have been accounted for by the acquisition method of accounting.

The goodwill or capital reserves arising from these acquisitions are shown below:

	BP £'000	SGIE £'000	JLWC £'000	JLWF £'000
Tangible fixed assets	190	8	-	43
Investments	84	-	-	-
Debtors	979	217	149	190
Cash at bank	1,258	134	23	489
Total assets	<u>2,511</u>	<u>359</u>	<u>172</u>	<u>722</u>
Creditors	<u>1,569</u>	<u>367</u>	<u>78</u>	<u>463</u>
Net assets/(liabilities)	942	(8)	94	259
Consideration	<u>(2,364)</u>	<u>(31)</u>	<u>(1)</u>	<u>(225)</u>
(Goodwill)/capital reserve on acquisition	<u>(1,422)</u>	<u>(39)</u>	<u>93</u>	<u>34</u>

NOTES TO THE ACCOUNTS
Year ended 30 April 1992

8. INVESTMENTS (continued)

In the opinion of the directors, the book values of the major categories of assets and liabilities acquired are equal to the fair values included in the consolidated financial statements at the date of acquisition.

The profits/(losses) before tax of the companies were as follows:

	BP £'000	SGIE £'000	JLWC £'000	JLWF £'000
Results after acquisition, included in the consolidated accounts	92	-	-	-
Results prior to acquisition				
1 May 1991 to 19 April 1992	-	-	-	12
Preceding financial year ended 30 April 1991	-	-	36	(2)
1 October 1990 to 27 March 1991	62	-	-	-
Preceding financial year ended 30 September 1990	527	-	-	-
1 January 1991 to 31 October 1991	-	1	-	-
Preceding financial year ended 31 December 1990	-	(46)	-	-

Investments in Associates

£124,000 (1991 - £327,000) has been provided in respect of the company's interest in JLW Canadian Holdings Limited. This represents the group's share of the associate's accumulated losses to 31 December 1991.

The investment in Jones Lang Wootton KK (incorporated in Japan) is not consolidated in these financial statements. As the company does not prepare accounts the directors are unable to provide the additional information required by Statement of Standard Accounting Practice No. 1. In the opinion of the directors, the amounts involved are immaterial.

During the year the company increased its investment in Jones Lang Wootton International Limited which is not consolidated in these financial statements. In the opinion of the directors, the amounts involved are immaterial.

NOTES TO THE ACCOUNTS
Year ended 30 April 1992

9. DEBTORS

	1992 £'000	Group 1991 £'000	1992 £'000	Company 1991 £'000
Trade debtors	21,009	23,371	6,341	8,471
Amounts owed by:				
Subsidiary undertakings	-	-	1,120	479
Related parties	351	658	209	892
Other debtors:				
Due within one year	3,156	2,795	1,163	460
Due after more than one year	355	269	-	-
Prepayments and accrued income	2,451	2,727	1,980	2,466
	<u>27,322</u>	<u>29,820</u>	<u>10,813</u>	<u>12,768</u>

Related parties consist of other entities in the Jones Lang Wootton organisation in which J.L.W. Supply Company has no shareholding.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1992 £'000	Group 1991 £'000	1992 £'000	Company 1991 £'000
Bank loans and overdrafts (note 12)	5,221	3,112	-	-
Obligations under finance leases (note 17)	120	76	-	-
Amounts owed to:				
Subsidiary undertakings	-	-	280	207
Related parties	3,610	9,450	3,599	9,316
Taxation and social security	9,273	8,187	2,044	1,643
Other creditors	6,192	5,496	1,007	617
Accruals and deferred income	8,810	10,230	3,380	3,558
	<u>33,226</u>	<u>36,551</u>	<u>10,310</u>	<u>15,341</u>

Related parties consist of other entities in the Jones Lang Wootton organisation in which J.L.W. Supply Company has no shareholding.

NOTES TO THE ACCOUNTS
Year ended 30 April 1992

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1992 £'000	Group 1991 £'000	1992 £'000	Company 1991 £'000
Obligations under finance leases (note 17)	163	152	-	-
Amounts owed to related parties	275	-	-	-
Other creditors	53	-	-	-
	<u>491</u>	<u>152</u>	<u>-</u>	<u>-</u>

Related parties relate to other entities in the Jones Lang Wootton organisation in which J.L.W. Supply Company has no shareholding.

