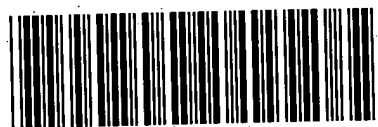


JONES LANG LASALLE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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COMPANIES HOUSE

JONES LANG LASALLE LIMITED

COMPANY INFORMATION

DIRECTORS

SJ Cresswell (resigned 16 December 2014)
RC Batten
R Howling
M Stupples
A Humphery
C Macfarlane
AR Irvine
GJ Grainger
C Ireland
JF Duckworth
MD Grigorova (appointed 16 December 2014)

COMPANY SECRETARY

RH Webster
NG Taylor
AJ Bruce (resigned 26 March 2015)
SM Louw (appointed 26 March 2015)

REGISTERED NUMBER

01188567

REGISTERED OFFICE

30 Warwick Street
London
W1B 5NH

INDEPENDENT AUDITOR

KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

JONES LANG LASALLE LIMITED

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JONES LANG LASALLE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their strategic and directors' reports and the audited financial statements for the year ended 31 December 2014.

BUSINESS REVIEW

The results for the year, as shown on page 8, and the financial position of the company, as shown on page 10, are considered to be satisfactory by the directors.

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

The company continues to hold interests in companies mostly in Europe through its subsidiary Jones Lang LaSalle European Holdings Limited.

Turnover from continuing operations increased from £319.6m to £356.6m reflecting continued strength in transaction markets and in particular capital markets volumes throughout 2014. This was supported by solid economic growth in the UK which drove growth across the majority of business lines.

The company recorded an operating profit before exceptional items of £21.4m (2013: £19.7m) from continuing operations. This improvement in operating profit in 2014 is due to continuing healthy market conditions in the UK and successful cost management.

As part of the process of integrating the King Sturge business with Jones Lang LaSalle, management completed the final elements of restructuring. The total cost during this period was £3m (2013 £7.9m).

	2014 £000	2013 £000
Operating profit	18,450	11,825
Exceptional items	2,966	7,893
Goodwill amortisation	4,920	4,920
Operating profit excluding goodwill amortisation and exceptional items	<u>26,336</u>	<u>24,638</u>

PRINCIPAL RISKS AND UNCERTAINTIES

The continued impact of the wider Global and European macro-economic and political uncertainties means that the UK business environment remains tough. Of particular note are: the long standing Euro zone crisis, political uncertainty in Russia and the Ukraine and associated economic sanctions, political instability in the Middle East and most recently the marked economic slowdown in China. These all have the potential to affect and disrupt international capital flows into the UK real estate market. In light of this, the board maintains a heightened focus on both the wider external and business specific risk.

Risks are formally reviewed by the board and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the company.

The Board seek to mitigate these risks by a strategy of: balanced and cautious growth, disciplined cost control, and seeking growth in counter-cyclical business lines.

JONES LANG LASALLE LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

The key business specific risks affecting the company, as identified by the directors are set out below:

Decline in acquisition and disposition activity

A general decline in acquisition and disposition activity can lead to a reduction in fees and commissions for arranging such transactions, as well as in fees and commissions for arranging financing for acquirers.

Decline in the real estate values and performance, leasing activity and rental levels

A general decline in the value and performance of real estate and rental levels can lead to a reduction in fees and commissions that are based upon the value of, or revenues produced by, the properties with respect to which services are provided, including fees and commissions for property management and valuations, and for arranging acquisitions, dispositions, leasing and financings.

The cyclical nature of the real estate markets

This may lead to an impact on the company's profitability.

The highly competitive nature of the real estate markets

The Company offers a broad range of services and there is significant competition in many of these activities. Depending upon the service, competition comes not only from within the real estate sector but also from outside such as investment banks, accountancy firms, technology firms and consulting firms. This can lead to increasing commoditisation of the services and increasing downward pressure on fees.

Liquidity risk

The Company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments, credit facilities and cash reserves. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Foreign exchange risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro.

FINANCIAL KEY PERFORMANCE INDICATORS

Indicator	2014	2013	Commentary
Sales (%) (Year on year sales increase expressed as a percentage)	11.6	20.2	Continued strength in transactional and Capital markets volumes, with growth rates at more modest levels consistent with a more mature stage in the economic cycle.
Adjusted operating margin (%) (Ratio of operating profit excluding exceptional items & goodwill amortisation to sales, expressed as a percentage)	7.4	7.7	Successful cost control resulting in margins being maintained despite a modest reduction in sales growth rates.
Net margin (%) (Ratio of pre-tax profit to sales, expressed as a percentage)	5.8	4.7	Improvement reflects the end of the integration programme (exceptional items).

JONES LANG LASALLE LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

FUTURE OUTLOOK

Despite continued uncertainties in the Eurozone and the Middle East the first half year of 2015 saw the continuation of the growth in activity levels from the second half of 2014. In part due to the perceived safe haven status of the UK for inward investment at this stage of the economic cycle. We monitor with interest trends in investor confidence and market momentum.

The directors remain cautious in respect of the second half of the year. Economic concerns over sovereign debt and weak Chinese and Eurozone growth continue to weigh heavily. In addition political uncertainty over the Middle East and Russia may give rise to significant risks to investment performance and the timing of transactions.

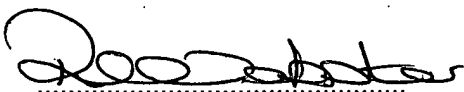
With a good start to 2015, the company remains well placed to successfully negotiate the fragile political and economic environment, and to continue to look for growth opportunities.

