

# Financial Statements

## Jones Lang LaSalle Capital Investments, Limited

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For the financial year ended 31 December 2021

## Company Information

<b>Directors</b>	JS Jasionowski JE Gregory GJ Grainger (resigned 26 February 2021) RW Bloxam CM Ireland (resigned 8 March 2023) AW Poppink (appointed 26 February 2021)
<b>Company secretary</b>	RH Webster NG Taylor (resigned 30 September 2022)
<b>Registered number</b>	05653781
<b>Registered office</b>	30 Warwick Street London W1B 5NH
<b>Independent auditor</b>	Grant Thornton Chartered Accountants & Statutory Audit Firm 13-18 City Quay Dublin 2 D02ED70
<b>Bankers</b>	BMO Harris NA 111 West Monroe 9th floor Chicago, IL 60603

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## Strategic report

For the financial year ended 31 December 2021

### Business review

The results for the year, as shown on page 9, and the financial position of the Company, as shown on page 10 are considered to be satisfactory by the directors due to a strong net asset position. A review of the investments held by the Company has been made by the directors and revaluations amounting to an impairment of \$26,439K (2020: \$209,545K) has been made in the financial statements as at 31 December 2021.

The strategy of the Company is to act as a holding company for acquired investments within the Jones Lang LaSalle Group ("the Group"). Acquisition opportunities are identified and assessed, and if determined to be beneficial for the Company, are pursued further.

The strategy of the Group is defined by the global strategy as set out by the ultimate parent company, Jones Lang LaSalle Inc., and is discussed in Jones Lang LaSalle Inc. group's form 10k filing at the United States Securities and Exchange Commission, which does not form part of this report.

### Principal risks and uncertainties

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

#### Going concern risk

As disclosed in accounting policy 2.3, the Company is dependent for its working capital on funds previously indirectly provided to it by Jones Lang LaSalle Incorporated, the ultimate parent Company. The Directors had discussions with Jones Lang LaSalle Inc to understand the level of support available to the Company, the Group facility was then reviewed with covenant stress testing performed and this highlighted no issues.

On this basis, the Directors have a reasonable expectation that the Group will have sufficient cash flow and available resources to continue operating for at least 12 months from the approval date of these Financial Statements. Accordingly, the Company continues to adopt the going concern basis in preparing its Financial Statements.

#### Interest risk

The Group centrally manages its debt, considering investment opportunities and risks, tax consequences, and overall financing strategies. The Group's overall interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. The Group is primarily exposed to interest rate risk on revolving credit facilities available for working capital, investments, capital expenditures, and acquisitions using a mixture of fixed and floating rates.

### Financial key performance indicators

The results of the company show a post tax loss of \$57,691K (2020: loss of \$81,701K). The Company has net assets of \$683,350K (2020: \$572,041K).

The Directors of Jones Lang LaSalle Inc., the Company's ultimate parent, manage the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is neither necessary nor appropriate for an understanding of the development, performance or position of the business of Jones Lang LaSalle Capital Investments, Limited. The development, performance and position of the Company, are discussed in Jones Lang LaSalle Inc. group's form 10k filing at the United States Securities and Exchange Commission, which does not form part of this report.

## Strategic report (continued)

For the financial year ended 31 December 2021

### **Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006**

*The company, its stakeholders and relevant issues*

The principal activity of Jones Lang LaSalle Capital Investments, Limited is that of a holding company. The Company is a wholly-owned subsidiary within the Jones Lang LaSalle Group. It does not trade commercially, nor does it have employees.

### **Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006 (continued)**

The Directors of Jones Lang LaSalle Capital Investments, Limited (the “Company”) consider, both individually and collectively, that they have acted in the way that would most likely promote the success of the Company for the benefit of its members as a whole (having regard to relevant stakeholders and matters set out in section 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 December 2021.

In coming to this conclusion, the directors have considered who the stakeholders of the business are and issues it needs to take into consideration and concluded that the following are material to the Company:

- Shareholder: The Company has one immediate shareholder: Jones Lang LaSalle Acquisition Corp which provided its equity capital. Jones Lang LaSalle Incorporated is the ultimate shareholder. The shareholder is the sole stakeholder in the Company.

