

LASALLE INVESTMENT MANAGEMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

SATURDAY



A99KCU40

A14

18/07/2020

#66

COMPANIES HOUSE

LASALLE INVESTMENT MANAGEMENT

COMPANY INFORMATION

Directors	Mr J Lyon Mr A Tripp (resigned 27 February 2020) Mr S Richmond-Watson (resigned 31 July 2019) Mr J Agnew (resigned 31 July 2019) Mr S Marrison Mrs A Aznar (appointed 31 July 2019) Mrs K Brennan (appointed 31 July 2019) Mr E Casal (appointed 31 July 2019)
Company secretary	Mr M Coulton
Registered number	2597050
Registered office	One Curzon Street London W1J 5HD
Independent auditor	KPMG LLP 15 Canada Square London E14 5GL

LASALLE INVESTMENT MANAGEMENT

CONTENTS

	Page
Strategic Report	1 - 5
Directors' Report	6 - 7
Directors' Responsibilities Statement	8
Independent Auditor's Report	9 - 10
Profit and Loss Account	11
Statement of Comprehensive Income	12
Balance Sheet	13
Statement of Changes in Equity	14 - 15
Notes to the Financial Statements	16 - 43

LASALLE INVESTMENT MANAGEMENT

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The Directors present their strategic and Directors' reports and the financial statements for the year ended 31 December 2019.

Business review

The results for the year, as shown on page 11, and the financial position of the Company, as shown on page 13, are considered to be satisfactory by the Directors.

2019 was another successful year for the Company with both turnover and margin higher than the previous year. The Company's income largely derives from Investment Management fees and Transaction Fees both of which increased in 2019.

Principal risks and uncertainties

The outbreak of the Novel Coronavirus (COVID-19) has impacted global financial markets, severely restricted international trade and travel, disrupted business operations and negatively impacted most investment asset classes (including real estate).

The Company continues to closely monitor developments and maintains a heightened focus on both the wider external market risk as well as any business specific risk appropriate processes put in place to monitor and mitigate risk.

The principal risk to the Company is related to the performance of the assets that 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 headline measure of comparative performance is for our Relative Return funds against an MSCI/IPD benchmark. Over the long term, these funds outperformed over five and ten years, with the five-year rolling performance of 7.03% p.a. against a benchmark of 7.01% p.a. and ten-year rolling performance of 9.21% p.a. against a benchmark of 8.78% p.a.

The average length of our relationships with Clients is 10 years (reduced from 2018: 15 years due to the addition of 21 new clients transferred from a subsidiary to the Company). Property remains an attractive asset class to our Clients, as it continues to provide strong income yields relative to some other asset classes.

When seeking new business opportunities, the Company mitigates the risk to its overall financial position by modelling a fee basis that maintains required margins. During the year, the Company acquired three (2018: one) new mandates.

LASALLE INVESTMENT MANAGEMENT

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Financial key performance indicators

	2019	2018
Revenue	£65.3m	£56.0m
Profit before tax	£11.9m	£4.7m
Margin	18%	8%

Other key performance indicators

	2019	2018
Assets Under Management	£18.0b	£13.1b
AUM per Employee	£93.7m	£78.6m

Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006:

The board of directors consider, both individually and together, that they have acted in a way that they consider, in good faith, would be most likely to promote the success of the company, for the benefit of its members as a whole. In doing so the directors have regard to the stakeholders and matters set out in s172(1)(a-f) of the Act.

The likely consequences of any decision in the long term

LaSalle considers its stakeholders when making decision which will impact the future of the Company. Future developments are described in the Directors Report.

The interests of the company's employees

LaSalle engages with its stakeholders about a range of topics using different methods of communication that are most applicable for the audience. LaSalle communicates under its six strategic pillars – people, clients, values, digital, brand and growth – be it in written, digital or oral communication.

There is a clear cascade of information from the Board to all staff thereafter, to make sure that there isn't a reliance on all staff emails. The Board is incentivised to drive staff engagement and excel in information cascading and listening.

Leadership townhalls are frequent, when our audience has a clear appetite for face-to-face communication which we continually seek to improve.

LASALLE INVESTMENT MANAGEMENT

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

The company's business relationships with suppliers and customers

Suppliers

LaSalle engages with many suppliers across the supply chain. We also engage via our parent's Sourcing and Procurement team who manage some strategic relationships with suppliers including competitively tendering, contracting, performance management and relationship management.