The directors continue to be committed to the following priorities to guide the business through this difficult period:

- Absolute focus on clients
- Drive productivity to increase quality, reduce cost and improve operating margins across all business lines.
- Take advantage of new areas of opportunity
- Continue to grow annuity revenue and ensure a balanced business growth and mix of businesses
- Protect and grow market share
- Retain and attract key business leaders

Focusing on the above at this point in the market cycle places the company in a strong position to grow revenues and profits.

This report was approved by the board on 29th September 2015 and signed on its behalf:



RH Webster
Secretary

JONES LANG LASALLE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

PRINCIPAL ACTIVITIES

The principal activity of the company is the provision of services and advice relating to all aspects of commercial real estate for investors and occupiers.

DIVIDENDS

The directors did not pay an interim dividend during the year (2013: £nil). The directors do not recommend the payment of a final dividend (2013: £nil).

DIRECTORS

The directors who served during the year were:

SJ Cresswell (resigned 16 December 2014)
RC Batten
R Howling
M Stupples
A Humphery
C Macfarlane
AR Irvine
GJ Grainger
C Ireland
JF Duckworth
MD Grigorova (appointed 16 December 2014)

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made contributions for charitable purposes of £159,130 (2013: £139,312). It is company policy not to make contributions for political purposes.

PAYMENT POLICY FOR CREDITORS

The company's policy is to use its purchasing power fairly and, wherever possible, to pay in accordance with terms agreed with suppliers.

The company agrees payment terms with suppliers when it orders items or commits expenditure. It is the company's policy to make payments for purchases on agreed terms, provided that the relevant invoice is presented to the company in a timely fashion and is complete. It seeks to adhere to these arrangements providing it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. In instances where delays in payments occur, remedial action is sanctioned by an executive of the company.

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 that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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.

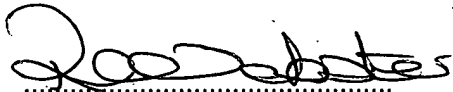
JONES LANG LASALLE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

AUDITOR

Under section 487(2) of the Companies Act 2006, KPMG LLP, Statutory Auditor 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 29th September 2015 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'RH Webster', written over a dotted line.

RH Webster
Secretary

JONES LANG LASALLE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

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 directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JONES LANG LASALLE LIMITED

We have audited the financial statements of Jones Lang LaSalle Limited for the year ended 31 December 2014, set out on pages 8 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit 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 for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Sean McCallion (Senior statutory auditor)

for and on behalf of

KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

Date:

30 September 2015

JONES LANG LASALLE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £000	2013 £000
TURNOVER	1	356,560	319,616
Operating expenses		(335,144)	(299,898)
Exceptional items	11	(2,966)	(7,893)
OPERATING PROFIT	3	18,450	11,825
Interest receivable and similar income	8	4,070	3,323
Interest payable and similar charges	9	(2,612)	(2,924)
Other finance income	10	912	2,756
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		20,820	14,980
Tax on profit on ordinary activities	12	3,116	458
PROFIT FOR THE FINANCIAL YEAR	22	23,936	15,438

All amounts relate to continuing operations.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

The notes on pages 11 to 35 form part of these financial statements.

JONES LANG LASALLE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £000	2013 £000
PROFIT FOR THE FINANCIAL YEAR		23,936	15,438
Release of deferred tax		3,700	131
Other movements in profit and loss reserve	24	(18,501)	(728)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		9,135	14,841

The notes on pages 11 to 35 form part of these financial statements.

JONES LANG LASALLE LIMITED
REGISTERED NUMBER: 01188567

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£000	2014 £000	£000	2013 £000
FIXED ASSETS					
Intangible assets	13		23,237		28,157
Tangible assets	14		31,577		23,230
Investments	15		130,687		124,062
			<u>185,501</u>		<u>175,449</u>
CURRENT ASSETS					
Debtors	16	304,016		295,773	
Cash at bank		918		540	
		<u>304,934</u>		<u>296,313</u>	
CREDITORS: amounts falling due within one year	17	(308,079)		(304,481)	
NET CURRENT LIABILITIES			<u>(3,145)</u>		<u>(8,168)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>182,356</u>		<u>167,281</u>
CREDITORS: amounts falling due after more than one year	18		(3,416)		(1,906)
PROVISIONS FOR LIABILITIES					
Other provisions	20		<u>(9,103)</u>		<u>(9,243)</u>
NET ASSETS EXCLUDING PENSION SCHEME ASSET/(LIABILITY)			<u>169,837</u>		<u>156,132</u>
Defined benefit pension scheme (liability)/asset	24		<u>(4,346)</u>		<u>5,200</u>
NET ASSETS INCLUDING PENSION SCHEME ASSET/(LIABILITY)			<u><u>165,491</u></u>		<u><u>161,332</u></u>
CAPITAL AND RESERVES					
Called up share capital	21		121,088		121,088
Share premium account	22		2,500		2,500
Capital redemption reserve	22		268		268
Other reserves	22		90,557		90,557
Profit and loss account	22		<u>(48,922)</u>		<u>(53,081)</u>
SHAREHOLDERS' FUNDS	23		<u><u>165,491</u></u>		<u><u>161,332</u></u>

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


R Howling
 Director

The notes on pages 11 to 35 form part of these financial statements.

