

Registered number: 05994739

# **JONES LANG LASALLE PROCUREMENT FUNDING LTD**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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## **JONES LANG LASALLE PROCUREMENT FUNDING LTD**

### **COMPANY INFORMATION**

<b>Directors</b>	R Howling (resigned 21 February 2017) JG Camberg GJ Grainger (resigned 30 June 2016) CM Ireland (appointed 30 June 2016) JE Gregory (appointed 21 February 2017)
<b>Company secretary</b>	RH Webster NG Taylor
<b>Registered number</b>	05994739
<b>Registered office</b>	30 Warwick Street London W1B 5NH
<b>Independent auditor</b>	KPMG LLP, Statutory Auditor Chartered Accountants 15 Canada Square London E14 5GL

# JONES LANG LASALLE PROCUREMENT FUNDING LTD

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# JONES LANG LASALLE PROCUREMENT FUNDING LTD

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

### Business review

The results for the year, as shown on page 5, and the financial position of the Company, as shown on page 6 are considered to be satisfactory by the directors following the increase in share capital, ensuring the company maintains a net asset position.

The directors consider that the Company will continue to develop its business in the UK and will continue to provide services to group companies.

### Principal risks and uncertainties

From the perspective of the Company, the key risk continues to be based on the ongoing performance of the Jones Lang LaSalle group of companies ("the group") to enable payments or settlement to be made as required. Otherwise, risks are integrated with the principal risks of the group and are managed in accordance with group guidelines.

In relation to the assessment and monitoring of economic, political and regulatory risks, the Company is continuing to evaluate the impact of the outcome of the 2016 referendum in relation to the UK's membership of the EU on the Company's business strategy and business risks in the short, medium and long term. In the short term there is no significant impact expected on the Company's business activities, there will be no immediate change in business strategy, and it does not affect the going concern position of the company. Over the course of the expected two year transition period following the March 2017 notification of intention to leave the EU, the Company continues to closely monitor developments and will make appropriate changes to the business strategy once the impact on the UK and European real estate services industry is more certain.

### Financial key performance indicators

The results of the company show a post tax loss of £2,978,032 (2015: loss £3,001,958). The Company has net assets of £218,304 (2015: £696,336).

This report was approved by the board on 29 June 2017 and signed on its behalf.



RH Webster  
Secretary

**JONES LANG LASALLE PROCUREMENT FUNDING LTD**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

**Principal activity**

The Company provides other group companies with procurement funding.

**Results and dividends**

The loss for the year, after taxation, amounted to £2,978,032 (2015: loss £3,001,958).

The directors did not pay an interim dividend during the year (2015: £nil). The directors do not recommend the payment of a final dividend (2015: £nil).

**Directors**

The directors who served during the year were:

R Howling (resigned 21 February 2017)  
JG Camberg  
GJ Grainger (resigned 30 June 2016)  
CM Ireland (appointed 30 June 2016)

**Future developments**

The directors expect that the present level of activity will be sustained in the foreseeable future.

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 29 June 2017 and signed on its behalf.



**RH Webster**  
Secretary

## **JONES LANG LASALLE PROCUREMENT FUNDING LTD**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors are responsible for preparing the Strategic Report, 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 that period. In preparing these 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 PROCUREMENT FUNDING LTD

We have audited the financial statements of Jones Lang LaSalle Procurement Funding Ltd for the year ended 31 December 2016, set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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](http://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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom 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 Strategic report and the Directors' report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' Report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

### 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.

  
Peter Crabb (Senior Statutory Auditor)

for and on behalf of

**KPMG LLP, Statutory Auditor**

Chartered Accountants

15 Canada Square

London

E14 5GL

Date: 29 June 2017

**JONES LANG LASALLE PROCUREMENT FUNDING LTD**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Administrative expenses		(2,978,032)	(3,001,958)
<b>Operating loss</b>		<u>(2,978,032)</u>	<u>(3,001,958)</u>
<b>Loss before taxation</b>		<u>(2,978,032)</u>	<u>(3,001,958)</u>
Tax on loss	5	-	-
<b>Loss after taxation</b>		<u><u>(2,978,032)</u></u>	<u><u>(3,001,958)</u></u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the income statement.

The notes on pages 8 to 13 form part of these financial statements.

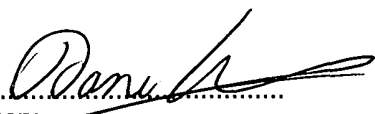


**JONES LANG LASALLE PROCUREMENT FUNDING LTD**  
**REGISTERED NUMBER:05994739**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	237,915	717,750
		<u>237,915</u>	<u>717,750</u>
Creditors: amounts falling due within one year	7	(19,611)	(21,414)
<b>Net current assets</b>		<u>218,304</u>	<u>696,336</u>
<b>Total assets less current liabilities</b>		<u>218,304</u>	<u>696,336</u>
<b>Net assets</b>		<u><u>218,304</u></u>	<u><u>696,336</u></u>
<b>Capital and reserves</b>			
Called up share capital	9	6	5
Share premium account	10	10,956,217	8,456,218
Other reserves	10	8,550,000	8,550,000
Profit and loss account	10	(19,287,919)	(16,309,887)
		<u>218,304</u>	<u>696,336</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 June 2017

.....  
  
