Registered number: 2597050

LASALLE INVESTMENT MANAGEMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

COMPANY INFORMATION

Directors	Mr J Lyon Mr A Tripp Mr S Richmond-Watson Mr J Agnew Mr S Marrison
Company secretary	Mr M Coulton
Registered number	2597050
Registered office	One Curzon Street London W1J 5HD
Independent auditors	KPMG LLP 15 Canada Square London E14 5GL

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

Profit for the year was £7.9m, compared with £12.8m for the previous year.

Business review

2016 was another successful year from the point of view of providing outperformance for our investors, however turnover and margins were lower than in the previous year. The Company's income largely derives from Investment Management fees, which showed a slight year-on-year increase. A lower level of Performance fees was triggered in 2016 than in 2015, which accounts for the majority of the drop in income. Transaction fees were also lower, in part due to investor uncertainty in the wider market related to the Brexit vote.
Costs were similar to 2015.

Principal risks and uncertainties

The principal risk to the Company is related to the performance of the assets it manages, both on a stand-alone basis and in comparison to industry benchmarks, as this is a key factor influencing investor retention and in attracting new business.

Our main measure of performance is for our Relative Return funds against an MSCI/IPD benchmark. These funds outperformed over one, three five, ten and twenty years, with the three year rolling performance of 13% against a benchmark of 11.5%.

We manage a significant amount of Real Return mandates plus some Inflation-linked Funds and these have delivered strong performance against Real & Inflation targets.

The average length of our relationships with clients is 14 years. Property is generally an attractive asset class to our Clients, as it has historically provided strong income yields relative to some other asset classes.
When seeking new business opportunities, the Company mitigates the risk to its financial position by modelling a fee basis that maintains required margins. During the year, the Company acquired two new clients.

Financial key performance indicators

	2016	2015
Revenue	£54.6	£62.3m
Profit before tax	£9.97m	£16.3m
Margin	18%	26%

Other key performance indicators

	2016	2015
Assets Under Management	£12.8bn	£12.8bn
AUM per Employee	£78.5	££79.0m

Financial Conduct Authority

The Company is regulated by the Finacial Conduct Authority (registration number 179466). It is required to make Pillar 3 disclosures, and has elected to make these available on the Company website, which may be accessed on www.lasalle.com

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

26 April 2017 This report was approved by the board and signed on its behalf.

Mr A Tripp
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

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

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

Results and dividends

The profit for the year, after taxation, amounted to £7,984,259 *(2015 - £12,785,545).*

The Directors do not reccommend payment of a dividend (2015 - £nil).

Directors

The Directors who served during the year were:

Mr J Lyon
Mr A Tripp
Mr S Richmond-Watson
Mr J Agnew
Mr S Marrison

Future developments

The Company will continue to explore new investment opportunities for current & future clients, in order to provide outstanding investment performance.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Post balance sheet events

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

Auditors

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditors 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 26 April 2017 and signed on its behalf.

Mr A Tripp
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LASALLE INVESTMENT MANAGEMENT

We have audited the financial statements of LaSalle Investment Management for the year ended 31 December 2016, set out on pages 7 to 36. The relevant financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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 Auditors

As explained more fully in the Directors' Responsibilities Statement on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council'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 2016 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LASALLE INVESTMENT MANAGEMENT (CONTINUED)

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.

S. McCallion

Sean McCallion (Senior Statutory Auditor)

for and on behalf of
KPMG LLP

15 Canada Square
London
E14 5GL

26 April 2017

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	*2015 £*
Turnover	4	**54,646,875**	*62,314,629*
Gross profit		**54,646,875**	*62,314,629*
Administrative expenses		**(45,533,009)**	*(46,695,734)*
Operating profit	5	**9,113,866**	*15,618,895*
Interest receivable and similar income	9	**845,500**	*704,943*
Interest payable and expenses	10	**(4,824)**	*(550)*
Other finance income		**18,000**	*(17,000)*
Profit before tax		**9,972,542**	*16,306,288*
Tax on profit	12	**(1,988,283)**	*(3,520,743)*
Profit for the year		**7,984,259**	*12,785,545*
Other comprehensive income for the year			
Actuarial gains (losses) on defined benefit pension scheme		**(3,135,000)**	*400,000*
Pension surplus not recognised		**67,000**	*(67,000)*
Movement of deferred tax relating to pension deficit		**-**	*(165,900)*
Tax on defined benefit scheme movements		**261,200**	*-*
Other comprehensive income for the year		**(2,806,800)**	*167,100*
Total comprehensive income for the year		**5,177,459**	*12,952,645*