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

New UK GAAP - FRS 100, 101 and 102. FRS 100 sets out the application of financial reporting requirements in the UK and Republic of Ireland and FRS 101 'IFRS with reduced disclosures' outlines the reduced disclosure framework available for use by qualifying entities choosing to report under IFRS. FRS 102 is applicable in the UK and Republic of Ireland and is known as 'new UK GAAP'. The mandatory effective date for the new framework of reporting is for accounting periods beginning on or after 1 January 2015. The Company will apply either FRS 101 ('IFRS with reduced disclosures') or FRS 102 ('new UK GAAP'). A full analysis is currently being undertaken to identify the most appropriate option.

1.2 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 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 and in particular will not seek repayment of the amounts currently made available.

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.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES (continued)

1.4 Turnover

Turnover is measured at the fair value of the consideration received or receivable. Revenue comprises transaction commissions, advisory and management fees and project and development management fees, exclusive of sales-related taxes and amounts due to third parties.

Transaction commissions related to agency leasing services, capital markets services and tenant representation services are recognised as income when we provide the related service unless future contingencies exist. If future contingencies exist, we defer recognition of revenue until the respective contingencies have been satisfied.

Advisory and management fees related to property management services, valuation services, corporate property services and strategic consulting are recognised as income in the period in which the related service is performed.

Project and development management fees are recognised by applying the "percentage of completion" method of accounting. We use the efforts expended method to determine the extent of progress toward completion for project and development management fees.

1.5 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short-term leasehold property	-	on a straight line basis over the length of the lease
Motor vehicles	-	on written down value at 25%
Office machinery and fixtures	-	on cost at 10% to 20%
Computer equipment	-	on cost at 33%
Land	-	is not depreciated

1.7 Investments

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

1.8 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES (continued)

1.9 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.10 Taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.12 Share based payments

The Company operates the following share-based payment schemes:

- Save As You Earn schemes (SAYE)
- Restricted Stock Grant Plan (RSG)

The shares are in the ultimate parent company - Jones Lang LaSalle Incorporated for which the Company receives a recharge from its ultimate parent company for the full value of shares issued when they vest. Because the intercompany charge is clearly linked to the share based payments it is recognised directly in the profit and loss reserve. An accrual is made at each year end for the expected value of the charge based on the share price at year end.

Save As You Earn (SAYE) schemes - a "non-compensatory" Jones Lang LaSalle Savings Related Share Option Plan.

The fair value of options is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the SAYE Scheme granted is measured using a valuation pricing model, taking into account the terms and conditions upon which the shares were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

Restricted Stock Grant Plan (RSG) – compensatory share-based payments schemes in the form of restricted stock units/ share units.

The fair value of restricted stock units is determined based on the Jones Lang LaSalle Incorporated share's market price on the grant date and amortised on a straight-line basis over the associated vesting period for each separately vesting portion of an award.

Share-based payments expense is reduced for estimated forfeitures each period and the expense is adjusted accordingly upon vesting or actual forfeitures.

1.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The assets of the scheme are held separately from those of the Company in an independently administered fund.

The Company also operates a pension scheme providing benefits based on final pensionable pay. The scheme is divided into two sections: Jones Lang LaSalle and King Sturge. The assets of the scheme are held separately from those of the Company.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

2. TURNOVER

Turnover represents the amounts invoiced, excluding VAT, for services rendered to external third parties in respect of the company's business.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £000	2013 £000
Amortisation - intangible fixed assets	4,920	4,920
Depreciation of tangible fixed assets:		
- owned by the company	6,787	6,262
Operating lease rentals:		
- plant and machinery	104	165
- other operating leases	11,853	11,413
Profit/loss on sale of tangible assets	1,226	660
	<u>22,890</u>	<u>23,360</u>

4. AUDITOR'S REMUNERATION

	2014 £000	2013 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	79	77
Fees payable to the company's auditor and its associates in respect of:		
The auditing of accounts of associates of the company	195	181
Audit-related assurance services	122	123
	<u>396</u>	<u>381</u>

The company bore the cost of audit of all of its UK subsidiary undertakings.

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014 £000	2013 £000
Wages and salaries	225,512	194,451
Social security costs	28,260	24,635
Other pension costs (Note 24)	11,051	10,567
	<u>264,823</u>	<u>229,653</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2014 No.	2013 No.
Managerial and professional	2,404	2,364

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

6. DIRECTORS' REMUNERATION

	2014 £000	2013 £000
Remuneration	<u>5,958</u>	<u>4,106</u>
Amounts receivable under long-term incentive schemes	<u>354</u>	<u>384</u>
Company pension contributions to defined contribution pension schemes	<u>128</u>	<u>316</u>

During the year retirement benefits were accruing to 10 directors (2013 - 10) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,363 thousand (2013 - £891 thousand).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13 thousand (2013 - £103 thousand).

The number of directors who exercised share options - 1 (2013 - 2).

The number of directors in respect of whose services shares were received under long term incentive scheme - 3 (2013 - 1).

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

7. SHARE BASED PAYMENTS

The Group operates a number of share-based payment schemes, details of those which apply to employees of the Company follow. The shares are in the ultimate parent company.

All of the schemes provide for shares with no performance conditions, and with the exception of the SAYE scheme, entitle participants to dividend equivalents. Therefore, the fair value of the share awards, other than SAYE, is equal to the share price at date of grant. The fair value of SAYE schemes is determined by using the Black-Scholes valuation model.

All employee Save As You Earn (SAYE) schemes

The Group operates a SAYE share option scheme for all employees to encourage participation in the group's results. Options are exercisable at a price equal to the quoted market price of the Group's shares on the date of grant less a discount of 15 per cent. The options mature after either three years or five years and there is an exercise period of six months from when the share options become exercisable after which period the options lapse.