**JE Gregory**  
 Director

The notes on pages 8 to 13 form part of these financial statements.

**JONES LANG LASALLE PROCUREMENT FUNDING LTD**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2016	5	8,456,218	8,550,000	(16,309,887)	696,336
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(2,978,032)	(2,978,032)
<b>Total comprehensive income for the year</b>	-	-	-	(2,978,032)	(2,978,032)
Shares issued during the year	1	2,499,999	-	-	2,500,000
<b>Total transactions with owners</b>	1	2,499,999	-	-	2,500,000
<b>At 31 December 2016</b>	<b>6</b>	<b>10,956,217</b>	<b>8,550,000</b>	<b>(19,287,919)</b>	<b>218,304</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2015	4	4,856,219	8,550,000	(13,307,929)	98,294
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(3,001,958)	(3,001,958)
<b>Total comprehensive income for the year</b>	-	-	-	(3,001,958)	(3,001,958)
Shares issued during the year	1	3,599,999	-	-	3,600,000
<b>Total transactions with owners</b>	1	3,599,999	-	-	3,600,000
<b>At 31 December 2015</b>	<b>5</b>	<b>8,456,218</b>	<b>8,550,000</b>	<b>(16,309,887)</b>	<b>696,336</b>

The notes on pages 8 to 13 form part of these financial statements.

## **JONES LANG LASALLE PROCUREMENT FUNDING LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional and presentation currency of these financial statements is pound sterling rounded to the nearest pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

##### **1.2 Financial reporting standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Jones Lang LaSalle Incorporated as at 31 December 2016 and these financial statements may be obtained from Jones Lang LaSalle Incorporated, 200 East Randolph Drive, Chicago, Illinois 60601, USA.

##### **1.3 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.

## JONES LANG LASALLE PROCUREMENT FUNDING LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

#### 1. Accounting policies (continued)

##### 1.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 1.5 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 1.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# JONES LANG LASALLE PROCUREMENT FUNDING LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 2. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors have not made any judgements in the process of applying the accounting policies that have a significant effect on the amounts recognised in the financial statements other than already disclosed in the notes to the accounts or made any key assumptions concerning the future and any other key sources of estimation uncertainty at the reporting date, that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities within the next financial year.

### 3. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	2,172	3,790
	<u>2,172</u>	<u>3,790</u>

The audit fee has been borne by Jones Lang LaSalle Limited, a fellow group company, in both 2016 and 2015.

### 4. Employees

The Company has no employees (2015: nil) and the directors did not receive any remuneration in either year for qualifying services, as a director of this entity, from the Company.

### 5. Taxation

	2016 £	2015 £
Total tax on ordinary activities	-	-

**JONES LANG LASALLE PROCUREMENT FUNDING LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**5. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is different than (2015: different than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016 £	2015 £
Loss before taxation	<u>(2,978,032)</u>	<u>(3,001,958)</u>
Loss before taxation multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	<u>(595,606)</u>	<u>(607,896)</u>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<u>595,606</u>	<u>607,896</u>
<b>Total tax charge for the year</b>	<u><u>-</u></u>	<u><u>-</u></u>

**Factors that may affect future tax charges**

The main rate of UK corporation tax for 2016 is 20%, it was reduced from 21% to 20% effective from 1 April 2015 (2015:20.25%). In 2015, Finance (No.2) Act 2015 introduced reductions in the rate of UK corporation tax effective from 1 April 2017 it will be 19%. During 2016, Finance Act 2016 has set the UK corporation tax rate for the Financial Year 2020 as 17%.

**6. Debtors**

	2016 £	2015 £
Amounts owed by group undertakings	237,903	717,738
Prepayments and accrued income	12	12
	<u>237,915</u>	<u>717,750</u>

**7. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	19,611	21,414
	<u>19,611</u>	<u>21,414</u>

**JONES LANG LASALLE PROCUREMENT FUNDING LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**8. Financial instruments**

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	237,903	717,738
	<u>237,903</u>	<u>717,738</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	19,611	21,414
	<u>19,611</u>	<u>21,414</u>

Financial assets measured at amortised cost comprise amounts owed by group companies.

Financial liabilities measured at amortised cost comprise trade creditors.

**9. Share capital**

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
6 (2015: 5) Ordinary shares of £1 each	<u>6</u>	<u>5</u>

Jones Lang LaSalle Procurement Ltd made a voluntary capital contribution in 2016 of an aggregate nominal value of £2,500,000 (2015: £3,600,000) to the Company as a subscription in the share capital of the Company in return for issuing one ordinary share (2015: one ordinary share issued).

**10. Reserves**

**Share premium account**

Amounts received by the company in excess of the par value of shares issued.

**Other reserves**

Represent capital contributions in previous years.

**Profit and loss account**

Company's accumulated profits less any accumulated losses available for the distribution to shareholders.

**JONES LANG LASALLE PROCUREMENT FUNDING LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**11. Controlling party**

The Company's immediate parent company during the year was Jones Lang LaSalle Procurement Ltd, a company incorporated in Cayman, USA, with registered office at 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands. 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.