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note		2016 £		2015 £
Fixed assets					
Tangible assets	13		**737,659**		*975,856*
Investments	14		**1,371,994**		*2,014,643*
			2,109,653		*2,990,499*
Current assets					
Debtors	15	**89,911,973**		*80,378,271*	
Cash at bank and in hand	16	**118,502**		*136,956*	
		90,030,475		*80,515,227*	
Creditors: amounts falling due within one year	17	**(22,834,126)**		*(22,668,099)*	
Net current assets			**67,196,349**		*57,847,128*
Total assets less current liabilities			**69,306,002**		*60,837,627*
Creditors: amounts falling due after more than one year	18		**(2,722,215)**		*(1,930,943)*
Pension liability			**(2,318,800)**		-
Net assets			**64,264,987**		*58,906,684*
Capital and reserves					
Called up share capital	22		**7,125,000**		*7,125,000*
Profit and loss account	23		**57,139,987**		*51,781,684*
			64,264,987		*58,906,684*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 April 2017.

Mr A Tripp
Director

The notes on pages 11 to 36 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	7,125,000	51,781,684	58,906,684
Comprehensive income for the year			
Profit for the year	-	7,984,259	7,984,259
Actuarial losses on pension scheme	-	(3,068,000)	(3,068,000)
Tax on pension scheme movements	-	261,200	261,200
Other comprehensive income for the year	-	(2,806,800)	(2,806,800)
Total comprehensive income for the year	-	5,177,459	5,177,459
Movements in respect of Share-based payments	-	180,844	180,844
Total transactions with owners	-	180,844	180,844
At 31 December 2016	7,125,000	57,139,987	64,264,987

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	7,125,000	39,094,713	46,219,713
Comprehensive income for the year			
Profit for the year	-	12,785,545	12,785,545
Actuarial gains on pension scheme	-	167,100	167,100
Other comprehensive income for the year	-	167,100	167,100
Total comprehensive income for the year	-	12,952,645	12,952,645
Movements in respect of Share-based payments	-	(265,674)	(265,674)
Total transactions with owners	-	(265,674)	(265,674)
At 31 December 2015	7,125,000	51,781,684	58,906,684

The notes on pages 11 to 36 form part of these financial statements.

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

1. General information

The Company is a property investment manager, regulated by the FCA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Company is a going concern, and accounts have been prepared on that basis.

2.3 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.

2.4 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.

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Long-term leasehold property - 10 years
Office equipment - 7 years
Computer equipment - 3 years

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 Statement of Comprehensive Income.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.6 Debtors

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

2.7 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.

2.8 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid

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

2. Accounting policies (continued)

2.8 Financial instruments (continued)

or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

2.9 Creditors

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

2.10 Employee share ownership plan

The cost of the Company's shares held by the ESOP is deducted from equity in the Group and Company balance sheets under the heading ESOP share reserve. Any cash received by the ESOP on disposal of the shares it holds is also recognised directly in equity. Other assets and liabilities of the ESOP (including borrowings) are recognised as assets and liabilities of the Company.

2. Accounting policies (continued)

2.11 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 Statement of Comprehensive Income 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 Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.12 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.13 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 Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet 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 Statement of Comprehensive Income over the remaining vesting period.

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

2. Accounting policies (continued)

2.14 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2. Accounting policies (continued)

2.15 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 Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. 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 Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet 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'.

2.16 Interest income

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

2. Accounting policies (continued)

2.17 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.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 balance sheet 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 Balance Sheet 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 balance sheet date.