#### Methods of engagement

The Company seeks to engage with its shareholder in the following way:

- Companies in the Jones Lang LaSalle UK Group engage with the ultimate shareholder through regular briefing of group directors on the performance of the Jones Lang LaSalle UK Group and upward reporting through management information systems.

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



JS Jasionowski  
Director

Date: 23 March 2023

## **Directors' report**

**For the financial year ended 31 December 2021**

The Directors present their report and the financial statements for the financial year ended 31 December 2021.

### **Directors' responsibilities statement**

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 the Director has elected to prepare the financial statements in accordance with applicable law and Ireland Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Director must not approve the financial statements unless he is 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Principal activity**

The principal activity of the Company is to act as a holding company for acquired investments.

### **Results and dividends**

The loss for the financial year, after taxation, amounted to \$57,691K (2020 - loss \$81,701K)

The directors did not pay an interim dividend during the year (2020: \$Nil). The Directors do not recommend the payment of a final dividend (2020: \$Nil).

### **Directors**

The Directors who served during the financial year were:

JS Jasionowski  
JE Gregory  
GJ Grainger (resigned 26 February 2021)  
RW Bloxam  
CM Ireland (resigned 8 March 2023)  
AW Poppink (appointed 26 February 2021)

## Directors' report (continued)

For the financial year ended 31 December 2021

### Political contributions

The Company made no disclosable political donations or incurred any disclosable political expenditure during the year.

### Future developments

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

### Greenhouse gas emissions, energy consumption and energy efficiency action

The Company has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as its energy consumption in the United Kingdom for the financial year is 40,000kWh or lower. The Company's operations is of a holding company and it not expected to reach the threshold.

### 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 Directors is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors 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.

### Post balance sheet events

There have been no significant events affecting the Company since the year end.

### Auditor

The auditor, Grant Thornton, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 March 2023 and signed on its behalf.



JS Jasionowski  
Director

## Independent auditor's report to the members of Jones Lang LaSalle Capital Investments, Limited

### **Opinion**

We have audited the financial statements of Jones Lang LaSalle Capital Investments Limited ("Company"), which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity for the financial year ended 31 December 2021, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in preparation of the financial statement is the applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Jones Lang LaSalle Capital Investments, Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the Company as at 31 December 2021 and of its financial performance for the financial year then ended; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, namely the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances of the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities, and the responsibilities of the Directors, with respect to going concern are described in the relevant sections of this report.



## Independent auditor's report to the members of Jones Lang LaSalle Capital Investments, Limited (continued)

### **Other information**

Other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon, including the Directors' report and the Strategic Report. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the Directors' report and the Strategic Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment we have obtained in the course of the audit, we have not identified material misstatements in the Directors' report and the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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.

## Independent auditor's report to the members of Jones Lang LaSalle Capital Investments, Limited (continued)

### **Responsibilities of management and those charged with governance for the financial statements**

As explained more fully in the Directors responsibility statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Responsibilities of the auditor for the audit of the financial statements**

The objectives of an auditor are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of an auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with data protection requirements in the jurisdictions in which the Company operates and holds data, non-compliance related to employment regulation in the UK and other environment regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the local law, Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in

## Independent auditor's report to the members of Jones Lang LaSalle Capital Investments, Limited (continued)

significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.

