



**J.L.W. SUPPLY COMPANY**

**Report and Financial Statements**

**8 months ended 31 December 1997**

**Deloitte & Touche  
Chartered Accountants  
Hill House  
1 Little New Street  
London EC4A 3TR**



**REPORT AND FINANCIAL STATEMENTS 1997**

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**REPORT AND FINANCIAL STATEMENTS 1997**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

R S Broadhurst  
R J Calnan  
R A Campbell  
Mrs H M R Chapman  
K J Clarke  
R Cumming Bruce  
C A J Drury  
A P D Edgley  
M E Follett  
A M Horrell  
D J W Larkin  
P J Mantle  
J A Milligan  
W F Monk  
J B Nairn  
R M Naish  
B M Nealon  
C A Peacock  
C A Penn  
C J Pickford  
J H Stephen

**SECRETARY**

A H Jones

**BANKERS**

National Westminster Bank PLC  
1 Princes Street  
London EC2R 8PA

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Hill House  
1 Little New Street  
London EC4A 3TR



## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the 8 months from 1 May 1997 to 31 December 1997.

### **ACTIVITIES**

J.L.W. Supply Company is owned by its directors in their capacity as partners in the firm of Jones Lang Wootton which carries on business principally in England and Wales. Jones Lang Wootton together with associated companies and firms and the trading subsidiaries of the Company, provides advice on all aspects of commercial real estate, including surveying and related services to clients world-wide.

The Company is the parent company of a group of companies most of which are established in Europe and Eastern Europe. It also operates as the service organisation for Jones Lang Wootton.

### **REVIEW OF BUSINESS DEVELOPMENTS AND FUTURE PROSPECTS**

The financial position of the Group is shown by the consolidated balance sheet on page 8; that of the Company is shown by the balance sheet on page 9. It is intended that the Company will continue to act as the European group parent company and the service company to Jones Lang Wootton for the foreseeable future.

### **DIRECTORS**

The current membership of the Board is set out on page 1. All directors served throughout the period.

All directors held joint interests in the entire share capital of the Company at the beginning of the year or date of appointment and end of the year. The directors did not hold shares in any other group company during the year.

As partners of Jones Lang Wootton, the directors are interested in the Company's agreement for providing services and other facilities to the firm.

### **CHARITABLE CONTRIBUTIONS**

During the period the Group made contributions for charitable purposes of £85,000 (year ended 30 April 1997 - £85,000 ).

### **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 physically disabled persons in its employment and one with sensory impairment.

### **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 staff to provide information to operating units and departments and to receive feedback.

### **DIVIDENDS**

No dividend has been paid or proposed in respect of the 8 months ended 31 December 1997 (year ended 30 April 1997 - £nil).

**DIRECTORS' REPORT (continued)****OVERSEAS REPRESENTATION**

Jones Lang Wootton European Services Limited operates through branch representative offices throughout Eastern Europe.

**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, Deloitte & Touche shall remain in office until the Company or Deloitte & Touche 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**

25 June 1998



## Chartered Accountants

Deloitte & Touche  
Stonecutter Court  
1 Stonecutter Street  
London EC4A 4TR

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## AUDITORS' REPORT TO THE MEMBERS OF J.L.W. SUPPLY COMPANY

We have audited the financial statements on pages 6 to 27 which have been prepared under the accounting policies set out on pages 12 and 13.

### Respective responsibilities of directors and auditors

The directors are responsible for the preparation of financial statements. These responsibilities are shown below. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### 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 circumstances of the Company and the Group, 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.

**AUDITORS' REPORT TO THE MEMBERS (continued)****Qualified opinion arising from disagreement about accounting treatment**

As explained in note 27 to the accounts, the Group financial statements consolidate the financial statements of certain subsidiary companies for the twelve months ended 31 December 1997 and certain other subsidiary companies for the nine months ending 31 December 1997. This is not in compliance with Paragraph 42 of Financial Reporting Standard No. 2 which requires group accounts to include the results of a subsidiary undertaking for the same accounting period as its parent company. It is not practicable to quantify the effects of this departure.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 1997. Except for the effects of any adjustments which would arise from correction of the departure described above, in our opinion the financial statements give a true and fair view of the profit of the Group for the eight months ended 31 December 1997 and have been properly prepared in accordance with the Companies Act 1985.