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

Investment Management income is recognised in the period in which it is earned, but generally accrued quarterly in arrears. The income is accrued based on past invoices, with the values adjusted for significant events within the period. Where other fees are earned, but not invoiced, accruals are calculated on the basis of the Clients' contractual obligations.
Regular meetings are held with Senior Managers to ensure that both these fees, and any Corporate liabilities are recognised within the accounts.
Significant regular expenses are accrued in the month to which they refer, based on the most recent information available.
Defined benefit pension obligations are updated on the basis of calculations carried out by the Scheme actuaries.The measurement of these obligations requires estimation of future changes in salaries and inflation, as well as mortality rates, future pension increases, and the selection of a suitable discount rate.

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

4. Turnover

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

	2016	2015
	£	£
Advisory Fees	**47,396,727**	*47,151,560*
Acquisition Fees	**494,126**	*2,161,917*
Periodic Performance Fees	**3,333,777**	*8,090,803*
Other Income	**3,422,246**	*4,910,349*
	54,646,876	*62,314,629*

Analysis of turnover by country of destination:

	2016	2015
	£	£
United Kingdom	**51,976,343**	*51,933,271*
Rest of Europe	**1,930,983**	*7,015,925*
Rest of the world	**739,548**	*3,365,434*
	54,646,874	*62,314,630*

5. Operating profit

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	**376,590**	*350,154*
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**69,638**	*53,380*
Exchange differences	**(6,655)**	*(29,806)*
Defined contribution pension cost	**1,917,612**	*784,781*
Defined benefit pension cost	**316,000**	*295,000*

6. Auditors' remuneration

	2016	2015
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**69,638**	*53,380*

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

7. Employees

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

	2016 £	*2015* *£*
Wages and salaries	**24,751,375**	*26,771,059*
Social security costs	**3,388,713**	*3,244,867*
Cost of defined benefit scheme	**316,000**	*295,000*
Cost of defined contribution scheme	**1,917,612**	*784,781*
	30,373,700	*31,095,707*

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

	2016 No.	*2015* *No.*
UK	**159**	*158*
Overseas	**4**	*4*
	163	*162*

8. Directors' remuneration

	2016 £	*2015* *£*
Directors' emoluments	**2,482,401**	*2,604,289*
Company contributions to defined contribution pension schemes	**35,938**	*77,000*
	2,518,339	*2,681,289*

During the year retirement benefits were accruing to 2 Directors *(2015 - 3)* in respect of defined *contribution pension schemes.*

The highest paid Director received remuneration of £627,187 *(2015 - £867,110).*

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL *(2015 - £16,500).*

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid Director amounted to £NIL *(2015 - £NIL).*

The total accrued pension provision of the highest paid Director at 31 December 2016 amounted to £NIL *(2015 - £NIL).*

The amount of the accrued lump sum in respect of the highest paid Director at 31 December 2016 amounted to £NIL *(2015 - £NIL).*

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

9. Interest receivable

	2016	2015
	£	£
Interest receivable from group companies	830,626	682,095
Other interest receivable	14,874	22,848
	845,500	704,943

10. Interest payable and similar charges

	2016	2015
	£	£
Bank interest payable	4,824	550
	4,824	550

11. Other finance costs

	2016	2015
	£	£
Net interest on net defined benefit liability	18,000	(17,000)
	18,000	(17,000)

12. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	1,962,652	3,739,028
Adjustments in respect of previous periods	(59,906)	18,493
	1,902,746	3,757,521
Foreign tax		
Foreign tax on income for the year	(15,177)	(16,426)
	(15,177)	(16,426)
Total current tax	1,887,569	3,741,095
Deferred tax		
Origination and reversal of timing differences	100,714	(220,352)
Total deferred tax	100,714	(220,352)
Taxation on profit on ordinary activities	1,988,283	3,520,743

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

12. Taxation (continued)

Factors affecting tax charge for the year

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

	2016 £	*2015 £*
Profit on ordinary activities before tax	**9,972,542**	*16,306,288*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	**1,994,508**	*3,302,023*
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**4,852**	*4,912*
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**280,637**	*435,400*
Capital allowances for year in excess of depreciation	**21,613**	*23,400*
Overseas Tax	**(15,177)**	*(16,426)*
Adjustments to tax charge in respect of prior periods	**(59,937)**	*18,493*
Other timing differences leading to an increase (decrease) in taxation	**(162,055)**	*152,380*
Impact of share-based charges	**(176,872)**	*(179,087)*
Deferred Tax	**100,714**	*(220,352)*
Total tax charge for the year	**1,988,283**	*3,520,743*

Factors that may affect future tax charges

A reduction in UK Corporation tax from 20% to 19% and subsequently to 17% was substantively enacted in September 2016, and will take effect from 1 April 2017 and 1 April 2020 respectively.