The interaction varies depending on the type, criticality and scale of services or products provided. All suppliers are expected to acknowledge the JLL Vendor Code of Conduct that clearly states the expectations we have of our suppliers.

At an operational level, suppliers are managed on a daily basis by LaSalle employees. Many are embedded in our operating model and performance is managed locally.

Our Parent's Sourcing and Procurement team often meet new suppliers to understand their capabilities and to assess their fit. New suppliers are identified from a number of resources including referrals, interaction at trade shows, cold calls and internet searches

Clients

Our communication programmes typically start with our client facing employees. Based on this, we build a view of the client's needs, the stage at which they are at in their relationship with LaSalle and a view of which message or topic will be most relevant to them. Our marketing communications tends to focus on : Brand (how they feel about the company) and Product or Service (how we can help them). Our messages are then distributed through a variety of channels that range from face-to-face meetings with clients , to reporting to clients, Research & Strategy seminars, or via our website. . We often monitor the engagement levels with our communications carefully and have conducted client surveys.

We take our client communications seriously and invest appropriately. We have a team of dedicated marketing people in the UK working on external and internal communications. They work closely with global teams on activities such as PR, digital marketing and marketing material development.

LASALLE INVESTMENT MANAGEMENT

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

The community and the environment

The Company recognises that the future will present some of the greatest demographic, technological, environmental and social challenges of our time. These challenges demand a bold response, with the need to embed sustainability into all aspects of our business.

These environmental and social challenges also present an opportunity and our vision is to make LaSalle, working in tandem with our parent JLL, a world-leading, sustainable professional services firm that can help shape the future of real estate for the better. This leads to responsible investment decisions with healthier, safer, more engaged people, and increased value for all our stakeholders. Our sustainability programme, Building a Better Tomorrow, puts this vision into action. This is delivered via four focus areas: people, clients, workplaces and communities.

Clients

We seek to transform the UK property sector by integrating sustainability into all of our advice and by supporting clients with leading sustainability expertise.

Workplaces

Through exemplary workplace design and operation, we support staff wellbeing and play a leading role in the UK's transition to a low carbon, circular economy.

Communities

The Company works in partnership to address the social issues where we can have the most impact. We are committed to leveraging our skills and experience, and to challenging ourselves and the way we do business.

People

The Company seeks to create a work culture that values diversity, recognises and rewards talent, develops skills for tomorrow's challenges and fosters good health, safety and wellbeing.

We seek to create a work culture that values diversity, develops skills for tomorrow's challenges and fosters good health, safety and well-being of our people, as well as supporting the communities in which we operate.

LASALLE INVESTMENT MANAGEMENT

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

The reputation for high standards of business conduct

LaSalle stands for uncompromising integrity and the highest ethical conduct and the JLL Group has been named this year as one of the World's Most Ethical Companies for the 13th consecutive year and all our personnel, throughout the business and irrespective of seniority, follow our core values of teamwork, excellence and ethics.

At the heart of our business conduct framework is our Code of Ethics and the Ethics Everywhere programme. These touch on numerous aspects of quality and business conduct with respect to different stakeholder groups: employees, clients, marketplace, shareholders and communities.

We have policies and procedures which reflect the organisation's activities, structure and risks and our controls are independently audited each year.

To sustain the framework, LaSalle develops qualified subject matter experts, engages external professional advisers, appoints champions within the business and designs or procures technological solutions. Various forms of guidance, training and communications support this framework.

LaSalle also offers various mechanisms for the raising of concerns. Whether to line managers and business leaders, leaders of support functions (including Legal & Compliance) or the externally-managed speak-up service (accessible by phone, email or internet), we offer anonymity and encourage the raising of concerns so that they can be addressed.

Financial Conduct Authority

The Company is regulated by the Financial 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.

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



.....
Mr J Lyon
Director

Date: 25 June 2020

LASALLE INVESTMENT MANAGEMENT

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report and the financial statements for the year ended 31 December 2019.

Principal activity

The Company is a property investment manager, regulated by the Financial Conduct Authority (FCA).

Results and dividends

The profit for the year, after taxation, amounted to £9,513,916 (2018 - £4,601,364).