Details of the share options outstanding during the year are as follows:

	2014	2013
Outstanding at the beginning of the year	191,758	200,703
Granted during the year	42,222	25,431
Forfeited during the year	(15,081)	(21,516)
Exercised during the year	(60,317)	(12,860)
	<hr/>	<hr/>
Outstanding at the end of the year	158,582	191,758

The options outstanding at 31 December 2014 had a weighted average exercise price of £43.98 (2013: £40.57), and a weighted average remaining contractual life of 1 year (2013: 1 year). During the year options were granted on 3 July 2014. The aggregate of the estimated fair values of the options granted on that date is £1,064,329.

The inputs into the Black-Scholes valuation model that the company uses to value share options were:

	2014 3 year	2014 5 year	2013 3 year	2013 5 year
Share price at date of grant (\$)	124.16	124.16	91.35	91.35
Share price at date of grant (£)	73.42	73.42	59.88	59.88
Exercise price (£)	62.41	62.41	50.90	50.90
Expected volatility (%)	38.82	36.36	40.70	57.10
Expected life (years)	3	5	3	5
Risk free rate (%)	0.82	1.63	0.50	1.03
Expected dividend yield (%)	0.29	0.29	0.35	0.35

Expected volatility was determined by calculating the historical volatility for the 3 and 5 years up to the date of grant.

The weighted average share price at date of exercise of share options exercised during the year was £70.69.

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

7. SHARE BASED PAYMENTS (continued)

Share Ownership Programme

The Group also operates a Share Ownership Programme (SOP), the participants in this were the directors and senior managers of the Company. Under the SOP the participants received part of their discretionary bonus in the form of shares. These shares vest eighteen and thirty months after the financial year to which they relate. Vesting is conditional upon the participant remaining in the employ of a Group company, unless they retire in the intervening period at normal retirement age. The programme is no longer available, the last shares received under this programme vested in 2014.

Details of the share units outstanding under the SOP during the year are as follows:

	2014	2013
Outstanding at the beginning of the year	27,329	69,946
Granted during the year	-	-
Forfeited during the year	(659)	(3,471)
Exercised during the year	(26,670)	(39,146)
	<hr/>	<hr/>
Outstanding at the end of the year	-	27,329
	<hr/>	<hr/>

There were no outstanding units at 31 December 2014. The share units outstanding at 31 December 2013 had a weighted average remaining contractual life of 0.5 years. During the year no awards were granted.

The weighted average share price at date of exercise of share units exercised during the year was £74.31.

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

7. SHARE BASED PAYMENTS (continued)

Restricted Stock Grant Plan

The Group operates a restricted stock grant plan (RSG), under which some directors and senior managers may receive awards of shares. Shares under this plan vest in equal instalments forty months and sixty four months from the grant date. Vesting is conditional upon the participant remaining in the employ of a Group company.

Details of the share units outstanding under the RSG during the year are as follows:

	2014	2013
Outstanding at the beginning of the year	113,396	136,769
Granted during the year	15,481	20,041
Forfeited during the year	(8,303)	(6,611)
Exercised during the year	(25,222)	(36,803)
Outstanding at the end of the year	95,352	113,396

The share units outstanding at 31 December 2014 had a weighted average remaining contractual life of 1.72 years (2013: 1.86 years). During the year awards were made as shown below. The aggregate of the estimated fair values of the shares awarded on that date is £1,126,347.

The share price at the date of grant was:

Grant Date	Share price at date of grant \$	Share price at date of grant £
03 Jan 2014	103.00	62.44
07 Mar 2014	123.34	74.13
29 May 2014	120.87	72.28
22 Sep 2014	127.50	78.50
10 Dec 2014	142.95	91.83
01 Jan 2013	86.10	53.25
03 Jan 2013	86.48	53.48
07 Mar 2013	97.97	64.59
08 Apr 2013	97.56	64.19
08 Jul 2013	91.73	60.13
08 Oct 2013	82.68	51.23

The weighted average share price at date of exercise of share options exercised during the year was £69.60.

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

8. INTEREST RECEIVABLE

	2014 £000	2013 £000
Interest receivable from group companies	4,070	3,322
Other interest receivable	-	1
	<u>4,070</u>	<u>3,323</u>

9. INTEREST PAYABLE

	2014 £000	2013 £000
Interest payable to group companies	2,612	2,924
	<u>2,612</u>	<u>2,924</u>

10. OTHER FINANCE INCOME

	2014 £000	2013 £000
Expected return on pension scheme assets	9,041	10,294
Interest on pension scheme liabilities	(8,129)	(7,538)
	<u>912</u>	<u>2,756</u>

11. EXCEPTIONAL ITEMS

Integration and restructuring cost incurred in the process of integrating the King Sturge business with Jones Lang LaSalle.

These costs have been separately identified as they are not considered to be "business as usual" expenses. These are separately identified and presented to give a clearer understanding of the performance of the business. It also shows the information in the same way as it is presented and reviewed by management. No further costs are expected to occur in future years relating to this integration.