**Deloitte & Touche**Chartered Accountants and  
Registered Auditors

25 June 1998


**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**8 months ended 31 December 1997**

	Note	8 months ended 31 December 1997 £'000	Year ended 30 April 1997 £'000
<b>TURNOVER</b>	1	96,672	101,860
Administrative expenses		(93,904)	(97,672)
<b>OPERATING PROFIT</b>	2	2,768	4,188
Interest receivable and similar income		223	249
Interest payable and similar charges	3	(219)	(346)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		2,772	4,091
Tax on profit on ordinary activities	4	(1,341)	(2,548)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		1,431	1,543
Minority interests		(310)	(38)
<b>PROFIT FOR THE PERIOD/YEAR, TRANSFERRED TO RESERVES</b>		1,121	1,505

All activities derive from continuing operations.





**STATEMENT OF MOVEMENTS ON RESERVES**  
**8 months ended 31 December 1997**

<b>THE GROUP</b>	<b>Other reserves £'000</b>	<b>Foreign exchange translation reserve £'000</b>	<b>Profit and loss account £'000</b>
Balance at 30 April 1997	888	73	12,254
Profit for the period	-	-	1,121
Foreign exchange translation differences	-	(410)	-
Goodwill arising on the acquisition of the Global ABMP business	(245)	-	-
Balance at 31 December 1997	<u>643</u>	<u>(337)</u>	<u>13,375</u>
<b>THE COMPANY</b>			
Balance at 30 April 1997			7,443
Loss for the period			(1,291)
Balance at 31 December 1997			<u>6,152</u>

Other reserves are not distributable and represent the net amount of capital reserves and goodwill arising on consolidation to date together with legal reserves in certain subsidiaries.


**CONSOLIDATED BALANCE SHEET**  
**31 December 1997**

	Note	31 December 1997 £'000	30 April 1997 £'000
<b>FIXED ASSETS</b>			
Tangible assets	6	9,120	8,000
Investments	7	57	49
		<u>9,177</u>	<u>8,049</u>
<b>CURRENT ASSETS</b>			
Debtors	8	37,901	35,948
Cash at bank and in hand		8,038	8,544
		<u>45,939</u>	<u>44,492</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(39,320)</u>	<u>(38,092)</u>
<b>NET CURRENT ASSETS</b>		<u>6,619</u>	<u>6,400</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		15,796	14,449
<b>CREDITORS: amounts falling due after more than one year</b>	10	(118)	(118)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	12	(1,411)	(802)
<b>MINORITY INTERESTS</b>		<u>(310)</u>	<u>(38)</u>
		<u>13,957</u>	<u>13,491</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	276	276
Other reserves		643	888
Foreign exchange translation reserve		(337)	73
Profit and loss account		13,375	12,254
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>13,957</u>	<u>13,491</u>

These financial statements were approved by the Board of Directors on 25 June 1998.

Signed on behalf of the Board of Directors

Director

P.J. MANTEL




**COMPANY BALANCE SHEET**  
**31 December 1997**

	Notes	31 December 1997 £'000	30 April 1997 £'000
<b>FIXED ASSETS</b>			
Tangible assets	6	5,325	4,241
Investments	7	1,061	1,059
		<u>6,386</u>	<u>5,300</u>
<b>CURRENT ASSETS</b>			
Debtors	8	18,580	15,599
Cash at bank and in hand		592	1,356
		<u>19,172</u>	<u>16,955</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(18,630)</u>	<u>(14,536)</u>
<b>NET CURRENT ASSETS</b>		<u>542</u>	<u>2,419</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,928	7,719
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	12	<u>(500)</u>	<u>-</u>
		<u>6,428</u>	<u>7,719</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	276	276
Profit and loss account		6,152	7,443
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>6,428</u>	<u>7,719</u>

These financial statements were approved by the Board of Directors on 25 June 1998.