12. BORROWINGS

J.L.W. Supply Company and JLW European Holdings Limited have given guarantees to the bankers of some of their subsidiary companies in order to secure credit facilities. The amount of each guarantee and the subsidiary to which it relates are listed below:

			Amount of overdraft at 31 December 1992 £'000
Dfl	4,500,000	Jones Lang Wootton BV Holland	129
DM	7,500,000	Jones Lang Wootton GmbH Germany	1,030
SEK	1,000,000	Jones Lang Wootton AB Sweden	8
FF	45,000,000	Jones Lang Wootton SA France	2,772
PTS	240,000,000	Jones Lang Wootton SA Spain	773
Lira	1,500,000,000	Jones Lang Wootton Srl Italy	509
			<u>5,221</u>

NOTES TO THE ACCOUNTS
Year ended 30 April 1992

13. PROVISIONS FOR LIABILITIES AND CHARGES

	Balance at 1 May 1991 £'000	Exchange differences £'000	(Credited)/ charged to profit and loss account £'000	Other transfers/ (applications) £'000	Balance at 30 April 1992 £'000
GROUP					
Deferred taxation	-	-	78	-	78
Losses in associates	327	(27)	(176)	-	124
Insurance fund	217	-	-	130	347
Pension - back service provision re Jones Lang Wootton BV, Holland	329	5	(4)	-	330
	<u>873</u>	<u>(22)</u>	<u>(102)</u>	<u>130</u>	<u>879</u>
COMPANY					
Deferred taxation	-	-	78	-	78

The potential amounts of deferred taxation and the portions thereof which are considered likely to be payable within the foreseeable future and therefore provided in the financial statements are:

	1992		1991	
	Total potential tax £'000	Amount Provided £'000	Total potential tax £'000	Amount provided £'000
GROUP				
Capital allowances in excess of depreciation	(893)	-	(688)	-
Capital gain deferred by roll over	26	78	90	-
Work in progress adjustment	(793)	-	(888)	-
Other timing differences	9	-	(2)	-
	<u>(1,651)</u>	<u>78</u>	<u>(1,488)</u>	<u>-</u>
COMPANY				
Capital allowances in excess of depreciation	(893)	-	(688)	-
Capital gain deferred by roll over	26	78	90	-
Work in progress adjustment	(793)	-	(888)	-
Other timing differences	9	-	(19)	-
	<u>(1,651)</u>	<u>78</u>	<u>(1,505)</u>	<u>-</u>

NOTES TO THE ACCOUNTS

Year ended 30 April 1992

14. CALLED UP SHARE CAPITAL

	1992 £'000	1991 £'000
Authorised:		
300,000 ordinary shares of £1 each	300	50
Allotted and fully paid:		
276,000 ordinary shares of £1 each	276	50

During the year, the company increased its authorised share capital by £250,000 and 226,000 £1 ordinary shares were issued at par value for cash in order to provide funds for the acquisition of JLW Finance Limited and JLW Country.

15. PENSION COSTS

The Group operates a number of pension schemes.

The main scheme is operated by J.L.W. Supply Company. This scheme is a defined benefit scheme providing benefits based on final pensionable pay. The pension scheme is set up under trust and the assets of the scheme are, therefore, held separately from those of the Company.

The pension cost charged to the profit and loss account is calculated by the actuary so as to spread the cost of pensions over the employees' working lives with the Company. The pension costs are based on the most recent actuarial valuation which was completed with an effective date of 31 December 1991. The actuarial method used was the projected unit credit method. The most significant assumptions for their effect on the pension costs are those relating to the rate of return on the investments of the scheme and the rate of increase in salaries and pensions. The investment return used was 9 per cent per annum. The rate of earnings increase used was 7 per cent per annum and pensions were assumed to increase at the rate of 5 per cent per annum in payment.

The pension cost charged to the profit and loss account for the year in respect of the Company was £250,000 (1991 - £nil).

The actuarial valuation at 31 December 1991 showed that the market value of the scheme's assets was £30,657,000 and the actuarial value of those assets represented 151 per cent of the liability for benefits, under the valuation method, for service to the valuation date and based on salaries projected to retirement or earlier exit.

Other schemes operated by the group are as follows:

Property Management Resources Limited operates a defined contribution pension scheme. The assets of the scheme are held separately from the company in an independently administered fund. The pension cost charge represents contributions payable by Property Management Resources Limited to the fund and amounted to £181,000 (1991: £145,000). There were no prepaid contributions at the balance sheet date.