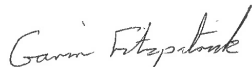
In response to these principal risks, our audit procedures included but were not limited to:

- inquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the company's regulatory and legal correspondence and review of minutes of board meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing
- challenging assumptions and judgements made by management in their significant accounting estimates, including valuation of investments and intercompany receivables;
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



Gavin Fitzpatrick (Senior statutory auditor)  
for and on behalf of

**Grant Thornton**

Chartered Accountants & Statutory Auditors  
Dublin

Date: 23 March 2023

## Statement of comprehensive income

For the financial year ended 31 December 2021

	Note	2021	2020 \$000
Impairment of fixed assets	9	(26,439)	(209,545)
Other operating income	4	4	160,776
Operating charges		(926)	-
<b>Operating loss</b>		<b>(27,361)</b>	<b>(48,769)</b>
Interest payable and similar expenses	7	(30,330)	(32,932)
<b>Loss before tax</b>		<b>(57,691)</b>	<b>(81,701)</b>
Tax on loss	8	-	-
<b>Loss for the financial year</b>		<b>(57,691)</b>	<b>(81,701)</b>

There was no other comprehensive income for 2021 (2020: NIL).

The notes on pages 12 to 26 form part of these financial statements.

All of the above operations relate to continuing operations for the periods presented.

**Jones Lang LaSalle Capital Investments, Limited**  
**Registered number:05653781**

**Statement of financial position**

**As at 31 December 2021**

	Note	2021 \$000	2020 \$000
<b>Fixed assets</b>			
Investments	9	1,805,982	1,431,308
		<u>1,805,982</u>	<u>1,431,308</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	13,964	29,732
		<u>13,964</u>	<u>29,732</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	11	(155,367)	(136,611)
		<u>(155,367)</u>	<u>(136,611)</u>
<b>Net current liabilities</b>		<u>(141,403)</u>	<u>(106,879)</u>
<b>Total assets less current liabilities</b>		<u>1,664,579</u>	<u>1,324,429</u>
Creditors: amounts falling due after more than one year	12	(981,229)	(752,388)
		<u>(981,229)</u>	<u>(752,388)</u>
<b>Net assets</b>		<u>683,350</u>	<u>572,041</u>
<b>Capital and reserves</b>			
Called up share capital	13	75,000	75,000
Share premium account	14	415,110	415,110
Capital contribution	14	720,771	551,771
Profit and loss account	14	(527,531)	(469,840)
		<u>683,350</u>	<u>572,041</u>

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

  
 .....  
**JS Jasionowski**  
 Director

Date: 23 March 2023

The notes on pages 12 to 26 form part of these financial statements.

# Statement of changes in equity

For the financial year ended 31 December 2021

	Called up share capital \$000	Share premium account \$000	Capital contribution \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2020	75,000	415,110	551,771	(388,139)	653,742
<b>Comprehensive loss for the financial year</b>					
Loss for the financial year	-	-	-	(81,701)	(81,701)
<b>At 1 January 2021</b>	<b>75,000</b>	<b>415,110</b>	<b>551,771</b>	<b>(469,840)</b>	<b>572,041</b>
<b>Comprehensive loss for the financial year</b>					
Loss for the financial year	-	-	-	(57,691)	(57,691)
<b>Contributions by and distributions to owners</b>					
Capital Contribution	-	-	169,000	-	169,000
<b>At 31 December 2021</b>	<b>75,000</b>	<b>415,110</b>	<b>720,771</b>	<b>(527,531)</b>	<b>683,350</b>

The notes on pages 12 to 26 form part of these financial statements.

# Notes to the financial statements

For the financial year ended 31 December 2021

## 1. General information

Jones Lang LaSalle Capital Investments Limited (the "Company") is a private company limited by shares, incorporated, domiciled and registered in England and Wales in the UK. The registered number is 05653781 and the registered address is Warwick Street, London W1B 5NH.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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 US dollar rounded to the nearest '000 US dollar.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

The following principal accounting policies have been applied:

### 2.2 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 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 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv) 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 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 2021 and these financial statements may be obtained from 200 East Randolph Drive, Chicago, Illinois 60601.

## Notes to the financial statements

For the financial year ended 31 December 2021

### **2. Accounting policies (continued)**

#### **2.3 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 Company is dependent for its working capital on funds previously indirectly provided to it by Jones Lang LaSalle Incorporated, the ultimate parent Company. Jones Lang LaSalle Incorporated has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company.

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 by meeting its liabilities as they fall due for payment. As with any Company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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.