Signed on behalf of the Board of Directors

  
Director **P.J. MANTU**


**CONSOLIDATED CASH FLOW STATEMENT**  
**8 months ended 31 December 1997**

	Note	8 months ended 31 December 1997 £'000	Year ended 30 April 1997 £'000
<b>Net cash inflow from operating activities</b>	14	7,837	6,732
<b>Returns on investments and servicing of finance</b>			
Interest received		223	249
Interest paid		(218)	(282)
Interest element of finance lease rental payments		(1)	(64)
Ordinary dividends paid			-
Dividends paid to minority interests		(38)	(131)
<b>Net cash outflow from returns on investments and servicing of finance</b>		(34)	(228)
<b>Taxation</b>			
UK corporation tax paid		(37)	(132)
Overseas tax paid		(1,670)	(1,315)
<b>Tax paid</b>		(1,707)	(1,447)
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(4,767)	(4,187)
Receipts from sales of tangible fixed assets		334	331
Purchase of investments		(11)	(2)
<b>Net cash outflow from capital expenditure and financial investment</b>		(4,444)	(3,858)
<b>Acquisitions</b>			
Payments to acquire investments in subsidiaries	17, 22	(245)	-
<b>Net cash outflow from acquisitions</b>		(245)	-
<b>Net cash inflow before financing</b>		1,407	1,199
<b>Financing</b>			
Capital element of finance lease rental payments		(171)	(277)
<b>Net cash outflow from financing</b>		(171)	(277)
<b>Increase in cash</b>	15, 16	1,236	922


**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**8 months ended 31 December 1997**

	8 months ended 31 December 1997 £'000	Year ended 30 April 1997 £'000
Profit for the financial period/year	1,121	1,505
Currency translation differences on foreign currency net investments	(410)	(583)
<b>Total recognised gains and losses relating to the period/year</b>	<b>711</b>	<b>922</b>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**  
**8 months ended 31 December 1997**

	8 months ended 31 December 1997 £'000	Year ended 30 April 1997 £'000
Profit for the financial period/year	1,121	1,505
	1,121	1,505
Other recognised gains and losses relating to the period/year	(410)	(583)
Goodwill written back on disposal of a business	-	36
Goodwill written off on the acquisition of a business	(245)	-
<b>Net addition to shareholders' funds</b>	<b>466</b>	<b>958</b>
<b>Opening shareholders' funds</b>	<b>13,491</b>	<b>12,533</b>
<b>Closing shareholders' funds</b>	<b>13,957</b>	<b>13,491</b>

**NOTES TO THE ACCOUNTS**  
**8 months ended 31 December 1997**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. 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 incorporate the financial statements of the Company for the 8 months to 31 December 1997 and its subsidiaries. Further details are given in notes 24 and 25 to the accounts.

**Acquisitions and disposals**

On the acquisition of a business, including an interest in an associated undertaking, fair values are attributed to the Group's share of net tangible assets. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill and is written off directly to reserves in the year of acquisition.

The profit or loss on the disposal of a previously acquired business includes the attributable amount of any purchased goodwill relating to that business.

**Turnover**

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

In the opinion of the directors, it is seriously prejudicial to the interests of the Group to give an analysis of turnover, profits/losses 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% - 50%
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% - 33 <sup>1</sup> / <sub>3</sub> %
Short leasehold improvements	- on cost	10% - 33%

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

**Deferred taxation**

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

**Investments**

Except as stated below, investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

In the consolidated accounts, shares in associated undertakings are accounted for using the equity method of accounting. The consolidated profit and loss account includes the Group's share of pre-tax profits and losses and attributable taxation of the associated undertakings. In the consolidated balance sheet, the investment in associated undertakings is shown as the Group's share of the net assets, excluding goodwill, of the associated undertakings.

**NOTES TO THE ACCOUNTS**  
**8 months ended 31 December 1997**

**1. ACCOUNTING POLICIES (continued)**

**Leases**

Assets held under finance leases are capitalised at their fair value on the inception of the leases 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 profit and loss 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 companies within the Group denominated in foreign currencies are translated 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. Where foreign currency borrowings have been used to finance Group investments, the exchange gains or losses arising on the translation of the foreign borrowings are offset as a reserve movement against the exchange differences arising on the retranslation of the net investments.