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

13. Tangible fixed assets

	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2016	1,156,230	446,946	726,731	2,329,907
Additions	-	19,508	170,858	190,366
Disposals	-	-	(51,973)	(51,973)
At 31 December 2016	1,156,230	466,454	845,616	2,468,300
Depreciation				
At 1 January 2016	717,660	283,720	352,671	1,354,051
Charge for the period on owned assets	159,480	64,805	152,305	376,590
At 31 December 2016	877,140	348,525	504,976	1,730,641
Net book value				
At 31 December 2016	279,090	117,929	340,640	737,659
At 31 December 2015	*438,570*	*163,226*	*374,060*	*975,856*

The net book value of land and buildings may be further analysed as follows:

	2016 £	*2015 £*
Long leasehold	279,090	*438,570*
	279,090	*438,570*

14. Fixed asset investments

	Other fixed asset investments £
Cost or valuation	
At 1 January 2016	4,148,065
Additions	1
At 31 December 2016	4,148,066
Impairment	
At 1 January 2016	2,133,423
Charge for the period	642,649
At 31 December 2016	2,776,072
Net book value	
At 31 December 2016	1,371,994
At 31 December 2015	*2,014,643*

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

Name	Country of registration	Registered office	Holding	Principal Activity
Alaska UK (GP) Ltd	England and Wales	One Curzon Street, London, W1J 5HD	100%	General Partner
Barwood LaSalle Land General Partner Ltd	England and Wales	One Curzon Street, London, W1J 5HD	100%	General Partner
Barwood LaSalle Land Trustee Ltd	England and Wales	One Curzon Street, London, W1J 5HD	100%	General Partner
LaSalle Blooms General Partner Limited	England and Wales	One Curzon Street, London, W1J 5HD	100%	General Partner
LaSalle Direct General Partner Limited	England and Wales	One Curzon Street, London, W1J 5HD	100%	General Partner
LaSalle Funds General Partner Ltd	England and Wales	One Curzon Street, London, W1J 5HD	100%	General Partner
LaSalle UK Property Services Limited	England and Wales	One Curzon Street, London, W1J 5HD	100%	General Partner
LaSalle UK Ventures (General Partner) Limited	England and Wales	One Curzon Street, London, W1J 5HD	100%	General Partner
LIC II (General Partner) Limited	England and Wales	One Curzon Street, London, W1J 5HD	100%	General Partner
Oxford General Partner Limited	England and Wales	One Curzon Street, London, W1J 5HD	100%	General Partner
Triangle General Partner Limited	England and Wales	One Curzon Street, London, W1J 5HD	100%	General Partner
LaSalle Investment Management Co., Ltd.	Korea	23, Yeouido-dong, Two IFC , 16th Floor, Yeongdeungpo-gu, Seoul, Korea, 150-010	100%	Investment Management

In addition, the Company the Company has an interest in one other entity

LaSalle Co-Investment Management (General Partner) Limited	England and Wales	One Curzon Street, London, W1J 5HD	49.5%	General Partner

15. Debtors

	2016 £	*2015 £*
Due after more than one year		
Deferred tax asset	**358,725**	*459,439*
	358,725	*459,439*
Due within one year		
Trade debtors	**5,125,648**	*3,206,652*
Amounts owed by group undertakings	**72,985,909**	*61,939,589*
Other debtors	**1,850,846**	*2,607,056*
Prepayments and accrued income	**9,590,845**	*12,165,535*
	89,911,973	*80,378,271*

16. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	118,502	136,956
	118,502	136,956

17. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	899,596	462,956
Amounts owed to group undertakings	-	354,209
Corporation tax	6,354,903	4,478,074
Other taxation and social security	-	3,654
Other creditors	2,049,506	3,816,780
Accruals and deferred income	13,530,121	13,552,426
	22,834,126	22,668,099

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

	2016 £	2015 £
Other creditors	2,244,951	1,220,516
Accruals and deferred income	477,264	710,427
	2,722,215	1,930,943

Secured loans

The Company neither makes nor receives secured loans.