#### **2.4 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.



# Notes to the financial statements

For the financial year ended 31 December 2021

## 2. Accounting policies (continued)

### 2.5 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Impairment of investments

At each reporting date, investments are reviewed to determine whether there is any indication that those investments have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected investment is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Comprehensive Income.

### 2.7 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.

### 2.8 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.

### 2.9 Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other

## Notes to the financial statements

For the financial year ended 31 December 2021

### 2. Accounting policies (continued)

#### 2.9 Financial instruments (continued)

third parties, loans to related parties and investments in 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Statement of comprehensive income.

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.

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments 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 company assesses intercompany receivables held for any indicators of impairment on an annual basis. Judgement is exercised over valuation of each intercompany receivable based on the subsidiaries' net asset position and any other known factors.

## Notes to the financial statements

For the financial year ended 31 December 2021

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

The Company assesses investments held for any indicators of impairment on an annual basis. Judgment is exercised over valuation of each investment based on the subsidiaries net asset position and any other known factors, see Note 9 for further details.

The Company assesses the value of the deferred and contingent consideration arising from their acquisitions of investments based on the discounted future cash-outflows required to settle the obligation. Judgment is exercised in the assumption used in the discount factor and projections used and any other known factors.

The directors have not made any judgments 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 above or 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.

### 4. Other operating income

	2021 \$000	2020 \$000
Income from liability write-off	-	2,069
Dividend income	-	158,707
Foreign exchange difference - gain	4	-
	<u>4</u>	<u>160,776</u>

### 5. Employees

The Company has no employees (2020: Nil) and the Directors did not receive any remuneration in either year for qualifying services, as a director of this entity, from the Company.

The average monthly number of employees, including directors, during the financial year was 0 (2020 - 0).

# Notes to the financial statements

For the financial year ended 31 December 2021

## 6. Auditor's remuneration

	2021 \$000	2020 \$000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	20	21
Fees payable to the Company's auditor in respect of:		
Financial statements preparation	2	2
	2	2

The audit fee has been borne by Jones Lang LaSalle Limited, a fellow group company, in both 2021 and 2020.

## 7. Interest payable and similar expenses

	2021 \$000	2020 \$000
Interest on loans from group undertakings	30,260	32,932
Other interest payable	70	-

## 8. Taxation

	2021 \$000	2020 \$000
Current tax on profits for the year	-	-
Total current tax	-	-

## Notes to the financial statements

For the financial year ended 31 December 2021

**8. Taxation (continued)****Factors affecting tax charge for the financial year**

The tax assessed for the financial year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 \$000	2020 \$000
Loss on ordinary activities before tax	(57,691)	(81,701)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(10,961)	(15,523)
<b>Effects of:</b>		
Impairments not deductible	5,023	39,813
W A Ellis interest payable and similar expenses	(1,136)	-
W A Ellis LLP royalty	90	54
Expenses not deductible for tax purposes	8	-
Dividend income not taxable	-	(30,154)
Income item part of tax basis in investment	-	(393)
Tax losses carried forward	6,976	6,203
<b>Total tax charge for the financial year</b>	<b>-</b>	<b>-</b>

**Factors that may affect future tax charges**

The main rate of UK corporation tax for 2021 is 19% (2020: 19%). Accordingly, the Company's result for this, and future accounting periods are taxed at an effective rate of 19%. However, Finance Act 2021 provides that from 1st April 2023, the main rate of corporation tax will increase to 25% for companies with chargeable profits of over £250,000, as a prudent position we have valued our deferred tax balances at 25% as they are expected to crystallise over an extended period of time.

Deferred tax assets of \$28,218K (2020: \$21,044K) in respect of unutilised tax losses carried forward at 31 December 2021 have not been provided for on the basis that there is insufficient evidence that the assets will be recoverable in the foreseeable future. The assets will be recoverable should trading profits arise in the Company in the future.