	2014 £000	2013 £000
Exceptional items	2,966	7,893
	<u>2,966</u>	<u>7,893</u>

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

12. TAXATION

	2014 £000	2013 £000
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	-	-
Adjustments in respect of prior periods	-	(2,900)
Total current tax	-	(2,900)
Deferred tax		
Pension provision	1,314	1,541
Other movements	(4,430)	901
Total deferred tax (see note 19)	(3,116)	2,442
Tax on profit on ordinary activities	(3,116)	(458)

Factors affecting tax charge for the year

The tax assessed for the year is different than (2013 - different than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before tax	20,820	14,980
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	4,476	3,483
Effects of:		
Expenses not deductible for tax purposes	1,257	562
Capital allowances for year in excess of depreciation	(262)	62
Utilisation of tax losses	(4,039)	(2,831)
Payment received from fellow group companies for group relief in respect of prior periods	-	(2,900)
Other timing differences leading to an increase (decrease) in taxation	(1,573)	(1,146)
Tax deduction arising from exercise of employee options	156	(130)
Group relief	(15)	-
Current tax charge/(credit) for the year (see note above)	-	(2,900)

Factors that may affect future tax charges

The main rate of UK corporation tax was reduced from 23% to 21% effective from 1 April 2014 and results in a weighted average tax rate of 21.5% for 2014 (2013:23.25%). During 2013, Finance Act 2013 enacted further reductions in the rate of UK corporation tax to 20% from 1 April 2015.

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

13. INTANGIBLE FIXED ASSETS

	Goodwill £000
Cost	
At 1 January 2014 and 31 December 2014	94,481
Amortisation	
At 1 January 2014	66,324
Charge for the year	4,920
At 31 December 2014	71,244
Net book value	
At 31 December 2014	23,237
At 31 December 2013	28,157

14. TANGIBLE FIXED ASSETS

	Short-term leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Land £000	Total £000
Cost					
At 1 January 2014	17,868	125	25,316	-	43,309
Additions	4,334	-	11,955	150	16,439
Disposals	-	(57)	(7,351)	-	(7,408)
At 31 December 2014	22,202	68	29,920	150	52,340
Depreciation					
At 1 January 2014	8,315	76	11,688	-	20,079
Charge for the year	2,413	11	4,363	-	6,787
On disposals	-	(39)	(6,064)	-	(6,103)
At 31 December 2014	10,728	48	9,987	-	20,763
Net book value					
At 31 December 2014	11,474	20	19,933	150	31,577
At 31 December 2013	9,553	49	13,628	-	23,230

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

15. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000	Other fixed asset investments £000	Total £000
Cost or valuation			
At 1 January 2014	123,062	1,118	124,180
Additions	5,931	694	6,625
At 31 December 2014	128,993	1,812	130,805
Impairment			
At 1 January 2014 and 31 December 2014	-	118	118
Net book value			
At 31 December 2014	128,993	1,694	130,687
At 31 December 2013	123,062	1,000	124,062

Subsidiary undertakings

The following were subsidiary undertakings of the company (direct holdings):

Name	Class of shares	Holding
Jones Lang LaSalle Corporate Finance Limited	Ordinary	100%
Jones Lang LaSalle Resources Limited	Ordinary	100%
Jones Lang LaSalle European Services Limited	Ordinary	100%
Jones Lang LaSalle European Holdings Limited	Ordinary	97%
Rogers Chapman UK Limited	Ordinary	100%
HG2 Limited	Ordinary	100%
AMAS Limited	Ordinary	100%
JLW Nominees Limited	Ordinary	100%
JLW Second Nominees Limited	Ordinary	100%
Tetris Projects Limited	Ordinary	100%
Jones Lang LaSalle Insurance Services Limited	Ordinary	100%
Jones Lang LaSalle Pension Trustees Limited	Ordinary	100%
Jones Lang LaSalle Services S.R.L.	Ordinary	100%

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

15. FIXED ASSET INVESTMENTS (continued)

The aggregate of the share capital and reserves as at 31 December 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Jones Lang LaSalle Corporate Finance Limited	6,900	2,418
Jones Lang LaSalle Resources Limited	-	-
Jones Lang LaSalle European Services Limited	6,608	21
Jones Lang LaSalle European Holdings Limited	253,225	(3,684)
Rogers Chapman UK Limited	17,404	(555)
HG2 Limited	3,501	(2)
AMAS Limited	44	-
JLW Nominees Limited	3,475	-
JLW Second Nominees Limited	-	-
Tetris Projects Limited	1,667	493
Jones Lang LaSalle Insurance Services Limited	7,330	755
Jones Lang LaSalle Pension Trustees Limited	-	-
Jones Lang LaSalle Services S.R.L.	55	(162)

The following were subsidiary undertakings of the company (indirect holdings):

Name	Class of shares	Holding
Jones Lang LaSalle Holding AB	Ordinary	100%
Jones Lang LaSalle Holding BV	Ordinary	100%
Jones Lang LaSalle Regent Limited	Ordinary	100%
Jones Lang LaSalle Services LLC	Ordinary	100%
Jones Lang LaSalle Kft	Ordinary	99%
Wonderment BV	Ordinary	100%
Jones Lang LaSalle Services BV	Ordinary	100%
Tetris Turnkey Solutions BV	Ordinary	100%
Jones Lang LaSalle BV	Ordinary	100%
Jones Lang LaSalle Services AB	Ordinary	100%
Jones Lang LaSalle Global Finance UK Limited	Ordinary	100%
Jones Lang LaSalle UK FC	Ordinary	100%
Jones Lang LaSalle Laser Limited	Ordinary	100%
Jones Lang LaSalle Finance Europe Limited	Ordinary	100%
Jones Lang LaSalle s.r.o.	Ordinary	100%
Tetris Design and Build s.r.o.	Ordinary	100%
Jones Lang Wootton Limited	Ordinary	100%
TreTriSolutions LLC	Ordinary	100%
JLL Property Management LLC	Ordinary	100%
Tetris by Neo-Swiat Sp. z.o.o. (formerly Tamarina Sp. z.o.o.)	Ordinary	100%
Jones Lang LaSalle Espana SA	Ordinary	100%