Overseas companies

The element of total pension cost relating to foreign schemes includes £812,000 (1991 - £623,000) where the charge has been determined in accordance with local best practice and regulations in Holland, Belgium, France, Germany and Luxembourg.

NOTES TO THE ACCOUNTS
Year ended 30 April 1992

16. OPERATING LEASE COMMITMENTS

At 30 April 1992, the Group was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings £'000	Office equipment £'000
Leases which expire:		
Within one year	1,552	498
Within two to five years	3,243	1,533
After five years	5,569	-
	<u>10,364</u>	<u>2,031</u>

17. OBLIGATIONS UNDER FINANCE LEASES

	1992 £'000	1991 £'000
GROUP		
The minimum lease payments to which the group was committed at 30 April 1992 were as follows:		
Due within one year	147	98
Due within two to five years	202	195
	<u>349</u>	<u>293</u>
Less: interest allocated to future periods	(66)	(65)
	<u>283</u>	<u>228</u>
Due within one year	120	76
Due after more than one year	163	152
	<u>283</u>	<u>228</u>

18. CAPITAL COMMITMENTS

	1992 £'000	1991 £'000
Contracted for but not provided	<u>195</u>	<u>20</u>

NOTES TO THE ACCOUNTS
Year ended 30 April 1992

19. ADDITIONAL INFORMATION ON SUBSIDIARIES AND ASSOCIATED UNDERTAKINGS

SUBSIDIARIES	Country of incorporation/ registration and operation	Activity	Accounting reference period ending	Proportion of ordinary shares held %
Direct Holdings				
JLW European Holdings Limited	Channel Islands	Parent company	31 December	100
Orchid Insurance Limited	Channel Islands	Insurance underwriting	31 March	100
Property Management Resources Limited	England	Staff services provider	31 December	100
Jones Lang Wootton Country	England	Surveying services	30 April	100
JLW Finance Limited	England	Financial services	30 April	100
JLW Pension Trustees	England	Trustee company	31 December	100
JLW Nominees Limited	England	Nominee company	31 March	100
JLW Second Nominees Limited	England	Nominee company	31 March	100
Jones Lang Wootton	England	Dormant company	31 December	100
Wootton Asset Managers Limited	England	Dormant company	30 April	100
Jones Lang Wootton Fund Management Limited	England	Dormant company	30 April	100
JLW Country Limited	England	Dormant company	30 April	100
JLW Jones Limited	England	Dormant company	30 April	100
JLW Building Surveying Services	England	Dormant company	30 April	100
JLW Development Services	England	Dormant company	30 April	100
JLW Estate Management Services	England	Dormant company	30 April	100
Jones Lang Wootton European Holdings Limited	England	Dormant company	31 March	100
Indirect Holdings				
Jones Lang Wootton SA	Belgium	Surveying services	31 December	100
Jones Lang Wootton GmbH	Germany	Surveying services	31 December	100
Jones Lang Wootton SA	Spain	Surveying services	31 December	100
Jones Lang Wootton SA	France	Surveying services	31 December	100
Jones Lang Wootton SARL	France	Surveying services	31 December	100
JLW Services SARL	France	Surveying services	31 December	100
Balay Prenot Jones Lang Wootton	France	Surveying services	31 December	100
Jones Lang Wootton AB	Sweden	Surveying services	31 December	100
Jones Lang Wootton SRL	Italy	Surveying services	31 December	100
Jones Lang Wootton BV	Holland	Surveying services	31 December	100
Jones Lang Wootton Sees	Luxembourg	Surveying services	31 December	85
Wonderment NV	Curacao	Holding company	31 December	100
Wonderment BV	Holland	Holding company	31 December	100
Associated undertakings				
JLW Canadian Holdings Limited	Canada	Holding company		50
Jones Lang Wootton KK	Japan	Surveying services		33.3
Jones Lang Wootton International Limited	Bermuda	Global investment advice		33.3

All associated undertakings are incorporated.

20. FINANCIAL YEARS

These financial statements consolidate the accounts of J.L.W. Supply Company for the year ended 30 April 1992 and the accounts of all of its subsidiaries, whose year ends range between 31 December 1991 and 30 April 1992. Particulars of the accounting reference period of each subsidiary are given in note 19.

The directors have elected to adopt different accounting reference periods in accordance with local best practice in the countries concerned. However they intend to unify the accounting reference date throughout the group once the practicalities and legal requirements in each country have been addressed.