## Notes to the financial statements

For the financial year ended 31 December 2021

### 9. Fixed asset investments

	Investments in subsidiary companies \$000
<b>Cost</b>	
At 1 January 2021	1,642,938
Additions	401,113
At 31 December 2021	<u>2,044,051</u>
<b>Impairment</b>	
At 1 January 2021	211,630
Charge for the period	26,439
At 31 December 2021	<u>238,069</u>
<b>Net book value</b>	
At 31 December 2021	<u>1,805,982</u>
At 31 December 2020	<u>1,431,308</u>

## Notes to the financial statements

For the financial year ended 31 December 2021

### 9. Fixed asset investments (continued)

During the year, the Company has acquired Capra Global Partners Holdings Limited (\$7,728K), Building Engines, Inc (\$309,712K) and Skyline AI Limited (\$60,066K). The Company has also made additional capital contribution amounting to \$24,566K to Bluuco Limited, a direct subsidiary, to fund payment of its liabilities for its winding down of operations and the Company will not trade for profit in the future. The net book value of Bluuco Limited at the year end is Nil.

In line with the policy disclosed in Note 2.6, the Company reviews its investments as at reporting date for any impairment indicators using internal and external sources of information in its assessment.

At 31 December 2021, the Company recognised an impairment charge of \$26,439K against its investment in Bluuco Limited and Environmental Governance Limited.

In 2020, the Company impaired its investment in Jones Lang LaSalle Dorchester Limited down to its recoverable amount of \$137,251K and recognised an impairment charge of \$179,602K as result of the assessment. The recoverable amount is sensitive to the discount factor and revenue growth rate used in the calculation. The range of discount factor considered in the calculation was 13.5% to 15% and the range of revenue growth rate used was 3% to 5%. The Directors believed that the best estimate of the recoverable amount as at year-end is the cashflow forecast discounted at 13.5% with an assumed growth rate of 5%. The Directors also recognised that the worst possible amount that they can recover from this investment is \$113,557K, which is the cashflow forecast discounted at 15% with an assumed growth rate of 3%.

In addition, the Company recognised an impairment charge of \$5,748K and \$3,772K against their investment in Churston Heard Limited and KHK Group Limited respectively. Given that the royalty agreements for these businesses are not expected to be renewed in future periods, the Directors made the decision to impair the investment down to recoverable amount in 2020. The recoverable amount was determined based on the future royalty income until the expiration of the agreement discounted at 10%. The net book value of investment in Churston Heard Limited at year end is \$18,266K and the net book value of investment in KHK Group Limited at year is \$14,599K.

Having recognised a significant impairment charge in 2020, the Directors are satisfied that their current year assessment of internal and external indicators did not give rise to the requirement to complete calculations of recoverable amounts as in 2020. The 2021 impairment charge was derived from writing investment in Bluuco Limited down to \$Nil on the basis the entity has zero value and Environmental Governance Limited to its recoverable amount of \$3,933K, as defined by expected final dividend prior to orderly winding up of that company. The material change in net book value in 2021 is driven by acquisitions which were negotiated with third parties at arms length. The Directors are satisfied that, at the time of signing these financial statements, those acquisitions are delivering the expected value and therefore recoverable amounts have not been recalculated.