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

15. FIXED ASSET INVESTMENTS (continued)

Name	Class of shares	Holding
Jones Lang LaSalle Sociedade de medicao	Ordinary	100%
Jones Lang LaSalle Sociedade de Avaliacoes S.L.	Ordinary	100%
Tetris Arquitectura S.L.U.	Ordinary	100%
Tetris Arquitectura-Surcursal em Portugal, S.L.	Ordinary	100%
Tetris Amenagement Sarl	Ordinary	100%
LaSalle Investment Management S.L.	Ordinary	100%
Tasaciones Hipotecarias S.A.	Ordinary	100%
Jones Lang LaSalle Gayrimenkul Hizmetleri Ticaret A.S.	Ordinary	100%
Jones Lang LaSalle SARL (Morocco)	Ordinary	100%
Jones Lang LaSalle Group Holdings BV (NL)	Ordinary	100%
Jones Lang LaSalle Group Holdings SNC (France)	Ordinary	100%
Jones Lang LaSalle Expertises SAS (France)	Ordinary	100%
Jones Lang LaSalle SAS (France)	Ordinary	100%
Jones Lang LaSalle Supply Chain Consulting Sarl (France)	Ordinary	100%
Jones Lang LaSalle Services SAS (France)	Ordinary	100%
Jones Lang LaSalle Saudi Arabia Ltd	Ordinary	100%
Tetris SAS (France)	Ordinary	100%
Jones Lang LaSalle SpA (Italy)	Ordinary	100%
Jones Lang LaSalle Services Srl (Italy)	Ordinary	99%
Tetris Design and Build SRL (Italy)	Ordinary	100%
LIM (Italy)	Ordinary	100%
Jones Lang LaSalle SARL	Ordinary	100%
Jones Lang LaSalle Administration GmbH	Ordinary	100%
Jones Lang LaSalle GmbH (Germany)	Ordinary	100%
Jones Lang LaSalle Services GmbH	Ordinary	100%
Jones Lang LaSalle GmbH (Austria)	Ordinary	100%
Jones Lang LaSalle Misc LLC (Egypt)	Ordinary	100%
Jones Lang LaSalle Holdings GmbH & Co KG (Germany)	Ordinary	100%
Jones Lang LaSalle SPRL (Belgium)	Ordinary	92.3%
Jones Lang LaSalle Services SA/NV (Belgium)	Ordinary	100%
Jones Lang LaSalle Israel Limited	Ordinary	100%
Jones Lang LaSalle Holdings Sp.z.o.o. (Poland)	Ordinary	100%
Jones Lang LaSalle Sp.z.o.o. (Poland)	Ordinary	100%
King Sturge Fiduciary Services SPRL (Belgium)	Ordinary	90.32%
King Sturge Management SPRL (Belgium)	Ordinary	99%
Tenzing AB (Sweden)	Ordinary	60%
Tenzing Kapitalmarknad Holding AB (Sweden)	Ordinary	60%
Tenzing Kapitalmarknad AB (Sweden)	Ordinary	60%
Nima Mountaineer AB (Sweden)	Ordinary	60%
Jones Lang LaSalle Group Services Sp.z.o.o. (Poland)	Ordinary	100%
Tetris Design and Build Group SARL (Luxembourg)	Ordinary	100%
Jones Lang LaSalle Property Management Sp.z.o.o. (Poland)	Ordinary	100%
Jones Lang LaSalle Asset Finance GmbH	Ordinary	100%
Jones Lang LaSalle Corporate Finance GmbH	Ordinary	100%
Jones Lang LaSalle LLC (Russia)	Ordinary	100%
Tetris Projects GmbH	Ordinary	100%
Nextport Business Relocation Partner AB	Partnership interest	100%
Jones Lang LaSalle OY (Finland)	Ordinary	100%
Jones Lang LaSalle Holding SAS	Ordinary	100%
JLL Finance LLP	Partnership interest	100%
Jones Lang LaSalle Secs	Ordinary	100%
Jones Lang LaSalle LLP (Kazakhstan)	Partnership interest	100%

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

16. DEBTORS

	2014 £000	2013 £000
Trade debtors	72,941	71,565
Amounts owed by group undertakings	180,690	191,118
Other debtors	7,082	6,724
Prepayments and accrued income	37,113	24,606
Deferred tax asset (see note 19)	6,190	1,760
	<u>304,016</u>	<u>295,773</u>

**17. CREDITORS:
Amounts falling due within one year**

	2014 £000	2013 £000
Trade creditors	8,207	6,740
Amounts owed to group undertakings	143,875	171,051
Other taxation and social security	25,752	20,666
Other creditors	7,854	3,706
Accruals and deferred income	122,391	102,318
	<u>308,079</u>	<u>304,481</u>

**18. CREDITORS:
Amounts falling due after more than one year**

	2014 £000	2013 £000
Other creditors	219	282
Accruals and deferred income	3,197	1,624
	<u>3,416</u>	<u>1,906</u>

19. DEFERRED TAX ASSET

	2014 £000	2013 £000
At beginning of year	1,760	2,661
Released during/(charged for) year (P&L)	4,430	(901)
	<u>6,190</u>	<u>1,760</u>

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

19. DEFERRED TAX ASSET (continued)

The deferred tax asset is made up as follows:

	2014 £000	2013 £000
Accelerated capital allowances	793	995
Tax losses carried forward	4,496	-
Company share scheme	901	765
	<u>6,190</u>	<u>1,760</u>

Deferred tax assets of £4,496 thousands (2013: nil) in respect of unutilised trading taxable losses carried forward at 31 December 2014 have been recognised above, due to the company regarding these as recoverable, on the basis it is more likely than not that there will be suitable taxable profits in the company in the future. In the prior year £8,205 thousands in respect of unutilised trading taxable losses and £277 thousands in respect of unutilised non-trade taxable losses were not provided for, due to uncertainty surrounding the timing for future taxable profits available for offset.

