

Registered number: 01188567

JONES LANG LASALLE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



JONES LANG LASALLE LIMITED

COMPANY INFORMATION

Directors

TM Smith
RC Batten
R Howling
A Humphery
C Macfarlane
C Ireland
MD Grigorova
JE Gregory
AM Renshaw
E J Wood (appointed 30 July 2019)

Company secretary

R Webster
NG Taylor
G Thomas

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 2018

Introduction

The Directors present their strategic and Directors' reports and the financial statements for the year ended 31 December 2018.

Business review

The results for the year, as shown on page 9, and the financial position of the Company, as shown on page 11, 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 remained consistent at £404.2m (2017 - £404.3m) reflecting the targeted stability across service lines during the year. Together with strong performance in our leasing sector, we have sustained long-run growth trends in our property and facility management and advisory businesses, all of which continue to generate significant annuity-based revenues, giving us a highly resilient balance to our overall business model throughout the cycle.

The Company recorded an operating profit of £40.5m (2017: £53.1m) from continuing operations.

Principal risks and uncertainties

In relation to the assessment and monitoring of economic, political and regulatory risks, the Company is continuing to evaluate the impact of the outcome of the 2016 referendum in relation to the UK's membership of the EU on the Company's business strategy and business risks in the short, medium and long term. In the short term there is no significant impact expected on the Company's business activities, there will be no immediate change in business strategy, and it does not affect the going concern position of the Company. The Company continues to closely monitor developments and will make appropriate changes to the business strategy once the impact on the UK and European real estate services industry is more certain. The delays to Brexit have caused even more uncertainty, however, the Company has contingency plans in place if a no deal Brexit occurs and no significant impact on the financials is expected.

The continued impact of the UK, European and Global macro-economic and political uncertainties allied with continuing uncertainty over the economic impact of the decision to leave the EU means that the UK business environment will continue to be challenging. 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 seeks to mitigate these risks by a strategy of: balanced and cautious growth, disciplined cost control and seeking growth in counter cyclical business lines. 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

JONES LANG LASALLE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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.

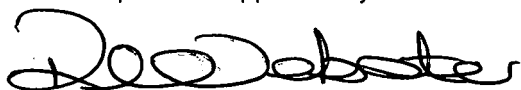
Foreign exchange risk

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	2018	2017	Commentary
Sales (%) (Year on year sales increase/(decrease) expressed as a percentage)	0	12.6	Sales have remained comparable as the Directors have focused on stability and resilience of revenue streams in the context of political uncertainty.
Adjusted operating margin (%) (ratio of operating profit excluding exceptional items & goodwill amortisation to sales, expressed as a percentage)	11.3	14.4	Operating costs have remained consistent as the Directors seek to retain our key employees through economic changes and are making key strategic investments aligned to our overall long-term growth plan.
Net margin (%) (Ratio of pre-tax profit to sales, expressed as a percentage)	10.5	13.5	In line with revenue and cost management.

This report was approved by the board on 19th September 2019 and signed on its behalf.



R Webster
Secretary

JONES LANG LASALLE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

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.

Results and dividends

The profit for the year, after taxation, amounted to £39,073 thousand (2017 - £54,071 thousand).

The Company did not pay an interim dividend during the year (2017 - £nil). The Directors do not recommend the payment of a final dividend (2017 - £nil).

Directors

The Directors who served during the year were:

TM Smith
RC Batten
R Howling
A Humphery
C Macfarlane
C Ireland
MD Grigorova
JE Gregory
AM Renshaw

Political contributions

During the year the Company made no contributions for political purposes (2017 - £nil).

Future developments

The Directors remain committed to the following priorities as part of the JLL Group 'Beyond' strategy:

- Absolute focus on clients, including investing in technology to optimise customer experience
- Driving productivity to increase quality, reduce cost and improve operating margins across all business lines
- Taking advantage of new areas of opportunity
- Continuing to grow annuity revenue and ensure a balanced business growth and mix of businesses
- Protecting and growing market share
- Retaining and attracting key business leaders as part of a diverse and ambitious talent pool
- Limiting our carbon footprint and further improving our sustainability performance and reporting, which is already regarded as industry-leading

By maintaining a strong focus on the above, the Company will be well placed to protect and grow its market position.

JONES LANG LASALLE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Company's policy for payment of creditors

The Company's policy is to use its purchasing power fairly and 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. Where delays in payments occur, remedial action is sanctioned by an executive of the Company.

Employees

The Company seeks to attract and retain the best people clearly identifying the responsibilities of each role and its contribution to the business as a whole, being flexible, fair and consistent where possible in our working practices in order to attract and retain a high calibre of employee, in line with our Dignity at work: diversity and equality policy.

The Company will ensure equal opportunities for everyone throughout all stages of recruitment and selection.

Short listing, interviewing and selection will always be carried out without regard to age, disability, sex, sexual orientation, gender reassignment, marriage and civil partnerships, race including colour, nationality, ethnic or national origin, pregnancy or maternity, religion or belief.

Reasonable adjustments are made, where necessary, to accommodate the needs of candidates throughout the recruitment and selection process to ensure that they have equal opportunity to compete for roles as other applicants would.