The Directors do not recommend payment of a dividend (2018 - £nil).

Directors

The Directors who served during the year were:

Mr J Lyon
Mr A Tripp (resigned 27 February 2020)
Mr S Richmond-Watson (resigned 31 July 2019)
Mr J Agnew (resigned 31 July 2019)
Mr S Marrison
Mrs A Aznar (appointed 31 July 2019)
Mrs K Brennan (appointed 31 July 2019)
Mr E Casal (appointed 31 July 2019)

Future developments

The Company will continue to manage its existing portfolio of assets under management, rent demands and collection as well as explore the right new investment / divestment opportunities for current & future clients in order to deliver strong investment performance.

Engagement with employees

Our employees are our strongest asset and the Company regularly engages on employee performance and career development as well as the wider Company performance, strategy and direction.

Engagement with suppliers, customers and others

The Company engages with suppliers, customers and other stakeholders to:

- create value for our clients, shareholders and employees,
- establish high-quality relationships with the suppliers and the communities in which we operate, and
- respond to macroeconomic trends impacting the real estate sector.

Based on our intimate knowledge of local real estate and capital markets worldwide, as well as our investments in thought leadership and technology, we create value for clients by addressing their investment needs as well as their broader business, strategic and operational goals.

We strive to create a healthy and dynamic balance between activities that produce short term value and returns for our stakeholders through effective management of current transactions and business activities, investment in people, technology, process and systems designed to produce sustainable returns over the long term. A progressive approach leads to responsible investment decisions adding value for our stakeholders and building a better tomorrow.

LASALLE INVESTMENT MANAGEMENT

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 make the Company's auditor aware of such.

Post balance sheet events

There have been no significant events affecting the Company since the year end other than the outbreak of the Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020. The impact of the COVID-19 outbreak on the Company is described in notes 2.3 and 28.

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 and signed on its behalf.



.....
Mr J Lyon
Director

Date: 25 June 2020

LASALLE INVESTMENT MANAGEMENT

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LASALLE INVESTMENT MANAGEMENT

Opinion

We have audited the financial statements of LaSalle Investment Management ("the company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit or loss 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.

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 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.

Other information

The directors are responsible for the other information, which comprises the strategic report, 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 directors' report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LASALLE INVESTMENT MANAGEMENT

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 their statement set out on page 8, 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 they 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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.



Malcolm Footer (Senior statutory auditor)

for and on behalf of

KPMG LLP

15 Canada Square

London

E14 5GL

Date:

25 June 2020

LASALLE INVESTMENT MANAGEMENT

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	4	65,307,843	56,028,804
Gross profit		65,307,843	56,028,804
Administrative expenses		(58,325,989)	(52,408,997)
Operating profit	5	6,981,854	3,619,807
Income from shares in group undertakings		3,702,141	-
Interest receivable and similar income	9	1,252,160	1,134,064
Interest payable and similar expenses	10	(5,750)	(4,007)
Other finance income		(25,000)	(44,000)
Profit before tax		11,905,405	4,705,864
Tax on profit	12	(2,391,489)	(104,500)
Profit for the financial year		9,513,916	4,601,364

The notes on pages 16 to 43 form part of these financial statements.

LASALLE INVESTMENT MANAGEMENT

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Profit for the financial year		9,513,916	4,601,364
Other comprehensive income			
Actuarial (loss)/gain on defined benefit schemes		(3,074,000)	1,083,000
Movement on deferred tax relating to pension gains/(losses)		555,730	(150,610)
Other comprehensive income for the year		(2,518,270)	932,390
Total comprehensive income for the year		6,995,646	5,533,754

The notes on pages 16 to 43 form part of these financial statements.

LASALLE INVESTMENT MANAGEMENT
REGISTERED NUMBER:2597050

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	13	3,928,103	-
Tangible assets	14	2,643,948	694,491
Investments	15	3,061,076	8,190,686
		<u>9,633,127</u>	<u>8,885,177</u>
Current assets			
Debtors	16	115,059,849	94,946,773
Cash at bank and in hand	17	187,159	71,631
		<u>115,247,008</u>	<u>95,018,404</u>
Creditors: amounts falling due within one year	18	(33,625,830)	(23,479,885)
Net current assets		<u>81,621,178</u>	<u>71,538,519</u>
Total assets less current liabilities		<u>91,254,305</u>	<u>80,423,696</u>
Creditors: amounts falling due after more than one year	19	(3,438,497)	(2,723,491)
Pension liability	25	(4,123,000)	(737,840)
Net assets		<u><u>83,692,808</u></u>	<u><u>76,962,365</u></u>
Capital and reserves			
Called up share capital	22	7,125,000	7,125,000
Profit and loss account	23	76,567,808	69,837,365
		<u><u>83,692,808</u></u>	<u><u>76,962,365</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 June 2020.