19. Share based payments-

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 less a discount of 15 per cent

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.

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

	2016	2015
	No	No
Outstanding at the beginning of the year	13,174	16,341
Granted during the year	-	5,188
Vested during the year	(2,336)	(406)
Forfeited during the year	(501)	(7,949)
Outstanding at the end of the year	10,337	13,174

The options outstanding at 31 December 2016 had a weighted average exercise price of £77.81 (2015: £71.58), and a weighted average remaining contractual life of 1.33 years (2015 1.88 years). During the year no options were granted .

The inputs into the binomial model that the company uses to value share options were:

	2015	2015	2014	2014	2013	2013	2012
	3 year	5 year	3 year	5 year	3 year	5 year	5 year
Share price at date of grant	$147.65	$147.65	$124.16	$124.16	$91.35	$91.35	$69.72
Share price at date of grant	£96.67	£96.67	£74.18	£74.18	£60.08	£60.08	£45.36
Exercise price	£82.72	£82.72	£63.05	£63.05	£51.07	£51.07	£38.56
Expected volatility	20.76%	32.71%	38.82%	36.36%	40.70%	47.10%	47.20%
Expected life	3 years	5 years	3 years	5 years	3 years	5 years	5 years
Risk free rate	0.90%	1.34%	0.82%	1.63%	0.50%	1.03%	0.73%
Expected dividend yield	0.29%	0.29%	0.29%	0.29%	0.35%	0.35%	1.00%

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

Share based payments note continued

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

International Directors' Long Term Incentive Plan

The Group operates a long term incentive plan (LTIP), under which some directors and senior managers may receive awards of shares. Shares under this plan vest on 1st January five years after the grant date. Vesting is conditional upon the participant remaining in the employ of a Group company.

Details of the shares outstanding under the LTIP during the year are as follows:

	2015	2014
	No	No
Outstanding at the beginning of the year	4,633	4,633
Granted during the year	-	
Exercised during the year		
Forfeited during the year		
Outstanding at the end of the year	4,633	4,633

The options outstanding at 31 December 2016 had a remaining contractual life of 0.29 years (2015: 0.64). No award were made in 2016.

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 shares outstanding under the RSG during the year are as follows:

	2016	2015
	No	No
Outstanding at the beginning of the year	6,725	7,914
Granted during the year	916	1,861
Exercised during the year	(1,343)	(155)
Forfeited during the year	0	(2,895)
Outstanding at the end of the year	6,298	6,725

The options outstanding at 31 December 2016 had a remaining contractual life of 1.13 years (2014: 12.8). Awards totalling 916 shares were granted during the year (2015: 1861).

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

20. Financial instruments

	2016 £	*2015 £*
Financial assets		
Cash at Bank	118,502	*136,956*
Financial assets that are debt instruments measured at amortised cost	88,462,891	*78,880,128*
	88,581,393	*79,017,084*
Financial liabilities		
Financial liabilities measured at amortised cost	(19,201,438)	*(20,117,314)*
	(19,201,438)	*(20,117,314)*

Financial assets that are debt instruments measured at amortised cost comprise loans repayable on demand to Jones Lang LaSalle Finance BV (£73m), accrued income (£8.5m), and Trade recivables (£5m).

21. Deferred taxation

	2016 £
At beginning of year	459,439
Charged to profit or loss	(100,714)
At end of year	358,725

21. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2016
	£
Accelerated capital allowances	119,161
Other timing differences	239,564
	358,725

22. Share capital

	2016	2015
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
7,125,000 Ordinary shares shares of £1 each	**7,125,000**	*7,125,000*

23. Reserves

Profit and loss account

The Company's reserves comprise primarily of cumulative profit, available to shareholders; the balance is made up of a combination of actuarial movements on the defined benefit pension scheme, and share-based payments, which reduce the equity.

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

24. Pension commitments

The Company operates a Defined Benefit Pension Scheme.

The Defined Benefit pension scheme is the Industry-Wide Coal staff Superannuation Scheme. The Company's obligations are updated on the basis of calculations provided by the Scheme's Actuary. The measurement of these obligations requires the estimation of future changes in salaries and inflation, as well as mortality rates, future pension increases, and the selection of a suitable discount rate. To this end, the Company adopts, subject to suitability, the estimates used by other parts of the UK Group for their final salary pension schemes. These estimates are prepared with assistance from external consultants.