Disclosure of information to auditor

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

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board on 17th September 2019 and signed on its behalf.



R Webster
Secretary

JONES LANG LASALLE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

JONES LANG LASALLE LIMITED

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

Opinion

We have audited the financial statements of Jones Lang LaSalle Limited (the 'Company') for the year ended 31 December 2018, which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *'The Financial Reporting Standard applicable in the UK and Republic of Ireland'*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of goodwill, intangible assets and investments, provisions and defined benefit pension scheme related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

JONES LANG LASALLE LIMITED

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

Other information

The Directors are responsible for the other information, which comprises the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors are responsible for:

- the preparation of the financial statements and for being satisfied that they give a true and fair view;
- 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;
- 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities

Our objectives 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 our 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.

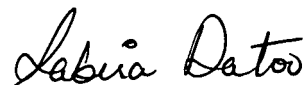
A fuller description of our responsibilities is provided on the FRC's website at:
www.frc.org.uk/auditorsresponsibilities.

JONES LANG LASALLE LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JONES LANG LASALLE LIMITED
(CONTINUED)**

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.



**Sabira Datto (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

Date: 23 September 2019.

JONES LANG LASALLE LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Turnover	3	404,170	404,305
Administrative expenses		(363,798)	(351,211)
- Fair value movements		99	-
Operating profit	4	<u>40,471</u>	<u>53,094</u>
Amounts written off investments		(911)	(910)
Interest receivable and similar income	8	5,297	5,344
Interest payable and similar expenses	9	(2,103)	(2,552)
Other finance income		(155)	(337)
Profit before tax		<u>42,599</u>	<u>54,639</u>
Tax on profit	11	(3,526)	(568)
Profit for the financial year		<u><u>39,073</u></u>	<u><u>54,071</u></u>

The notes on pages 13 to 45 form part of these financial statements.

JONES LANG LASALLE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £000	2017 £000
Profit for the financial year		39,073	54,071
Other comprehensive income			
Actuarial gain on defined benefit schemes		7,372	7,733
Effect of asset ceiling		13,679	(6,025)
Movement on deferred tax relating to pension gains		(3,578)	(290)
Other comprehensive income for the year		17,473	1,418
Total comprehensive income for the year		56,546	55,489

The notes on pages 13 to 45 form part of these financial statements.

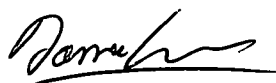
JONES LANG LASALLE LIMITED
REGISTERED NUMBER:01188567

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Intangible assets	12	3,104	8,351
Tangible assets	13	39,260	41,916
Investments	14	125,781	125,954
		<u>168,145</u>	<u>176,221</u>
Current assets			
Debtors: amounts falling due within one year	15	464,940	377,254
Cash at bank and in hand	16	576	758
		<u>465,516</u>	<u>378,012</u>
Creditors: amounts falling due within one year	17	(314,209)	(258,156)
Net current assets		<u>151,307</u>	<u>119,856</u>
Total assets less current liabilities		<u>319,452</u>	<u>296,077</u>
Creditors: amounts falling due after more than one year	18	(3,513)	(9,258)
Provisions for liabilities			
Deferred tax	21	(696)	-
Other provisions	20	(6,848)	(7,679)
		<u>(7,544)</u>	<u>(7,679)</u>
Pension asset/liability	25	18,483	(7,329)
Net assets		<u><u>326,878</u></u>	<u><u>271,811</u></u>
Capital and reserves			
Called up share capital	22	121,088	121,088
Share premium account	23	2,500	2,500
Capital redemption reserve	23	268	268
Other reserves	23	90,557	90,557
Profit and loss account	23	112,465	57,398
		<u><u>326,878</u></u>	<u><u>271,811</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19th September 2019.

JE Gregory
Director



The notes on pages 13 to 45 form part of these financial statements.

JONES LANG LASALLE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2018	121,088	2,500	268	90,557	57,398	271,811
Profit for the year	-	-	-	-	39,073	39,073
Actuarial gains on pension scheme	-	-	-	-	17,473	17,473
Other movement (Share Based Payments)	-	-	-	-	(1,479)	(1,479)
At 31 December 2018	121,088	2,500	268	90,557	112,465	326,878

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2017	121,088	2,500	268	90,557	711	215,124
Profit for the year	-	-	-	-	54,071	54,071
Actuarial gains on pension scheme	-	-	-	-	1,418	1,418
Other movement (Share Based Payments)	-	-	-	-	1,198	1,198
At 31 December 2017	121,088	2,500	268	90,557	57,398	271,811

The notes on pages 13 to 45 form part of these financial statements.

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

Jones Lang LaSalle Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 01188567 and the registered address is 30 Warwick Street, London, W1B 5NH.

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 presentational currency of these financial statements is pound sterling, rounded to the nearest thousand pounds.

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 2.

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of Jones Lang LaSalle Incorporated as at 31 December 2018 and these financial statements may be obtained from Jones Lang LaSalle Incorporated, 200 East Randolph Drive, Chicago, Illinois 60601, USA.