.....
Mr J Lyon
Director

The notes on pages 16 to 43 form part of these financial statements.

LASALLE INVESTMENT MANAGEMENT

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	7,125,000	69,837,365	76,962,365
Comprehensive income for the year			
Profit for the year	-	9,513,916	9,513,916
Actuarial losses on pension scheme	-	(2,518,270)	(2,518,270)
Other comprehensive income for the year	-	(2,518,270)	(2,518,270)
Total comprehensive income for the year	-	6,995,646	6,995,646
Movements in respect of Share-based payments	-	(265,203)	(265,203)
At 31 December 2019	7,125,000	76,567,808	83,692,808

The notes on pages 16 to 43 form part of these financial statements.

LASALLE INVESTMENT MANAGEMENT

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	7,125,000	64,265,632	71,390,632
Comprehensive income for the year			
Profit for the year	-	4,601,364	4,601,364
Actuarial gains on pension scheme	-	932,390	932,390
Other comprehensive income for the year	-	932,390	932,390
Total comprehensive income for the year	-	5,533,754	5,533,754
Movements in respect of Share-based payments	-	37,979	37,979
At 31 December 2018	7,125,000	69,837,365	76,962,365

The notes on pages 16 to 43 form part of these financial statements.

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 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 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 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 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 2019 and these financial statements may be obtained from Jones Lang LaSalle Incorporated, 200 East Randolph Drive, Chicago, Illinois 60601, USA.

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Going concern

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

With the outbreak of the Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, directors continue to pay close attention to the development of the COVID-19 outbreak and its related impact on the Company's business and financial situation.

The financial statements have been prepared on the basis of the financial situation of the Company as of 31 December 2019, i.e. prior to the current Covid-19 crisis and all assets and liabilities are measured under the normal circumstances that were applicable at that time.

In 2020, future income streams may be subject to fluctuation due to the COVID-19 outbreak and any future impact is under continuous assessment. Directors continue to monitor risks in order to take proactive action. The Directors are of the opinion that the COVID-19 outbreak caused no material adverse effect on the financial statements for the financial period ended 31 December 2019.

The accounts have been prepared on a going concern basis where the directors have reviewed the capital liquidity and financial position of the Company going forward. Directors have stress tested future activity and have reviewed the impact on the business and on income / cash flow from a significant curtailment on new business and the potential negative impact on future revenue from reduced property valuations. The results of these tests demonstrated that the Company has sufficient capital and liquidity buffers to withstand the current market conditions. The existing business model remains viable where the Company does not rely on external debt (other than trade payables in the normal course of business) and has no third-party financial covenants to meet. As of 31st December 2019, the Company had no bad debts and is confident that there are sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

The Directors also note that at 31 December 2019, the company held a debtors balance of £94m with the group entity, Jones Lang LaSalle Finance B.V. The Directors can request funds to be drawn down from this balance as needed to support any cash shortfalls for the company, if the occasion were to arise and to continue to fund on-going operations. This position has been confirmed via a letter of support received from the ultimate parent Jones Lang LaSalle Incorporated.

On the basis of their assessment the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 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 Profit and Loss Account 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 Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other operating income'.

2.5 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.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account 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.

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Profit and Loss Account 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.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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.

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Company.

The Company recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

2.11 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 Profit and Loss Account 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.

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.

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:

Client relationships	-	15	years
Goodwill	-	10	years

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.12 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.

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:

Leasehold property improvements	- over the length of the lease
Office equipment	- 5 to 7 years
Computer equipment	- 3 to 5 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 Profit and Loss Account.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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 Profit and Loss Account 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.

2.14 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.

2.15 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.

2.16 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.

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 Profit and Loss Account 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 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 Profit and Loss Account 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 Profit and Loss Account over the remaining vesting period.