**NOTES TO THE ACCOUNTS**  
**8 months ended 31 December 1997**

**2. OPERATING PROFIT**

	<b>8 months ended 31 December 1997 £'000</b>	<b>Year ended 30 April 1997 £'000</b>
<b>Operating profit is stated after including:</b>		
<b>(a) Other operating income:</b>		
Gross rents receivable	136	211
<b>(b) Staff costs:</b>		
Wages and salaries	46,023	47,624
Social security costs	6,830	7,274
Other pension costs (note 18)	1,565	1,376
	54,418	56,274
	<b>No.</b>	<b>No.</b>
<b>Average number of persons employed:</b>		
Technical and administration	1,976	1,787
The directors did not receive any remuneration from the Company during the period (30 April 1997 - £nil).		
	<b>£'000</b>	<b>£'000</b>
<b>(c) Other operating charges:</b>	36,649	38,483
Other operating charges include the following:		
Auditors' remuneration - audit fee	215	253
Other payments to auditors		
UK	119	35
Overseas	124	121
Rentals under operating leases:		
Hire of plant and machinery	991	1,091
Other operating leases	4,820	5,919
<b>(d) Depreciation and other amounts written off tangible fixed assets:</b>		
Own assets	2,924	3,029
Assets held under finance leases	49	97



**NOTES TO THE ACCOUNTS**  
**8 months ended 31 December 1997**

**3. INTEREST PAYABLE AND SIMILAR CHARGES**

	8 months ended 31 December 1997 £'000	Year ended 30 April 1997 £'000
Bank loans, overdrafts and other loans	218	282
Finance charges - finance leases	1	64
	<u>219</u>	<u>346</u>

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	8 months ended 31 December 1997 £'000	Year ended 30 April 1997 £'000
United Kingdom corporation tax at 31% (year ended 30 April 1997 - 33%)	804	725
Deferred taxation	-	1
Overseas taxation	864	1,942
Double tax relief	-	(127)
	<u>1,668</u>	<u>2,541</u>
Adjustment in respect of prior years	<u>(327)</u>	<u>7</u>
	<u>1,341</u>	<u>2,548</u>

The tax charge is disproportionately high due to the high incidence of expenditure which does not qualify for tax relief, the non recognition of deferred tax assets within the Group and the high effective rate of tax in Belgium, Germany, Italy and The Netherlands compared with the UK rate.

**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 loss for the financial period amounted to £1,291,000 (year ended 30 April 1997 - loss £210,000).


**NOTES TO THE ACCOUNTS**  
**8 months ended 31 December 1997**
**6. TANGIBLE FIXED ASSETS**

	Motor vehicles £'000	Office machinery, computer equipment and fixtures £'000	Improvements to short leasehold premises £'000	Short leasehold property £'000	Total £'000
<b>GROUP</b>					
<b>Cost</b>					
At 1 May 1997	6,322	13,335	1,447	316	21,420
Foreign exchange translation differences	(270)	(911)	-	-	(1,181)
Additions	1,567	3,200	-	-	4,767
Disposals	(1,057)	(876)	-	-	(1,933)
At 31 December 1997	6,562	14,748	1,447	316	23,073
<b>Accumulated depreciation</b>					
At 1 May 1997	3,779	8,853	586	202	13,420
Foreign exchange translation differences	(140)	(628)	-	-	(768)
Charge for the period	919	1,970	59	25	2,973
Disposals	(824)	(848)	-	-	(1,672)
At 31 December 1997	3,734	9,347	645	227	13,953
<b>Net book value</b>					
At 31 December 1997	2,828	5,401	802	89	9,120
At 30 April 1997	2,543	4,482	861	114	8,000

The net book value of the Group's fixed assets includes motor vehicles amounting to £7,000 (30 April 1997 - £181,000) in respect of assets held under finance leases.