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.3 Going concern

The financial statements have been prepared on the going concern basis which the Directors believe to be appropriate for the following reasons:

The Company is dependent for its working capital on funds previously 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.

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Income Statement over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years
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At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis.

Short-term leasehold property	- on a straight line basis over the length of the lease
Office machinery and fixtures	- on cost at 10% to 20%
Computer equipment	- on cost at 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

1.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.8 Operating leases

Rentals paid under operating leases are charged to the Income Statement on a straight line basis over the lease term.

1.9 Debtors

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

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.11 Creditors

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

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income Statement within 'other operating income'.

1.13 Finance costs

Finance costs are charged to the Income Statement 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.

1.14 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Income Statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Income Statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Income Statement is charged with fair value of goods and services received.

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.15 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 third parties, loans to related parties and investments in non-puttable ordinary shares.

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

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

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

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

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

1.16 Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

1.17 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

1.18 Borrowing costs

All borrowing costs are recognised in the Income Statement in the year in which they are incurred.

1.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.19 Provisions for liabilities (continued)

Provisions are charged as an expense to the Income Statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

1.20 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.20 Pensions (continued)

Group pension plan

Where the risks of a defined benefit plan are shared between entities under common control, the net defined benefit cost is recognised in the financial statements of the Group entity which is legally responsible for the plan and all other Group entities recognise a cost equal to their contribution payable for the period.

1.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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. Judgements in applying accounting policies and key sources of estimation uncertainty

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

The Directors have not made any judgements in the process of applying the accounting policies that have a significant effect on the amounts recognised in the financial statements other than already disclosed in the notes to the accounts or below 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.

Intangible assets, goodwill and investment

The Company considers whether its intangible assets, goodwill and investments are impaired. An impairment loss is recognised where the carrying amount exceeds the recoverable amount. The recoverable value requires estimation of the future cash flows generated by the underlining business and selection of appropriate discount rates in order to calculate the net present value of those cash flows.

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Judgements in applying accounting policies (continued)

Provisions

Provision is made for retirement obligations, dilapidations and contingencies if required. Those provisions require management's best estimate of the cost that will be incurred based on legislative and contractual requirements. The timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Defined benefit pension scheme

The Company has obligations to pay pension benefits to certain employees. The cost of those benefits and the present value of the obligation depend on number of factors, including life expectancy, salary increase, assets valuation and the discount rates. Management estimates these factors in determining the net pension obligation in the Statement of Financial Position. The assumptions reflect historical experience and current trends.

3. Turnover

An analysis of turnover by class of business is as follows:

	2018 £000	2017 £000
Professional services	404,170	404,305

Analysis of turnover by country of destination:

	2018 £000	2017 £000
United Kingdom	404,170	404,305

4. Operating profit

The operating profit is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets	10,811	10,801
Amortisation of intangible assets, including goodwill	5,247	5,247
Exchange differences	(196)	54
Other operating lease rentals	13,330	14,135
Loss/(profit) on sale of tangible assets	2,940	(474)
Defined contribution pension cost	13,125	12,761

5. Auditor's remuneration

	2018 £000	2017 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	50	99

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

6. Employees

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

	2018 £000	2017 £000
Wages and salaries	252,607	259,549
Social security costs	36,125	34,415
Cost of defined benefit scheme	300	242
Cost of defined contribution scheme	13,125	12,761
	<u>302,157</u>	<u>306,967</u>

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

	2018 No.	2017 No.
Managerial and professional	<u>3,004</u>	<u>2,853</u>

7. Directors' remuneration

	2018 £000	2017 £000
Directors' emoluments	5,834	4,637
Company contributions to defined contribution pension schemes	70	177
	<u>5,904</u>	<u>4,814</u>

During the year retirement benefits were accruing to 5 Directors (2017 - 5) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £1,320 thousand (2017 - £1,193 thousand).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £15 thousand (2017 - £15 thousand).

During the year 4 directors received shares under the long term incentive schemes (2017 - 2)

8. Interest receivable

	2018 £000	2017 £000
Interest receivable from group Companies	<u>5,297</u>	<u>5,344</u>

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Interest payable and similar expenses

	2018 £000	2017 £000
Other loan interest payable	(78)	(4)
Interest payable to group undertakings	2,181	2,556
	<u>2,103</u>	<u>2,552</u>

10. Other finance income/(expenses)

	2018 £000	2017 £000
Net interest on net defined benefit liability	(6,034)	(6,495)
Interest income on pension scheme assets	6,253	6,386
Interest on asset ceiling	(374)	(228)
	<u>(155)</u>	<u>(337)</u>

11. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on profits for the year	2,833	-
Total current tax	<u>2,833</u>	<u>-</u>
Deferred tax (note 21)		
Defined pension	809	804
Other movements	(116)	(236)
Total deferred tax	<u>693</u>	<u>568</u>
Taxation on profit on ordinary activities	<u>3,526</u>	<u>568</u>

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	42,599	54,639
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	8,095	10,518
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,536	1,979
Capital allowances for year in excess of depreciation	80	76
Other timing differences leading to a decrease in taxation	(832)	(799)
Group relief at no charge	(6,046)	(11,774)
Deferred tax movement	693	568
Total tax charge for the year	3,526	568

Factors that may affect future tax charges

The main rate of UK corporation tax for 2018 is 19%, it was reduced from 20% to 19% effective from 1 April 2017 (2017:19.25%) by Finance Act 2016. Finance Act 2016 has set the UK corporation tax rate for the Financial Year 2020, commencing 1 April 2020, at 17%.