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

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.19 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 Profit and Loss Account 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'.

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.20 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 ordinary shares.

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

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 Profit and Loss Account.

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 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.

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. Judgments 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.

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 Balance Sheet. The assumptions reflect historical experience and current trends. Defined benefit pension obligations are updated based on calculations carried out by the Scheme actuaries.

Investment Management income

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 based on the Clients' contractual obligations.

Significant regular expenses are accrued in the month to which they refer, based on the most recent information available.

Regular meetings are held with Senior Managers to ensure that both fees, and any Corporate liabilities are recognised within the accounts.

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. Turnover

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

	2019 £	2018 £
Advisory Fees	53,251,199	50,494,457
Acquisition Fees	7,870,973	1,389,307
Periodic Performance Fees	189,715	26,896
Other Income	3,995,956	4,118,144
	<u>65,307,843</u>	<u>56,028,804</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	38,890,972	46,347,363
Rest of Europe	23,897,880	7,869,125
Rest of the World	2,518,991	1,812,316
	<u>65,307,843</u>	<u>56,028,804</u>

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Exchange differences	214,341	103,146
Depreciation of tangible fixed assets	197,149	286,577
Amortisation of intangible fixed assets, including goodwill	186,515	-
	<u>186,515</u>	<u>-</u>

6. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>77,500</u>	<u>64,726</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

7. Employees

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

	2019 £	2018 £
Wages and salaries	34,109,104	30,389,843
Social security costs	4,350,839	3,997,860
Cost of defined benefit scheme	499,000	520,000
Cost of defined contribution scheme	1,294,815	1,178,862
	<u>40,253,758</u>	<u>36,086,565</u>

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

	2019 No.	2018 No.
UK	<u>192</u>	<u>167</u>

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	4,472,439	2,860,847
Company contributions to defined contribution pension schemes	27,000	15,000
	<u>4,499,439</u>	<u>2,875,847</u>

During the year, retirement benefits were accruing to 2 Directors (2018 - 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £1,196,015 (2018 - £1,010,217).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2018 - £NIL).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid Director amounted to £NIL (2018 - £NIL).

During the year NIL directors received shares under the long term incentive schemes (2018 -NIL)

The total accrued pension provision of the highest paid Director amounted to £NIL (2018 - £NIL).

LASALLE INVESTMENT MANAGEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Interest receivable

	2019 £	2018 £
Interest receivable from group companies	1,252,160	1,133,839
Other interest receivable	-	225
	<u>1,252,160</u>	<u>1,134,064</u>

10. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	-	5
Loans from group undertakings	5,750	4,002
	<u>5,750</u>	<u>4,007</u>

11. Other finance costs

	2019 £	2018 £
Net interest on net defined benefit liability	(25,000)	(44,000)
	<u>(25,000)</u>	<u>(44,000)</u>

LASALLE INVESTMENT MANAGEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	2,562,123	1,176,067
Adjustments in respect of previous periods	(328,896)	(1,391,156)
	<u>2,233,227</u>	<u>(215,089)</u>
Total current tax	<u>2,233,227</u>	<u>(215,089)</u>
Deferred tax		
Origination and reversal of timing differences	158,262	319,589
Total deferred tax	<u>158,262</u>	<u>319,589</u>
Taxation on profit on ordinary activities	<u>2,391,489</u>	<u>104,500</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>11,905,405</u>	<u>4,705,864</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	2,262,027	894,114
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	35,438	-
Expenses not deductible for tax purposes, other than intangible fixed assets amortisation and impairment	60,533	180,427
Capital allowances for year in excess of depreciation	137,163	5,045
Adjustments to tax charge in respect of prior periods	(328,896)	(1,391,156)
Other timing differences leading to an increase (decrease) in taxation	41,419	265,555
Impact of share-based charges	(54,492)	150,515
Investment Impairment	238,297	-
Total tax charge for the year	<u>2,391,489</u>	<u>104,500</u>

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

12. Taxation (continued)

Factors that may affect future tax charges

The standard rate of corporation tax in the UK was due to change from 19% to 17% with effect from 1 April 2020. Following the budget announcement on the 11th March 2020 this rate reduction was cancelled and the legislation reducing the rate has been repealed. Accordingly, the company's profits for this, and future, accounting periods are taxed at an effective tax rate of 19%.