**NOTES TO THE ACCOUNTS**  
**8 months ended 31 December 1997**

**6. TANGIBLE FIXED ASSETS (continued)**

<b>COMPANY</b>	<b>Motor vehicles £'000</b>	<b>Office machinery, computer equipment and fixtures £'000</b>	<b>Improvements to short leasehold premises £'000</b>	<b>Short leasehold property £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At 1 May 1997	3,855	4,793	1,447	316	10,411
Additions	784	1,639	-	-	2,423
Disposals	(509)	-	-	-	(509)
At 31 December 1997	4,130	6,432	1,447	316	12,325
<b>Accumulated depreciation</b>					
At 1 May 1997	2,480	2,903	586	201	6,170
Charge for the period	356	817	59	26	1,258
Disposals	(428)	-	-	-	(428)
At 31 December 1997	2,408	3,720	645	227	7,000
<b>Net book value</b>					
At 31 December 1997	1,722	2,712	802	89	5,325
At 30 April 1997	1,375	1,890	861	115	4,241

**7. INVESTMENTS**

	<b>Group</b>		<b>Company</b>	
	<b>31 December 1997 £'000</b>	<b>30 April 1997 £'000</b>	<b>31 December 1997 £'000</b>	<b>30 April 1997 £'000</b>
Shares in group companies - subsidiaries	-	-	1,045	1,043
Interests in associated undertakings	16	16	16	16
Other investments other than loans	41	33	-	-
	57	49	1,061	1,059


**NOTES TO THE ACCOUNTS**  
**8 months ended 31 December 1997**
**7. INVESTMENTS (continued)**

	Group £'000	Company £'000
Shares in group companies - subsidiaries:		
Balance at 30 April 1997	-	1,043
Additions	-	2
	<hr/>	<hr/>
Balance at 31 December 1997	-	1,045
	<hr/>	<hr/>
Other investments other than loans:		
Balance at 30 April 1997	33	-
Additions	11	-
Foreign Exchange loss	(3)	-
	<hr/>	<hr/>
Balance at 31 December 1997	41	-
	<hr/>	<hr/>

**Investments in Associates**

The Company's investments in Jones Lang Wootton KK and Jones Lang Wootton International Limited are not consolidated in these financial statements, as in the opinion of the directors, the amounts involved are immaterial. The investments are stated at cost in the consolidated balance sheet. No dividends were received in the year.

**8. DEBTORS**

	Group		Company	
	31 December 1997 £'000	30 April 1997 £'000	31 December 1997 £'000	30 April 1997 £'000
Trade debtors	28,456	28,971	11,426	11,891
Amounts owed by:				
Subsidiary undertakings	-	-	2,395	694
Jones Lang Wootton	65	82	-	-
Other debtors:				
Due within one year	4,458	2,983	2,660	2,089
Due after more than one year	304	350	-	-
Prepayments and accrued income	4,618	3,562	2,099	925
	<hr/>	<hr/>	<hr/>	<hr/>
	37,901	35,948	18,580	15,599
	<hr/>	<hr/>	<hr/>	<hr/>


**NOTES TO THE ACCOUNTS**  
**8 months ended 31 December 1997**
**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>31 December</b>	<b>30 April</b>	<b>31 December</b>	<b>30 April</b>
	<b>1997</b>	<b>1997</b>	<b>1997</b>	<b>1997</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts (note 11)	1,500	3,054	-	-
Obligations under finance leases (note 20)	3	158	-	-
Amounts owed to:				
Subsidiary undertakings	-	-	532	217
Jones Lang Wootton	7,582	5,333	7,639	5,395
Taxation and social security	8,925	8,831	2,828	2,252
Other creditors	4,719	5,137	987	810
Accruals and deferred income	16,591	15,579	6,644	5,862
	<u>39,320</u>	<u>38,092</u>	<u>18,630</u>	<u>14,536</u>

**10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>	
	<b>31 December</b>	<b>30 April</b>
	<b>1997</b>	<b>1997</b>
	<b>£'000</b>	<b>£'000</b>
Obligations under finance leases (note 20)	4	20
Other creditors	114	98
	<u>118</u>	<u>118</u>

**11. BORROWINGS**

J.L.W. Supply Company and intermediate holding companies have given guarantees to the bankers of some of their subsidiary and associated companies in order to secure otherwise unsecured loan and credit facilities. The amount of each guarantee and the subsidiary to which it relates are listed below:

			<b>Amount of loan/ overdraft at 31 December 1997 £'000</b>
<b>Subsidiaries</b>			
French Francs	25,000,000	Jones Lang Wootton SA France	644
Spanish Pesetas	150,000,000	Jones Lang Wootton SA Spain	-
Sterling	50,000	Jones Lang Wootton Poland	-
			<u>644</u>

JLW Supply Company has given an indemnity of £250,000 on behalf of UK group companies and guarantees of £712,000 in respect of overseas related parties.