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12. Intangible assets

	Goodwill £000
Cost	
At 1 January 2018	95,208
At 31 December 2018	<u>95,208</u>
Amortisation	
At 1 January 2018	86,857
Charge for the year	5,247
At 31 December 2018	<u>92,104</u>
Net book value	
At 31 December 2018	<u>3,104</u>
At 31 December 2017	<u>8,351</u>

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Tangible fixed assets

	Short-term leasehold property £000	Fixtures and fittings £000	Land £000	Total £000
Cost or valuation				
At 1 January 2018	18,679	45,718	150	64,547
Additions	1,682	11,064	-	12,746
Disposals	(3,072)	(11,518)	-	(14,590)
At 31 December 2018	<u>17,289</u>	<u>45,264</u>	<u>150</u>	<u>62,703</u>
Depreciation				
At 1 January 2018	7,304	15,327	-	22,631
Charge for the year on owned assets	2,161	8,650	-	10,811
Disposals	(2,492)	(7,507)	-	(9,999)
At 31 December 2018	<u>6,973</u>	<u>16,470</u>	<u>-</u>	<u>23,443</u>
Net book value				
At 31 December 2018	<u>10,316</u>	<u>28,794</u>	<u>150</u>	<u>39,260</u>
At 31 December 2017	<u>11,375</u>	<u>30,391</u>	<u>150</u>	<u>41,916</u>

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Fixed asset investments

	Investments in subsidiary Companies £000	Listed investments £000	Other fixed asset investments £000	Total £000
Cost or valuation				
At 1 January 2018	132,455	-	694	133,149
Additions	611	-	-	611
Revaluations	-	100	-	100
Transfer between classes	-	27	-	27
At 31 December 2018	<u>133,066</u>	<u>127</u>	<u>694</u>	<u>133,887</u>
Impairment				
At 1 January 2018	7,195	-	-	7,195
Charge for the period	911	-	-	911
At 31 December 2018	<u>8,106</u>	<u>-</u>	<u>-</u>	<u>8,106</u>
Net book value				
At 31 December 2018	<u>124,960</u>	<u>127</u>	<u>694</u>	<u>125,781</u>
At 31 December 2017	<u>125,260</u>	<u>-</u>	<u>694</u>	<u>125,954</u>

The Directors have considered the net asset value and future trading potential of each of the Company's investments in subsidiaries. This assessment has resulted in an impairment charge for the year relating to the Company's investment in Rogers Chapman Limited (£911 thousand) up to 31 December 2018.

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

14. Fixed asset investments (continued)

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares		Principal activity
Jones Lang LaSalle Corporate Finance Limited (UK)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Resources Limited (UK)	Ordinary	100 %	Real estate services
Jones Lang LaSalle European Services Limited (UK)	Ordinary	100 %	Real estate services
Jones Lang LaSalle European Holdings Limited (UK)	Ordinary	97 %	Real estate services
Rogers Chapman UK Limited (UK)	Ordinary	100 %	Real estate services
HG2 Limited (UK)	Ordinary	100 %	Real estate services
AMAS Limited (UK)	Ordinary	100 %	Dormant
JLW Nominees Limited (UK)	Ordinary	100 %	Dormant
JLW Second Nominees Limited (UK)	Ordinary	100 %	Dormant
Tetris Projects Limited (UK)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Insurance Services Limited (UK)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Pension Trustees Limited (UK)	Ordinary	100 %	Dormant
Jones Lang LaSalle Services S.R.L. (Romania)	Ordinary	100 %	Real estate services
Bluu Projects Limited	Ordinary	51 %	Real estate services