Reconciliation of present value of plan liabilities:

	2016 £	*2015* *£*
Reconciliation of present value of plan liabilities		
At the beginning of the year	**14,482,000**	*14,522,000*
Current service cost	**312,000**	*309,000*
Interest cost	**567,000**	*533,000*
Actuarial gains/losses	**4,855,000**	*(654,000)*
Benefits paid	**(249,000)**	*(228,000)*
At the end of the year	**19,967,000**	*14,482,000*

	2016 £	*2015* *£*
At the beginning of the year	**14,482,000**	*13,732,000*
Interest cost	**585,000**	*516,000*
Actuarial gains/losses	**1,720,000**	*(254,000)*
Contributions	**831,000**	*812,000*
Benefits paid	**(249,000)**	*(228,000)*
Admin Costs	**(49,000)**	*(29,000)*
Deferred tax on actuarial gain/loss	**261,200**	-
Derecognition of surplus	**67,000**	*(67,000)*
At the end of the year	**17,648,200**	*14,482,000*

24. Pension commitments (continued)

Composition of plan assets:

	2016 £	*2015 £*
UK Equities	**2,949,000**	*2,373,000*
Overseas Equities	**6,881,000**	*5,538,000*
UK Corporate Bonds	**3,023,000**	*2,646,000*
Index Linked Bonds	**2,231,000**	*1,715,000*
Alternatives	**1,372,000**	*1,384,000*
Property	**852,000**	*823,000*
Cash/Other	**79,000**	*70,000*
Total plan assets	**17,387,000**	*14,549,000*

	2016 £	*2015 £*
Fair value of plan assets	**17,648,200**	*14,482,000*
Present value of plan liabilities	**(19,967,000)**	*(14,482,000)*
Net pension scheme liability	**(2,318,800)**	-

The amounts recognised in profit or loss are as follows:

	2016 £	*2015 £*
Current service cost	**(267,000)**	*(266,000)*
Interest on obligation	**18,000**	*(17,000)*
Admin expenses	**(49,000)**	*(21,000)*
Total	**(298,000)**	*(304,000)*

Reconciliation of fair value of plan liabilities were as follow:

	2016 £	*2015 £*
Opening defined benefit obligation	**671,000**	-
Interest cost	**(18,000)**	*17,000*
Actuarial gains and (losses)	**4,855,000**	*(654,000)*
Closing defined benefit obligation	**(4,202,000)**	*671,000*

Reconciliation of fair value of plan assets were as follows:

24. Pension commitments (continued)

	2016 £	2015 £
Opening fair value of scheme assets	(2,492,000)	(2,123,000)
Actuarial gains and (losses)	(1,720,000)	254,000
Contributions by employer	(786,000)	(769,000)
Actuarial losses	(4,855,000)	654,000
	(6,413,000)	(2,492,000)

The Company expects to contribute £314,000 to its Defined Benefit Pension Scheme in 2017.

	2016 %	2015 %
Discount rate	2.70	3.90
Future salary increases	3.65	3.50
Future pension increases	3.10	2.95
Mortality rates		
- life expectancy of current male pensioners (from age 60)	27.7	25.4
- life expectancy of future male pensioners (from age 60)	29.4	26.4
- life expectancy of current female pensioners (from age 60)	29.9	28.0
- life expectancy of future female pensioners (from age 60)	31.7	29.2

The Company also participates in a group-wide defined benefit scheme that provides pensions linked to final salaries. It is not practicable to determine the present value of the Company's obligation as this is accounted for at Group level only.

Amounts for the current and previous four periods are as follows:

Surplus

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

25. Controlling Party

99.9% of the equity of the Company, which is registered in England is owned by LaSalle Partners International, a Company also registered in England. The remaining 0.1% is owned by Jones Lang LaSalle International Inc., a Company registered in Maryland USA.
The only group in which the financial statements of the Company are consolidated is that headed by Jones Lang LaSalle Incorporated, 2090 East Randolph Drive Chicago, Illinois.