13. Intangible assets

	Client relationships £	Goodwill £	Total £
Cost			
Transfers	2,035,420	2,079,198	4,114,618
At 31 December 2019	2,035,420	2,079,198	4,114,618
Amortisation			
Charge for the year on owned assets	71,004	115,511	186,515
At 31 December 2019	71,004	115,511	186,515
Net book value			
At 31 December 2019	1,964,416	1,963,687	3,928,103
At 31 December 2018	-	-	-

On 6th November 2018, LaSalle Global Partner Solutions Ltd a company registered in England and Wales, the Company's subsidiary, acquired the UK business of Aviva's global indirect real estate investment division, including workforce and client relationships, from Aviva Investors Global Services Limited as a part of a LaSalle group acquisition from the Aviva Group.

The purchase price for the UK part of the acquisition allocated to LaSalle Global Partner Solutions Ltd was £4m. The acquisition resulted in recognition of goodwill and other intangible fixed assets (client relationships) in subsidiary accounts.

On the 10th of May 2019, it was decided that the business acquired from Aviva would be transferred from LaSalle Global Partner Solutions Limited to the Company. The transfer was completed on 1st July 2019 and the net book value of transferred intangible assets was £3.78m.

The expected useful life of intangible assets stemming from the acquisition date is 10 years (Goodwill) and 15 years (Client Relationships).

The transfer was treated as a business combination and a deferred tax liability of £333,951 based on the net book value of intangible assets was recognised and added to the value of goodwill.

LASALLE INVESTMENT MANAGEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Tangible fixed assets

	Leasehold property improvements £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2019	1,164,244	781,815	1,131,858	3,077,917
Additions	1,135,607	419,056	591,943	2,146,606
At 31 December 2019	2,299,851	1,200,871	1,723,801	5,224,523
Depreciation				
At 1 January 2019	1,156,230	449,822	777,374	2,383,426
Charge for the year on owned assets	50,185	25,673	121,291	197,149
At 31 December 2019	1,206,415	475,495	898,665	2,580,575
Net book value				
At 31 December 2019	1,093,436	725,376	825,136	2,643,948
At 31 December 2018	8,014	331,993	354,484	694,491

LASALLE INVESTMENT MANAGEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Fixed asset investments

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2019	10,966,758	-	10,966,758
Additions	108,500	16,085	124,585
Transfers/Disposals	(4,000,002)	-	(4,000,002)
At 31 December 2019	<u>7,075,256</u>	<u>16,085</u>	<u>7,091,341</u>
Impairment			
At 1 January 2019	2,776,072	-	2,776,072
Charge for the period	1,254,193	-	1,254,193
At 31 December 2019	<u>4,030,265</u>	<u>-</u>	<u>4,030,265</u>
Net book value			
At 31 December 2019	<u>3,044,991</u>	<u>16,085</u>	<u>3,061,076</u>
At 31 December 2018	<u>8,190,686</u>	<u>-</u>	<u>8,190,686</u>

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Alaska UK (GP) Ltd	United Kingdom	Ordinary	100%
Barwood LaSalle Land General Partner Ltd	United Kingdom	Ordinary	100%
Barwood LaSalle Land Trustee Ltd	United Kingdom	Ordinary	100%
LaSalle Direct General Partner Ltd	United Kingdom	Ordinary	100%
LaSalle Funds General Partner Ltd	United Kingdom	Ordinary	100%
LaSalle UK Property Services Ltd	United Kingdom	Ordinary	100%
LaSalle UK Ventures (General Partner) Ltd	United Kingdom	Ordinary	100%
LIC II (General Partner) Ltd	United Kingdom	Ordinary	100%
Triangle General Partner Ltd	United Kingdom	Ordinary	100%
LaSalle Investment Management Co., Ltd	Korea	Ordinary	100%
LaSalle Global Partner Solutions Ltd	United Kingdom	Ordinary	100%
LaSalle Investment Management (Jersey) Ltd	Jersey	Ordinary	100%
LaSalle Co-Investment Management (General Partner) Ltd	United Kingdom	Ordinary	90%

UK Companies Registered Office:

One Curzon Street, London, W1J 5HD, United Kingdom.