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

14. Fixed asset investments (continued)

Indirect Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares		Principal activity
Jones Lang LaSalle Holding AB (Sweden)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Holding BV (Netherlands)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Regent Limited (UK)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Services LLC (Russia)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Kft (Hungary)	Ordinary	99 %	Real estate services
Wonderment BV (Netherlands)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Services BV (Netherlands)	Ordinary	100 %	Real estate services
Tetris Design & Build B.V. (Netherlands)	Ordinary	100 %	Real estate services
Jones Lang LaSalle BV (Netherlands)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Services AB (Sweden)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Global Finance UK Limited (UK)	Ordinary	100 %	Real estate services
Jones Lang LaSalle UK FC (UK)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Laser Limited (UK)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Finance Europe (England)	Ordinary	100 %	Real estate services
Jones Lang LaSalle s.r.o. (Czech Republic)	Ordinary	100 %	Real estate services
Tetris Design and Build s.r.o. (Czech Republic)	Ordinary	100 %	Real estate services
Jones Lang Wootton Limited (UK)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Property Management LLC (Russia)	Ordinary	100 %	Real estate services
Tetris Poland Sp. z o.o. (Poland)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Espana SA (Spain)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Sociedade de Medicao Imobiliaria S.A. (Portugal)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Sociedade de Avaliacao Imobiliarias Unipessoal LDA (Portugal)	Ordinary	100 %	Real estate services
Tetris Arquitectura S.L.U. (Spain)	Ordinary	100 %	Real estate services
Tetris Arquitectura Surcursal em Portugal, S.L. (Portugal)	Ordinary	100 %	Real estate services
Tetris Amenagement Sarl (Morocco)	Ordinary	100 %	Real estate services
LaSalle Investment Management S.L (Spain)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Valoraciones S.A. (Spain)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Gayrimenkul Hizmetleri Ticaret A.S. (Turkey)	Ordinary	100 %	Real estate services
Jones Lang LaSalle SARL (Morocco)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Group Holdings BV (Netherlands)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Group Holdings SNC (France)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Expertises SAS (France)	Ordinary	100 %	Real estate services
Jones Lang LaSalle SAS (France)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Residential Development GmbH (Germany)	Ordinary	100 %	Real estate services

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

14. Fixed asset investments (continued)

Jones Lang LaSalle Services SAS (France)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Saudi Arabia LLC (Saudi Arabia)	Ordinary	100 %	Real estate services
Tetris SAS (France)	Ordinary	100 %	Real estate services
Jones Lang LaSalle SpA (Italy)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Services Srl (Italy)	Ordinary	100 %	Real estate services
Tetris Design and Build SRL (Italy)	Ordinary	100 %	Real estate services
LaSalle Italia SRL (Italy)	Ordinary	100 %	Real estate services
Jones Lang LaSalle SARL (Luxembourg)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Administration GmbH (Germany)	Ordinary	100 %	Real estate services
Jones Lang LaSalle SE (Germany)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Services GmbH (Germany)	Ordinary	100 %	Real estate services
Jones Lang LaSalle GmbH (Austria)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Misc LLC (Egypt)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Holdings GmbH & Co KG (Germany)	Partnership Interest	100 %	Real estate services
Jones Lang LaSalle SPRL (Belgium)	Ordinary	92.3 %	Real estate services
Jones Lang LaSalle Services SA/NV (Belgium)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Israel Limited (Israel)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Holdings Sp.z.o.o. (Poland)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Sp.z.o.o. (Poland)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Saudi Arabia for Real Estate Valuations (Saudi Arabia)	Ordinary	100 %	Real estate services
King Sturge Management SPRL (Belgium)	Ordinary	99 %	Real estate services
Tenzing AB (Sweden)	Ordinary	70 %	Real estate services
Tenzing Kapitalmarknad Holding AB (Sweden)	Ordinary	70 %	Real estate services
Tenzing Kapitalmarknad AB (Sweden)	Ordinary	100 %	Real estate services
Nima Mountaineer AB (Sweden)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Group Services Sp.z.o.o. (Poland)	Ordinary	100 %	Real estate services
Tetris Design and Build SARL (Luxembourg)	Ordinary	100 %	Real estate services
Soraqa Saria AlKhatib (Saudi Arabia)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Retail Asset Management GmbH (Germany)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Kenya Ltd (Kenya)	Ordinary	100 %	Real estate services
Jones Lang LaSalle LLC (Russia)	Ordinary	100 %	Real estate services
Tetris Projects GmbH (Germany)	Ordinary	100 %	Real estate services
Nextport Business Relocation Partner AB (Sweden)	Partnership Interest	100 %	Real estate services
Jones Lang LaSalle OY (Finland)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Holding SAS (France)	Ordinary	100 %	Real estate services
JLL Finance LLP (UK)	Partnership Interest	100 %	Real estate services
Jones Lang LaSalle Secs (Luxembourg)	Partnership Interest	100 %	Real estate services
Jones Lang LaSalle LLP (Kazakhstan)	Partnership Interest	100 %	Real estate services

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

14. Fixed asset investments (continued)

Novo Interior – Arquitectura, Engenharia e Imobiliaria, S.A. (Portugal)	Ordinary	100 %	Real estate services
Cobertura S.A. (Portugal)	Ordinary	100 %	Real estate services
BG data Bilisim Teknolojileri ve Medya Hiz Tic A.S. (Turkey)	Ordinary	100 %	Real estate services
AVM Ortaklari Proje Yonetimi A.S. (Turkey)	Ordinary	100 %	Real estate services
JLL Ingenierie (France)	Ordinary	100 %	Real estate services
Tetris Design & Build Romania SRL (Romania)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Expertise SARL (Morocco)	Ordinary	100 %	Real estate services
Jones Lang LaSalle 1. Beteiligungsgesellschaft GmbH (Germany)	Ordinary	100 %	Real estate services
AGL Treasury Support AB (Sweden)	Ordinary	100 %	Real estate services
AGL Transaction Services AB (Sweden)	Ordinary	100 %	Real estate services