**NOTES TO THE ACCOUNTS**  
**8 months ended 31 December 1997**
**12. PROVISIONS FOR LIABILITIES AND CHARGES**

	Balance at 30 April 1997 £'000	Exchange differences £'000	Debited/ (Credited) to profit and loss account £'000	Other movements £'000	Balance at 31 December 1997 £'000
<b>GROUP</b>					
Deferred taxation	3	-	-	(3)	-
Completion of computer software upgrade	-	-	500	-	500
Insurance fund	702	-	71	-	773
Pension - back service provision re Jones Lang Wootton BV, Holland	97	(11)	52	-	138
	<u>802</u>	<u>(11)</u>	<u>623</u>	<u>(3)</u>	<u>1,411</u>
<b>COMPANY</b>					
Completion of computer software upgrade	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>

The insurance fund relates to the underwriting of insurance and reinsurance business by Orchid Insurance Limited. Additional information on Orchid Insurance Limited is given in note 24.

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:

	31 December 1997		30 April 1997	
	Total potential tax £'000	Amount Provided £'000	Total potential tax £'000	Amount Provided £'000
<b>GROUP</b>				
Capital allowances in excess of depreciation	(389)	-	(386)	3
Other timing differences	(428)	-	(247)	-
	<u>(817)</u>	<u>-</u>	<u>(633)</u>	<u>3</u>
<b>COMPANY</b>				
Capital allowances in excess of depreciation	(387)	-	(385)	-
Other timing differences	(419)	-	(235)	-
	<u>(806)</u>	<u>-</u>	<u>(620)</u>	<u>-</u>

**NOTES TO THE ACCOUNTS**  
**8 months ended 31 December 1997**

**13. CALLED UP SHARE CAPITAL**

	<b>31 December 1997 £'000</b>	<b>30 April 1997 £'000</b>
<b>Authorised:</b>		
300,000 ordinary shares of £1 each	300	300
<b>Allotted, called up and fully paid:</b>		
276,000 ordinary shares of £1 each	276	276

**14. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>8 months ended 31 December 1997 £'000</b>	<b>Year ended 30 April 1997 £'000</b>
Operating profit	2,768	4,188
Depreciation charges	2,973	3,126
Profit on sale of tangible fixed assets	(73)	(51)
Increase in provisions for liabilities and charges	623	111
Increase in debtors	(4,063)	(6,957)
Increase in creditors	5,366	6,692
Foreign exchange differences	243	(377)
Net cash inflow from operating activities	7,837	6,732

**15. ANALYSIS OF NET FUNDS**

	<b>At 30 April 1997 £'000</b>	<b>Cash flow £'000</b>	<b>Exchange movement £'000</b>	<b>At 31 December 1997 £'000</b>
Cash in hand and at bank	8,544	(9)	(497)	8,038
Overdrafts	(3,054)	1,245	309	(1,500)
	5,490	1,236	(188)	6,538
Finance leases	(178)	171	-	(7)
Total	5,312	1,407	(188)	6,531


**NOTES TO THE ACCOUNTS**  
**8 months ended 31 December 1997**
**16. RECONCILIATIONS OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	<b>8 months ended</b>		<b>Year ended</b>	
	<b>31 December 1997</b>		<b>30 April 1997</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Increase in cash in the period	1,236		922	
Cash inflow from decrease in debt and lease financing	171		277	
	<u>          </u>		<u>          </u>	
Change in net funds resulting from cash flows		1,407		1,199
New finance leases		-		(42)
Translation difference		(188)		2
		<u>          </u>		<u>          </u>
Movement in net funds in the period		1,219		1,159
Net funds at start of year		5,312		4,153
		<u>          </u>		<u>          </u>
Net funds at end of year		<u>6,531</u>		<u>5,312</u>

**17. ACQUISITION OF A BUSINESS**

	<b>£'000</b>
<b>Net assets acquired</b>	
Goodwill	245
	<u>          </u>
<b>Satisfied by</b>	
Cash	245
	<u>          </u>



**NOTES TO THE ACCOUNTS**  
**8 months ended 31 December 1997**

**18. 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 a 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 1997. The actuarial method used was the projected unit funding 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 7.5 per cent per annum. The rate of earnings increase used was 5.5 per cent per annum and pensions were assumed to increase at the rate of 3.5 per cent per annum in payment.