## Notes to the financial statements

For the financial year ended 31 December 2021

## 9. Fixed asset investments (continued)

## Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Churston Heard Limited*	30 Warwick Street London, W1B5NH	Ordinary	100%
KHK Group Limited*	30 Warwick Street London, W1B5NH	Ordinary	100%
Jones Lang LaSalle Dorchester Limited*	30 Warwick Street London, W1B5NH	Ordinary	100%
Environmental Governance Limited*	30 Warwick Street London, W1B5NH	Ordinary	100%
Bluuco Limited*	30 Warwick Street London, W1B5NH	Ordinary	100%
Bluu Projects Limited*	30 Warwick Street London, W1B5NH	Ordinary	49%
Light Bluu Limited	30 Warwick Street London, W1B5NH	Ordinary	100%
Bluu Solutions Limited	30 Warwick Street London, W1B5NH	Ordinary	100%
Bluu Regions Limited	30 Warwick Street London, W1B5NH	Ordinary	100%
Bluu City Limited	30 Warwick Street London, W1B5NH	Ordinary	100%
W.A. Ellis LLP*	30 Warwick Street London, W1B5NH	Partnership Interest	100%
King Sturge Holdings Limited	30 Warwick Street London, W1B5NH	Ordinary	100%
King & Co. Limited	30 Warwick Street London, W1B5NH	Ordinary	100%
JP Sturge Limited	30 Warwick Street London, W1B5NH	Ordinary	100%
Jones Lang LaSalle International Holdings Limited	30 Warwick Street London, W1B5NH	Ordinary	100%
Jones Lang LaSalle UAE Limited	30 Warwick Street London, W1B5NH	Ordinary	100%
Jones Lang LaSalle d.o.o (Croatia)	Euro Tower, Ivana Lucija, HR 1000 Zagreb	Ordinary	100%
Jones Lang LaSalle s.r.o (Slovakia)	Astoria Palace, Hodzovo namestie 1/A, 81106, Bratislava	Ordinary	100%
Jones Lang LaSalle (Pty) Ltd (South Africa)*	Office 303, The Firs, Bierman Avenue, Rosebank , Johannesburg	Ordinary	100%
Tetris Design & Build (Pty) Ltd	Office 303, The Firs, Bierman Avenue, Rosebank , Johannesburg	Ordinary	100%



# Notes to the financial statements

For the financial year ended 31 December 2021

## 9. Fixed asset investments (continued)

### Subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
Jones Lang LaSalle Holdings Inc*	c/o Corporation Service Company, 2711, Centerville Road, Suite 400, Wilmington, DE 19808	Ordinary	100%
Jones Lang LaSalle Investments LLC*	c/o Corporation Service Company, 2711, Centerville Road, Suite 400, Wilmington, DE 19808	Ordinary	100%
Jones Lang LaSalle New England LLC formerly Spaulding & Slye LLC)*	c/o Corporation Service Company, 2711, Centerville Road, Suite 400, Wilmington, DE 19808	Ordinary	100%
Jones Lang LaSalle Multifamily LLC	c/o Corporation Service Company, 2711, Centerville Road, Suite 400, Wilmington, DE 19808	Ordinary	100%
Holliday Fenoglio Fowler, LP*	1 Post Office Sq Ste 3500 Boston, MA, 02109-2185 United States	Ordinary	100%
Jones Lang LaSalle Brokerage, Inc*	200 East Randolph Drive Chicago, Illinois 60601	Ordinary	100%
Trussard Property Consultants	Office 303, 3rd Floor The FIRS Cnr Cradock and Biermann Avenue Rosebank 2196	Ordinary	100%
Jones Lang LaSalle South Africa (Proprietary) Ltd (South Africa)	Office 303, 3rd Floor The FIRS Cnr Cradock and Biermann Avenue Rosebank 2196	Ordinary	100%
Jones Lang LaSalle Sprl (Belgium)	Avenue Marnixlaan 23, b1 Brussels, B-1000 Belgium	Ordinary	100%
Capra Global Partners Holdings Limited*	30 Warwick Street, W1B 5NH London	Ordinary	100%
Jones Lang Lasalle Equity Advisory Malta Limited (formerly Capra Global Partners Malta Limited)	171 Old Bakery Street, Valletta, VLT 1455, Malta	Ordinary	100%

# Notes to the financial statements

For the financial year ended 31 December 2021

## 9. Fixed asset Investments (continued)

### Subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
Capra Global Partners Limited	30 Warwick Street London, W1B5NH	Ordinary	100%
Building Engines, Inc*	200 E Randolph Drive, Suite 4300, Chicago IL 60601	Ordinary	100%
Skyline AI Limited (Israel)*	Shmu'el Miconis ST 5, Tel Aviv Yafoo IS 677214	Ordinary	100%
United Agent Group Inc.	3411 Silverside Road Tatnall Building #104, Wilmington DE 19810	Ordinary	100%

\*direct subsidiary undertaking. All others are indirect subsidiaries.