Name	Registered office
UK companies	30 Warwick Street, London, W1B 5NH
Romanian companies	145 Calea Victoriei, Victoria Center, Floor 9, District 1, Bucharest
Swedish companies	Birger Jarlsgatan 25, 111 45 Stockholm
Dutch companies	Strawinskylaan 3103, 1077 ZX, Amsterdam
Russian companies	2, Bld. 1, Letnikovskaya Street, Moscow, 115114
Hungarian companies	1054 Budapest, Szabadság tér 14
Czech companies	1096/21, Na Příkopě, 110 00, Praha 1
Polish companies	Warsaw Spire, 30th floor, Plac Europejski 1, Warsaw, 00-844
Spanish companies	Paseo de la Castellana 110-12a, Madrid, 28046
Portuguese companies	Avenida Duque D'Avila, No. 141-lo.dto., Lisbon, 1050-081
Moroccan companies	Twin Centre, Tour Ouest, Angle Boulevards, Zerkouni at Al Massira, Casablanca, 201000
Turkish companies	Yesim Sokak No 2, Aktlar, Levent - Istanbul, Turkey, 34335
French companies	40-42 rue La Boétie, Paris, 75008

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Fixed asset investments (continued)

Saudi Arabian companies	18th floor, South Tower, Taawuneya Towers Olaya District, King Fahd Road P.O.Box 13547 Riyadh 11414, Saudi Arabia
Italian companies	8, Via Agnello, Milano, 20121
Luxembourgish companies	41 rue du Puits Romain, L - 8070 Bertrange
German companies	Wilhelm-Leuschner Strasse 78, Frankfurt am Main, 60329
Austrian companies	Praterstraße 62-64, Vienna, 1020
Egyptian companies	2 Aly Rashed St., Stars Capital, 8th Floor, Heliopolis, Cairo, Egypt
Belgian companies	23 Avenue Marnixlaan, 1000 - Brussels
Israeli companies	c/o TMF Management and Accounting Services (Israel) Ltd., 7 Rival Street, Tel-Aviv 67778
Finnish companies	Eteläesplanadi 22 A, FI-00130, Helsinki
Kazakhstani companies	62B Karmysova str., Medeusky District, Almaty, Kazakhstan
Kenyan companies	Plot L.R. No. 7158/602, Kalamu House, Grevillea Grove, Westlands, P.O. Box 47323-00100, Nairobi, Kenya

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

14. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 December 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings (direct holdings) were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Jones Lang LaSalle Corporate Finance Limited	12,369,145	(2,761,605)
Jones Lang LaSalle Resources Limited	2	-
Jones Lang LaSalle European Services Limited	6,507,293	66,638
Jones Lang LaSalle European Holdings Limited	407,357,893	179,720,179
Rogers Chapman UK Limited	15,739,436	(556,731)
HG2 Limited	3,664,457	50,188
AMAS Limited	44,000	-
JLW Nominees Limited	3,475,396	-
JLW Second Nominees Limited	2	-
Tetris Projects Limited	(17,284,445)	(5,174,788)
Jones Lang LaSalle Insurance Services Limited	10,180,794	685,984
Jones Lang LaSalle Services S.R.L.	(2,023,378)	847,087
Jones Lang LaSalle Pension Trustees Limited	100	-
Bluu Projects Limited	1,346,725	72,460
	<u>441,377,420</u>	<u>172,949,412</u>

Listed investments

The fair value of the listed investments at 31 December 2018 was £127 thousand (2017 - £NIL).

15. Debtors

	2018 £000	2017 £000
Trade debtors	78,596	81,154
Amounts owed by group undertakings	347,017	242,152
Other debtors	6,738	11,786
Prepayments and accrued income	32,589	38,587
Deferred taxation	-	3,575
	<u>464,940</u>	<u>377,254</u>

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

16. Cash and cash equivalents

	2018 £000	2017 £000
Cash at bank and in hand	576	758
Less: bank overdrafts	-	(4,003)
	<u>576</u>	<u>(3,245)</u>

17. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Bank overdrafts	-	4,003
Bank loans	151	-
Trade creditors	9,534	6,689
Amounts owed to group undertakings	101,695	84,486
Corporation tax	7,949	-
Other taxation and social security	33,625	36,100
Other creditors	17	182
Accruals and deferred income	161,238	126,696
	<u>314,209</u>	<u>258,156</u>

18. Creditors: Amounts falling due after more than one year

	2018 £000	2017 £000
Other creditors	687	6,662
Accruals and deferred income	2,826	2,596
	<u>3,513</u>	<u>9,258</u>

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

19. Financial instruments

	2018	2017
	£000	£000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	459,011	367,971
	<u> </u>	<u> </u>
Financial liabilities		
Financial liabilities measured at amortised cost	(290,985)	(227,785)
	<u> </u>	<u> </u>

Financial assets measured at amortised cost comprise trade and other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade and other creditors, accruals and amounts owed to group undertakings.