Korean Company Registered Office:

23, Yeouido-dong, Tw o IFC, 16th Floor, Yeongdeungpo-gu, Seoul, Korea, 150-010.

Jersey Company Registered Office:

Gaspé House, 66-72 Esplanade, St Helier, JE2 3QT, Jersey.

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

15. Fixed asset investments (continued)

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Alaska UK (GP) Ltd	166,413	16,000
Barwood LaSalle Land General Partner Ltd	20,216	4,011
Barwood LaSalle Land Trustee Ltd	2	-
LaSalle Direct General Partner Ltd	-	(724)
LaSalle Funds General Partner Ltd	355,622	2,673
LaSalle UK Property Services Ltd	255,443	49,900
LaSalle UK Ventures (General Partner) Ltd	8,875	4
LIC II (General Partner) Ltd	2	-
Triangle General Partner Ltd	-	(8,934)
LaSalle Investment Management Co., Ltd	2,822,258	(1,505,319)
LaSalle Global Partner Solutions Ltd	-	2,447,842
LaSalle Investment Management (Jersey) Ltd	354,743	208,915
LaSalle Co-Investment Management (General Partner) Ltd	2,401	1

Increases in investments represent capital injections.

16. Debtors

	2019 £	2018 £
Trade debtors	5,357,845	3,535,717
Amounts owed by group undertakings	94,128,116	78,175,850
Other debtors	2,852,896	3,463,311
Prepayments and accrued income	12,467,897	9,675,477
Deferred taxation	253,095	96,418
	<u>115,059,849</u>	<u>94,946,773</u>

LASALLE INVESTMENT MANAGEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	187,159	71,631
	<u>187,159</u>	<u>71,631</u>

18. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	457,819	308,877
Amounts owed to group undertakings	1,330,960	1,322,713
Corporation tax	3,409,294	1,176,067
Other taxation and social security	2,489,513	1,832,521
Other creditors	767,925	780,972
Accruals and deferred income	25,170,319	18,058,735
	<u>33,625,830</u>	<u>23,479,885</u>

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

	2019 £	2018 £
Other creditors	183,784	217,746
Accruals and deferred income	3,254,713	2,505,745
	<u>3,438,497</u>	<u>2,723,491</u>

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

20. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	203,244	71,631
Financial assets that are debt instruments measured at amortised cost	114,105,059	93,936,898
	<u>114,308,303</u>	<u>94,008,529</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(31,165,520)	(23,194,788)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors, accrued income and amounts owed by group undertakings.

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

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

21. Deferred taxation

	2019 £
At beginning of year	96,418
Charged to the profit or loss	(158,262)
Charged to other comprehensive income	648,890
Arising on business combinations	(333,951)
At end of year	<u>253,095</u>

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(130,264)	41,466
Pension (surplus)/deficit	648,890	-
Other timing differences	68,420	54,952
Business combinations	(333,951)	-
	<u>253,095</u>	<u>96,418</u>

There are no unused tax losses or unused tax credits.

The net deferred tax asset is expected to increase in 2020 by approximately £5,000. This primarily relates to an increase in the timing differences on tangible fixed assets, capital allowances, depreciation and share based payments in the accounts and the expected tax deduction when the shares vest and decrease in deferred tax on business combinations.

22. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
7,125,000 (2018 - 7,125,000) Ordinary shares of £1 each	<u>7,125,000</u>	<u>7,125,000</u>

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.

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

24. Share based payments

The Group operates a number of share based payment schemes, details of these 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 preference conditions, and with the exception of the SAYE scheme, entitle participants to dividend equivalents. 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 employees 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 after three years from the grant date. Vesting is conditional upon the participant remaining in the employ of the Group Company.

	Weighted average exercise price (pence) 2019	Number 2019	Weighted average exercise price (pence) 2018	Number 2018
All employees Save As You Earn (SAYE) schemes				
Outstanding at the beginning of the year	7,356	8,869	7,274	13,754
Granted during the year		-	-	-
Forfeited during the year	6,987	(806)	7,975	(3,034)
Exercised during the year	11,989	(2,041)	12,900	(1,851)
Outstanding at the end of the year	7,334	6,022	7,356	8,869
Restricted Stock Grant Plan				
Outstanding at the beginning of the year	9,486	4,027	9,232	6,451
Granted during the year	11,728	1,463	11,099	1,469
Forfeited during the year	5,817	(151)	9,694	(942)
Exercised during the year	11,989	(934)	11,455	(2,951)
Outstanding at the end of the year	10,837	4,405	9,486	4,027

Number of SAYE options exercisable at the end of the year amounted to 9 (2018: 3,803).