20. PROVISIONS

	Dilapidations £000	Onerous lease £000
At 1 January 2014	4,246	4,997
Additions	802	1,457
Amounts used	(56)	(2,533)
Discounted adjustments	-	190
At 31 December 2014	<u>4,992</u>	<u>4,111</u>

21. SHARE CAPITAL

	2014 £000	2013 £000
Allotted, called up and fully paid		
121,087,707 Ordinary shares of £1 each	<u>121,088</u>	<u>121,088</u>

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. RESERVES

	Share premium account £000	Capital redempt'n reserve £000	Other reserves £000	Profit and loss account £000
At 1 January 2014	2,500	268	90,557	(53,081)
Profit for the year	-	-	-	23,936
Other movements	-	-	-	(19,777)
At 31 December 2014	<u>2,500</u>	<u>268</u>	<u>90,557</u>	<u>(48,922)</u>

23. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £000	2013 £000
Opening shareholders' funds	161,332	144,643
Profit for the financial year	23,936	15,438
Share premium on shares issued (net of expenses)	-	2,500
Other recognised gains and losses during the year	(14,801)	(597)
Other movements in profit and loss reserve	(4,976)	(652)
Closing shareholders' funds	<u>165,491</u>	<u>161,332</u>

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

24. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £11,051 thousand (2013: £10,567 thousand). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The Company also operates two pension schemes providing benefits based on final pensionable pay. The latest full actuarial valuation was carried out at 14 December 2012 (JLL scheme) and 20 August 2014 (King Sturge scheme) and was updated on 10 March 2015 for FRS 17 purposes to 31 December 2014 by a qualified independent actuary. The Jones Lang LaSalle Limited Group contributions for the year were £6,569 thousand (2013: £5,641 thousand).

	2014 King Sturge Section £000	2014 JLL Section £000	2014 Total £000	2013 £000
Fair Value of plan Assets	70,404	141,039	211,443	192,975
Present Value of unfunded defined benefit obligations	(80,990)	(135,885)	(216,875)	(177,127)
	<u>(10,586)</u>	<u>5,154</u>	<u>(5,432)</u>	<u>15,848</u>
Effect of asset limit	-	-	-	(9,348)
(Deficit)/surplus	<u>(10,586)</u>	<u>5,154</u>	<u>(5,432)</u>	<u>6,500</u>
Related deferred tax	2,117	(1,031)	1,086	(1,300)
Total	<u>(8,469)</u>	<u>4,123</u>	<u>(4,346)</u>	<u>5,200</u>

Movements in present value of defined benefit obligation:

	2014 King Sturge Section £000	2014 JLL Section £000	2014 Total £000	2013 £000
Benefit obligation at beginning of year	62,436	114,691	177,127	173,745
Current service cost	-	912	912	692
Interest cost	2,869	5,260	8,129	7,538
Actuarial cost	17,170	18,777	35,947	321
Benefits paid	(1,485)	(3,755)	(5,240)	(5,169)
Benefit obligation at end of year	<u>80,990</u>	<u>135,885</u>	<u>216,875</u>	<u>177,127</u>

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

Analysis of defined benefit obligation:

	2014 King Sturge Section £000	2014 JLL Section £000	2014 Total £000	2013 £000
Plans that are wholly or partly funded	80,990	135,885	216,875	177,127

Movements in fair value of plan assets:

	2014 King Sturge Section £000	2014 JLL Section £000	2014 Total £000	2013 £000
Fair Value of plan assets at beginning of year	64,858	128,117	192,975	173,268
Expected return on plan assets	2,869	6,172	9,041	10,294
Actuarial gain/(loss)	1,917	6,181	8,098	8,941
Employer Contributions	2,245	4,324	6,569	5,641
Benefits paid	(1,485)	(3,755)	(5,240)	(5,169)
Fair value of plan assets at end of year	70,404	141,039	211,443	192,975

Amounts in the balance sheet:

	2014 King Sturge Section £000	2014 JLL Section £000	2014 Total £000	2013 £000
Funded status	10,586	(5,154)	5,432	(6,500)

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

Components of pension cost

	2014 King Sturge Section £000	2014 JLL Section £000	2014 Total £000	2013 £000
Interest cost	2,869	5,260	8,129	7,538
Expected return on plan assets	(2,869)	(6,172)	(9,041)	(10,294)
Net benefit	-	(912)	(912)	(2,756)
Current service cost	-	912	912	692
Total pension cost recognised in the profit and loss account	-	-	-	(2,064)

The current service cost is recognised in operating expenses and the interest benefit is recognised in interest receivable and similar income in the profit and loss account

Actuarial loss/(gain)