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

20. Provisions

	Onerous lease £000	Dilapidations £000	Professional indemnity insurance £000	Earn out £000	Total £000
At 1 January 2018	12	5,655	860	1,152	7,679
Charged to profit or loss	-	113	460	-	573
Utilised in year	(12)	-	(240)	(1,152)	(1,404)
At 31 December 2018	-	5,768	1,080	-	6,848

Dilapidations

As part of its property leasing arrangements, the Company has an obligation to return some properties to their original condition (when the Company conducted significant leasehold improvements) or repair damages which incur during the life of the lease. The present value of the expected cost is capitalised as a part of the leasehold improvement asset. The provision is expected to be utilised at the end of the respective leases between 2019 and 2023.

Onerous lease

Where leasehold properties become vacant, the Company provides for all costs, net of anticipated income, to the end of the lease or anticipated date of the disposal or sublease. The provision is expected to be utilised over the life of the related leases in 2019.

Professional indemnity insurance

The Company is, from time to time, subject to certain litigation matters arising in the normal course of the professional services it provides. Such claims are subject to scrutiny and assessment and, whilst Jones Lang LaSalle Limited is ultimately responsible for any commercial settlements 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. The provision has been represented gross to better reflect the liabilities and assets arising from the claims against the business. Of the £1,080 thousand provided for at the Statement of Financial Position date, £nil was paid to date in 2019.

Earn out

The earn out provision brought forward related to the acquisition of Avenue 9 Solutions Limited, whereby Jones Lang LaSalle Limited would make payments to the previous owners based on agreed targets. During the year it was established that these targets would not be met and therefore the provision has been reduced to £Nil at the reporting date.

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

21. Deferred taxation

	2018 £000
At beginning of year	3,575
Charged to profit or loss	(693)
Charged to other comprehensive income	(3,578)
At end of year	(696)

The deferred taxation balance is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	1,461	1,390
Pension surplus	(3,142)	1,246
Company share scheme	985	939
	(696)	3,575

There are no unused tax losses or unused tax credits.

22. Share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
121,087,708 (2017 - 121,087,708) Ordinary shares of £1.00 each	121,088	121,088

23. Reserves

Share premium account

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

Capital redemption reserve

A non-distributable reserve which represents paid up share capital.

Other reserves

Capital contributions from the parent Company.

Profit and loss account

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

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

24. 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.

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 after either three years or five years from the grant date. Vesting is conditional upon the participant remaining in the employ of a Group Company.

	Weighted average exercise price (pence) 2018	Number 2018	Weighted average exercise price (pence) 2017	Number 2017
All employee Save As You Earn (SAYE) schemes				
Outstanding at the beginning of the year	7,448	122,150	7,070	107,460
Granted during the year		-	8,562	71,732
Forfeited during the year	7,640	(32,493)	7,125	(35,420)
Exercised during the year	9,505	(1,646)	9,411	(21,622)
Outstanding at the end of the year	7,412	88,011	7,448	122,150
Restricted Stock Grant Plan				
Outstanding at the beginning of the year	8,436	84,706	7,629	77,970
Granted during the year	6,069	43,088	4,735	25,459
Forfeited during the year	9,198	(6,567)	8,478	(5,449)
Exercised during the year	11,582	(24,967)	9,118	(13,274)
Outstanding at the end of the year	10,025	96,260	8,436	84,706

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

24. Share based payments (continued)

The inputs into the Black Scholes valuation model that the Company uses to value SAYE options were:

	2018	2017
3 year options		
Weighted average share price (pence)	10,702	10,702
Exercise price (pence)	9,097	9,097
Weighted average contractual life (years)	3	3
Expected volatility %	33.38	33.38
Expected dividend growth rate	0.47	0.47
Risk-free interest rate	1.4	1.40
5 year options		
Weighted average share price (pence)	10,702	10,702
Exercise price (pence)	9,097	9,097
Weighted average contractual life (years)	5	5
Expected volatility %	29.67	29.67
Expected dividend growth rate	0.47	0.47
Risk-free interest rate	1.81	1.81

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

The total credit for the year was £(1,479) thousand (2017: charge £1,198 thousand).

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

25. 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 £13,125 thousand (2017: £12,762 thousand). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The Company 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.

The latest full actuarial valuation was carried out in November 2015 and was updated on 15 February 2019 for FRS 102 purposes to 31 December 2018 by a qualified independent actuary. The Jones Lang LaSalle Limited Group contributions for the year were £5,625 thousand (2017: £5,709 thousand).

Reconciliation of present value of plan liabilities:

	2018 £000	2017 £000
At the beginning of the year	242,085	247,714
Current service cost	300	242
Interest cost	6,034	6,495
Actuarial losses	(18,837)	1,918
Benefits paid	(10,915)	(14,284)
At the end of the year	218,667	242,085

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

25. Pension commitments (continued)

	2018 £000	2017 £000
Reconciliation of present value of plan assets		
At the beginning of the year	248,061	241,000
Interest income	6,253	6,386
Interest cost	(409)	(401)
Actuarial gains	(11,465)	9,651
Contributions	5,625	5,709
Benefits paid	(10,915)	(14,284)
At the end of the year	<u>237,150</u>	<u>248,061</u>
Effect of asset ceiling	-	(13,305)
	<u><u>237,150</u></u>	<u><u>234,756</u></u>
 Composition of plan assets:		
	2018 £000	2017 £000
Cash and cash equivalents	2,708	1,290
Equity instruments	45,902	57,427
Debt instruments	94,232	91,563
Other	94,308	97,781
Total plan assets	<u><u>237,150</u></u>	<u><u>248,061</u></u>
	2018 £000	2017 £000
Fair value of plan assets	237,150	234,756
Present value of plan liabilities	(218,667)	(242,085)
Net pension scheme asset/(liability)	<u><u>18,483</u></u>	<u><u>(7,329)</u></u>