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

24. Share based payments (continued)

There were no SAYE options issued in 2019 or 2018. The inputs into the Black Scholes valuation model that the Company used to value 2017 SAYE options were as follow:

	3 year	5 year
Weighted average share price (pence)	10,202	10,702
Exercise price (pence)	9,097	9,097
Weighted average contractual life (days)	3	5
Expected volatility	33.38	29.67
Expected dividend growth rate	0.47	0.47
Risk-free interest rate	1.40	1.81

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

Value of shares outstanding at the year end:

	2019 £	2018 £
All employees Save As You Earn (SAYE) schemes	295,468	115,763
Restricted Stock Grant Plan	351,508	238,203
	<u>646,976</u>	<u>353,966</u>

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,294,815 (2018 - £1,178,862). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The Company also 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:

	2019 £	2018 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	19,370,000	20,716,000
Service cost (including employee contributions)	437,000	487,000
Interest cost	564,000	531,000
Actuarial (gains)/losses	4,673,000	(2,088,000)
Benefits paid	(359,000)	(276,000)
At the end of the year	24,685,000	19,370,000

Reconciliation of present value of plan assets:

	2019 £	2018 £
At the beginning of the year	18,632,160	19,326,770
Admin cost	(102,000)	(80,000)
Interest income	539,000	487,000
Actuarial gains/(losses)	1,599,000	(1,005,000)
Contributions	346,000	330,000
Benefits paid	(359,000)	(276,000)
Deferred tax on actuarial gain/loss	(93,160)	(150,610)
At the end of the year	20,562,000	18,632,160

LASALLE INVESTMENT MANAGEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

25. Pension commitments (continued)

Composition of plan assets:

	2019 £	2018 £
UK Equities	4,556,000	3,687,000
Multi-Asset Credit	4,502,000	3,791,000
Index Linked Bonds	5,528,000	5,754,000
Alternatives	4,366,000	3,759,000
Property	1,535,000	1,506,000
Cash/Other	75,000	42,000
Total plan assets	20,562,000	18,539,000

	2019 £	2018 £
Fair value of plan assets	20,562,000	18,632,160
Present value of plan liabilities	(24,685,000)	(19,370,000)
Net pension scheme liability	(4,123,000)	(737,840)

The amounts recognised in profit or loss are as follows:

	2019 £	2018 £
Current service cost	397,000	440,000
Net interest on net (asset)/liability	25,000	44,000
Admin Cost	102,000	80,000
Total	524,000	564,000

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was loss of £3,074,000 (2018 - gain of £1,083,000).

The Company expects to contribute £285,000 to its Defined Benefit Pension Scheme in 2020.

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

25. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2019 %	2018 %
Discount rate	2.05	2.90
Future salary increases	3.35	3.80
Future pension increases	2.75	3.05
Mortality rates		
- life expectancy of current male pensioners (from age 60)	27.0	26.9
- life expectancy of future male pensioners (from age 60)	28.4	28.3
- life expectancy of current female pensioners (from age 60)	29.1	29.0
- life expectancy of future female pensioners (from age 60)	30.5	30.4

26. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	653,585	-
Later than 1 year and not later than 5 years	3,992,310	3,835,042
Later than 5 years	5,269,323	4,778,341
	<u>9,915,218</u>	<u>8,613,383</u>

27. Related party transactions

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.

LASALLE INVESTMENT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

28. Post balance sheet events

The outbreak of the Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020 has the potential to impact the business. The magnitude of that impact will depend on the scale and duration of the outbreak. The impact on the Company may take longer to assess, but Directors continue to monitor the situation very closely.

The impact on the valuation of the investments and assets that the Company manages on behalf of its clients and from which its advisory and management fee income is derived has not yet been seen. Quarter 1, 2020 valuations were relatively unchanged but there is a realistic expectation that quarter two will reflect a decline in values. As such, directors continue to monitor risks and quickly respond as Company specific or market level issues evolve.

29. 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 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.