The pension cost charged to the profit and loss account for the period in respect of the Company was £nil (year ended 30 April 1997 - £nil).

The actuarial valuation at 31 December 1997 showed that the market value of the scheme's assets was £55,530,000 and the actuarial value of those assets represented 139% 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 £346,000 in the period (year ended 30 April 1997 - £293,000). There were no prepaid contributions at the balance sheet date.

**Overseas companies**

The element of total pension cost relating to foreign schemes includes £1,219,000 for the period (year ended 30 April 1997 - £1,083,000) 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**  
**8 months ended 31 December 1997**

**19. OPERATING LEASE COMMITMENTS**

At 31 December 1997, the Group was committed to making the following payments during the next year in respect of operating leases:

	<b>Land and buildings £'000</b>	<b>Office equipment £'000</b>
Leases which expire:		
Within one year	296	325
Within two to five years	1,826	833
After five years	4,515	101
	<u>6,637</u>	<u>1,259</u>

**20. OBLIGATIONS UNDER FINANCE LEASES**

	<b>31 December 1997 £'000</b>	<b>30 April 1997 £'000</b>
<b>GROUP</b>		
The minimum lease payments to which the Group was committed at 31 December were as follows:		
Due within one year (note 9)	3	179
Due within two to five years (note 10)	4	41
	<u>7</u>	<u>220</u>
Less: interest allocated to future periods	-	(42)
	<u>7</u>	<u>178</u>
Due within one year	3	158
Due after more than one year	4	20
	<u>7</u>	<u>178</u>

**21. CAPITAL COMMITMENTS**

	<b>31 December 1997 £'000</b>	<b>30 April 1997 £'000</b>
Contracted for but not provided	<u>680</u>	<u>643</u>

**NOTES TO THE ACCOUNTS**  
**8 months ended 31 December 1997**

**22. ACQUISITION OF A BUSINESS**

The Company, through its subsidiary Jones Lang Wootton European Holdings Limited acquired the business of the partners of Global ABMP on 30 September 1997, for consideration of £245,000.

	£'000
Goodwill	245
Cash paid	245

**23. RELATED PARTY TRANSACTIONS**

The following management fees were received in respect of services provided to the Jones Lang Wootton partnership:

	8 months ended 31 December 1997 £'000	Year ended 30 April 1997 £'000
J.L.W. Supply Company	11,817	15,804
J.L.W. Resources	17,885	22,295
The Group	29,702	38,099

Prepayments includes £964,000 due from the Jones Lang Wootton Retirement Benefits Scheme.

Other debtors due within one year includes £2,241,000 due from other entities in the Jones Lang Wootton organisation in which J.L.W. Supply Company has no shareholding.

Other creditors include £576,000 due to other entities in the Jones Lang Wootton organisation in which J.L.W. Supply Company has no shareholding.