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

25. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	2018 £000	2017 £000
Current service cost	(300)	(242)
Net finance income / (expenses)	(155)	(337)
Administration expenses	(409)	(401)
Total	<u>(864)</u>	<u>(980)</u>
Return on plan assets		
Return on plan assets (excluding interest)	(11,465)	9,651
Interest income	6,253	6,386
	<u>(5,212)</u>	<u>16,037</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £7,372 thousand (2017 - £7,733 thousand).

The Company expects to contribute £5,595 thousand to its Defined Benefit Pension Scheme in 2019.

	2018 £000	2017 £000
Analysis of actuarial gain recognised in Other Comprehensive Income		
Actual return less interest income included in net interest income	(11,465)	9,651
Experience gains and losses arising on the scheme liabilities	(9,304)	2,818
Changes in assumptions underlying the present value of the scheme liabilities	28,141	(4,736)
	<u>7,372</u>	<u>7,733</u>

JONES LANG LASALLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

25. Pension commitments (continued)

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2018 %	2017 %
Discount rate	2.9	2.55
Future pension increases	3.05	3.00
Inflation assumption	3.3	3.25
Mortality rates		
- for a male aged 65 now	22.9	24.20
- at 65 for a male aged 45 now	24.2	26.30
- for a female aged 65 now	24.9	25.30
- at 65 for a female member aged 45 now	26.3	27.60

Defined benefit pension schemes

	2018 £000	2017 £000
Jones Lang LaSalle section		
Defined benefit obligation	(140,679)	(150,794)
Scheme assets	159,849	153,114
Surplus	19,170	2,320

The Directors' obtained a legal opinion on the company's unconditional right to a return of a pension surplus in certain circumstances in accordance with the Trust Deed. In light of the legal opinion received, which is not a change in facts in the current period, no asset ceiling is being imposed on the pension surplus. The impact of the removal of the asset ceiling in 2018 was; the pension asset increased by £17,690, the deferred tax liability increased by £3,007 and other comprehensive income increased by £14,683.

	2018 £000	2017 £000
King Sturge section		
Defined benefit obligation	(77,988)	(91,291)
Experience adjustments on scheme liabilities	77,301	81,642
Deficit	(687)	(9,649)

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

26. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Operating lease rentals £000	Other Commitments £000	2018 £000	2017 £000
Not later than 1 year	27,155	4,395	31,550	31,354
Later than 1 year and not later than 5 years	40,073	17,578	57,651	83,797
Later than 5 years	26,542	11,248	37,790	34,677
	<u>93,770</u>	<u>33,221</u>	<u>126,991</u>	<u>149,828</u>

During the year £31,354 thousand was recognized as an expense in the profit and loss account in respect of operating leases (2017: £25,143 thousand).

27. Related party transactions

During the year, £nil (2017 - £253,544) was paid to Warwick Street (KS) LLP, a company in which R Batten, C Macfarlane and C Ireland are designated members.

During the year, £11,500 (2017 - £25,000) was paid to Dingo DX Limited, a company in which R Howling is also a director.

These payments were made on an arms-length basis. There were no amounts outstanding to or from the companies at the year end.

The company has taken the exemption available under section 33 paragraph 1A of FRS 102 in respect of disclosure of transactions with fellow group undertakings, where the group has 100% control.

28. 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 2018, the Group had a \$2.75 billion (2017 - \$2.75 billion) unsecured revolving credit facility scheduled to mature on 17 May 2023 (2017 - 21 June 2021). As at 31 December 2018, the Facility had a drawn balance of \$nil (2017 - \$Nil).

The average outstanding borrowings under the Facility were \$364.1 million and \$888.5 million during the years ended 31 December 2018 and 2017 respectively.

The remaining guaranteed deferred acquisition payments as of 31 December 2018 totalled \$Nil (2017 - \$9.9 million).

On 29 June 2017, the Company, along with other JLL Group entities, became a guarantor of the obligation of JLL Finance BV to the holders of €350 million of Senior Unsecured Notes. The principal amount of €350 million comprises €175 million maturing in 2027 and €175 million maturing on 2029.

JONES LANG LASALLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

29. Post balance sheet events

In June 2019, it was agreed that a fellow group Company, Integral UK Limited, would surrender its tax losses incurred in the financial year 2017 to Jones Lang LaSalle Limited, for which Jones Lang LaSalle Limited would pay the full surrendered amount of £26,913 thousand.

30. Controlling party

The Company's immediate parent Company during the year was Jones Lang LaSalle Europe Limited, a Company incorporated in England and Wales with registered office at 30 Warwick Street, London, W1B 5NH.

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.