	2014 King Sturge Section £000	2014 JLL Section £000	2014 Total £000	2013 £000
Actuarial loss/(gain) immediately recognised in statement of total recognised gains and losses	15,253	12,596	27,849	(8,620)
Effect of asset limit	(2,422)	(6,926)	(9,348)	9,348
Total	12,831	5,670	18,501	728
Cumulative amount of actuarial loss/(gain) immediately recognised	17,886	2,909	20,795	(7,054)

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

Plan assets

The weighted-average asset allocation at the year end was as follows:

	2014 King Sturge Section £000	2014 JLL Section £000	2014 Total - average £000	2013 £000
Equities	72	41	57	59
Bonds	27	39	33	31
Diversified growth fund	-	17	8	8
Other	1	3	2	2
Total	100	100	100	100

To develop the expected long-term rate of return on assets assumption, the company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio

	2014 King Sturge Section £000	2014 JLL Section £000	2014 Total £000	2013 £000
Actual return/(loss) on plan assets	4,786	12,353	17,139	19,235

Weighted average assumption used to determine benefit obligation at year end

	2014 %	2013 %
Discount rate	3.70	4.65
Rate of compensation/salary increase	3.50	3.85
Rate of price inflation (RPI)	3.00	3.35
Rate of price inflation (CPI)	2.30	2.65
Rate of pension increases (LPI 5%)	2.95	3.20

Weighted average assumption used to determine net pension cost for year ended

	2014 %	2013 %
Discount rate	4.65	4.40
Expected long-term return on plan assets	6.20	6.00
Rate of compensation/salary increase	3.85	3.40
Rate of price inflation (RPI)	3.35	2.90
Rate of price inflation (CPI)	2.65	2.20
Rate of pension increases (LPI 5%)	3.20	2.80

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**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

Weighted average life expectancy for mortality tables used to determine benefit obligation (assumed life expectations of retirement at age 65):

	Male	Female
Retiring today (member aged 65)	24.10	25.40
Retiring in 20 years (member aged 45 today)	26.20	27.70

Five year history:

	2014 King Sturge Section £000	2014 JLL Section £000	2014 Total £000
Benefit obligation at end of year	(80,990)	(135,885)	(216,875)
Fair value of plan assets at end of year	70,404	141,039	211,443
(Deficit)/ surplus	(10,586)	5,154	(5,432)
Difference between actual and expected return on scheme assets			
Amount (£'000)	1,917	6,181	8,098
Percentage of scheme assets %	3	4	4
Experience gains/(losses) on scheme liabilities:			
Amount (£'000)	(5,800)	-	(5,800)
Percentage of scheme assets %	(7)	-	(3)

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24. PENSION COMMITMENTS (continued)

Five year history (continued):

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Benefit obligation at end of year	(216,875)	(177,127)	(173,745)	(160,969)	(101,883)
Fair value of plan assets at end of year	211,443	192,975	173,268	153,497	102,279
(Deficit)/surplus	(5,432)	15,848	(477)	(7,472)	396
Difference between actual and expected return on scheme assets:					
Amount (£'000)	8,098	8,941	9,270	(10,226)	4,933
Percentage of scheme assets %	4	5	5	(7)	5
Experience gains/(losses) on scheme liabilities:					
Amount (£'000)	(5,800)	-	(3,674)	257	6
Percentage of scheme assets %	(3)	-	(2)	-	-

25. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£000	£000	£000	£000
Expiry date:				
Within 1 year	208	74	84	135
Between 2 and 5 years	8,728	9,674	1,854	2,146
After more than 5 years	7,517	6,865	4,689	4,174

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26. CONTINGENT LIABILITIES

The company, along with other Jones Lang LaSalle group entities, is guarantor of the obligations of Jones Lang LaSalle Finance BV to lending banks under the Multicurrency Credit Facility. At 31 December 2014, we had a \$1.2 billion unsecured revolving credit facility scheduled to mature on 4 October 2018. As at 31 December 2014, the Facility had a drawn balance of nil (2013: US\$155 million). The average outstanding borrowings under the Facility were \$357.0 million and \$450.5 million during the years ended 31 December 2014 and 2013 respectively.

The remaining guaranteed deferred acquisition and earn out payments as of 31 December 2014 totalled US\$ 19.6 million (2013: US\$ 20.0 million). The remaining amounts will be paid over the next four years.

Jones Lang LaSalle Limited is, from time to time, subject to certain litigation matters arising in the normal course of the professional services we provide. Such claims are subject to scrutiny and assessment and, whilst Jones Lang LaSalle Limited is ultimately responsible for any commercial settlement that may be agreed or enforced by the courts, the company expects to recover amounts due from its professional indemnity insurance arrangements. Indemnification is arranged by other members of the Jones Lang LaSalle Group with captive and/or external insurance providers and as such any economic exposure is limited to the insurance excess amounts.

27. RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary of Jones Lang LaSalle Incorporated, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investors in the group qualifying as related parties).

The consolidated financial statements of Jones Lang LaSalle Incorporated within which this company is included can be obtained from the address given in the Ultimate parent undertaking and controlling party note.

28. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent company during the year was Jones Lang LaSalle Europe Limited, a company incorporated in England and Wales, and the ultimate parent company is Jones Lang LaSalle Incorporated, a company incorporated in Maryland, USA.

The only group in which the financial statements of the company are consolidated is that headed by Jones Lang LaSalle Incorporated. Copies of the group financial statements of Jones Lang LaSalle Incorporated can be obtained from Jones Lang LaSalle Incorporated, 200 East Randolph Drive, Chicago, Illinois 60601, USA.