## NOTES TO THE ACCOUNTS

### 8 months ended 31 December 1997

#### 24. ADDITIONAL INFORMATION ON SUBSIDIARIES AND ASSOCIATED UNDERTAKINGS

SUBSIDIARIES	Country of incorporation/ registration and operation	Activity	Accounting reference period ending	Proportion of ordinary shares held %
<b>Direct Holdings</b>				
Jones Lang Wootton European Holdings Limited	England	Holding company	31 December	100
J.L.W. European Holdings Limited	Channel Islands	Holding company	31 December	100
Orchid Insurance Limited	Channel Islands	Insurance underwriting	31 December	100
JLW Resources	England	Employment company	31 December	100
Property Management Resources Limited				
JLW Staff Resources (formerly Jones Lang Wootton Country)	England	Staff services provider	31 December	100
JLW Finance Limited	England	Dormant company	31 December	100
J.L.W. Pension Trustees	England	Financial services	31 December	100
J.L.W. Nominees Limited	England	Trustee company	31 December	100
J.L.W. Second Nominees Limited	England	Nominee company	31 December	100
Jones Lang Wootton	England	Nominee company	31 December	100
Jones Lang Wootton Fund Management Limited	England	Dormant company	31 December	100
Jones Lang Wootton Europe Limited	England	Dormant company	31 December	100
J.L.W. Jones Limited	England	Surveying services	31 December	100
J.L.W. Building Surveying Services	England	Dormant company	31 December	100
Jones Lang Wootton Country (formerly JLW Development Services)	England	Dormant company	31 December	100
J.L.W. Estate Management Services	England	Dormant company	31 December	100
Wootton Asset Managers Limited	England	Dormant company	31 December	100
Jones Lang Wootton Insurance Services	England	Dormant company	31 December	100
Jones Lang Wootton European Services Limited	England	Surveying services	31 December	100
JLW Canadian Holdings Inc.	Canada	Holding company	31 December	100
Jones Lang Wootton Eastern European Services Limited	England	Surveying services	31 December	100
Jones Lang Wootton European Resources Limited	England	Staff services provider	31 December	100
R M Client Management Services Limited	England	Staff services provider	31 December	100
Richard Main and Company	England	Dormant company	31 December	100
<b>Indirect Holdings</b>				
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 Property Management Services SARL	France	Surveying services	31 December	100
JLW Services SARL	France	Surveying services	31 December	100
Balay Prenot Jones Lang Wootton SA				
Jones Lang Wootton AB	France	Surveying services	31 December	100
Jones Lang Wootton SRL	Sweden	Surveying services	31 December	100
Jones Lang Wootton BV	Italy	Surveying services	31 December	100
Jones Lang Wootton BV	Holland	Surveying services	31 December	100
Jones Lang Wootton Secs	Luxembourg	Surveying services	31 December	85
Wonderment NV	Curacao	Holding company	31 December	100
Wonderment BV	Holland	Holding company	31 December	100
Jones Lang Wootton Kft	Hungary	Surveying services	31 December	100
Jones Lang Wootton GmbH	Austria	Surveying services	31 December	100
Jones Lang Wootton Sp.zo.o	Poland	Surveying services	31 December	100
Jones Lang Wootton Services Romania Srl	Romania	Surveying services	31 December	100
Jones Lang Wootton LLC	Russia	Surveying services	31 December	100

**NOTES TO THE ACCOUNTS**  
**8 months ended 31 December 1997**

**24. ADDITIONAL INFORMATION ON SUBSIDIARIES AND ASSOCIATED UNDERTAKINGS**  
**(continued)**

**Associated undertakings**

Jones Lang Wootton KK	Japan	Surveying services	31 December	33.3
Jones Lang Wootton International Limited	Bermuda	Global investment advice	31 December	33.3
Jones Lang Wootton Canada Inc.	Canada	Surveying services	31 December	49

All associated undertakings are incorporated.

The Company also owns 100% of the preference shares in JLW Canadian Holdings Inc.

**25. FINANCIAL YEARS**

These financial statements consolidate the accounts of J.L.W. Supply Company for the 8 months from 1 May to 31 December 1997 and the accounts of its subsidiaries, whose year ends previously fell on 31 December 1996, 31 March 1997 and 30 April 1997. These financial statements therefore include the results of Jones Lang Wootton European Holdings Limited, J.L.W. European Holdings Limited, Property Management Resources Limited, J.L.W. Pension Trustees, Jones Lang Wootton, JLW Canadian Holdings Inc., and all the subsidiaries listed under indirect holdings in note 24 except J.L.W. Moscow LLC, for a period of twelve months, and the results of Orchid Insurance Limited, J.L.W. Nominees Limited and J.L.W. Second Nominees Limited for a period of nine months.

In the past the directors elected to adopt different accounting reference periods in accordance with local best practice in the countries concerned. The accounting reference dates have now been unified to 31 December 1997.