## 10. Debtors: Amounts falling due within one year

	2021 \$000	2020 \$000
Amounts owed by group undertakings	13,495	29,263
Other debtors	469	469
	<u>13,964</u>	<u>29,732</u>

In 2021, amounts owed by group undertakings amounting to \$Nil (2020: \$18,776K) are unsecured, repayable on demand and interest is charged in accordance with the terms of the group Intercreditor Agreement.

Remaining balance is unsecured, repayable on demand and interest-free.

Interest income arises on an intercompany balance which is ultimately settled on a net basis. Hence, interest income has been netted off with the interest expense.

# Notes to the financial statements

For the financial year ended 31 December 2021

## 11. Creditors: Amounts falling due within one year

	2021 \$000	2020 \$000
Amounts owed to group undertakings	147,895	84,173
Other creditors	7,472	52,438
	<u>155,367</u>	<u>136,611</u>

Other creditors of \$7,472K (2020: \$2,364K) represent the discounted value of deferred and contingent consideration due in respect of the acquisition of third party acquisitions. The remaining balance represents the constructive obligation of the Company to provide funding to Jones Lang LaSalle Investments LLC, a direct subsidiary. There is an established pattern based on historical transactions that the subsidiary has no other means to pay these deferred and contingent considerations other than the funding from the Company.

In 2021, amounts owed to group undertakings amounting to \$11,041K are unsecured, repayable on demand and interest is charged in accordance with the terms of the group Intercreditor Agreement. Interest charged during the year amounts to \$122K at rate of 1.2% per annum. Remaining balance is unsecured, repayable on demand and interest-free.

# Notes to the financial statements

For the financial year ended 31 December 2021

## 12. Creditors: Amounts falling due after more than one year

	2021 \$000	2020 \$000
Amounts owed to group undertakings	951,299	752,132
Other creditors	29,930	256
	<u>981,229</u>	<u>752,388</u>

Amounts owed to group undertakings include the following:

\$950,129K (2020: \$751,005K) of debt which is listed on the Channel Islands Stock Exchange and subject to an interest rate of 4.78% (2020: 4.78%) per annum. The listed debt has a fifteen year term and is redeemable in December 2031.

\$1,170K (2020: \$1,127K) of debt relating to a loan from JLL Singapore Capital Pte Ltd, a related party, which was issued on 24 February 2017. The interest rate is 4.78% (2020: 4.78%) per annum and the debt is due to be repaid on 19 December 2031.

Full balance of other creditors as at year end represents the value of deferred and contingent consideration due in respect of third party acquisitions (2020: \$256K).

The Company has minimum exposure to interest rate risk due to its long term debt being subject to fixed interest rates.

The Company's ultimate parent company, Jones Lang LaSalle Inc. has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company.

## 13. Share capital

	2021 \$000	2020 \$000
<b>Authorised, allotted, called up and fully paid</b>		
75,000,015 (2020 - 75,000,015) Ordinary shares of \$1.00 each	75,000	75,000
3 (2020 - 3) Ordinary shares of £1.00 each	-	-
	<u>75,000</u>	<u>75,000</u>

## Notes to the financial statements

For the financial year ended 31 December 2021

### 14. Reserves

#### Share premium account

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

#### Capital Contribution

Capital contribution of \$169,000K (2020-nil) was contributed by the Parent to fund the acquisitions of fixed asset investments during the year. The Company did not issue any shares in respect of these contributions. The remaining balance represents capital contributions in previous years.

#### Profit and loss account

Company's accumulated profits less any accumulated losses.

### 15. Related party transactions

Transactions with group companies which are wholly owned members, are not disclosed as the Company has taken advantage of the exemption available under FRS102 section 33.1A from disclosing such transactions. There were no other related party transactions.

### 16. Post balance sheet events

Subsequent to year-end, the Company received dividends amounting to \$3,932K from Enviromental Governance Limited in August 2022.

### 17. Controlling party

The Company's immediate parent company during the year was Jones Lang LaSalle Acquisition Corp, a company incorporated in Delaware, registered office at c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE, 19808, United States . 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.