Registered number: 2597050

LASALLE INVESTMENT MANAGEMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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LD3 07/06/2018 #60
COMPANIES HOUSE

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

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction

Profit for the year was £6.1m, compared with £7.9m for the previous year.

Business review

2017 was another successful year from the point of view of providing outperformance for our investors, however margins were lower than in the previous year. The Company's income largely derives from Investment Management fees, which showed a year-on-year increase. A lower level of both Performance and Transaction Fees were seen in 2017 than in 2016. Costs showed a general increase.

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 comparative 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 9.6% p.a. against a benchmark of 8.9% p.a. and five-year rolling performance of 12.4% p.a. against a benchmark of 11.26% p.a.
The average length of our relationships with clients is 15 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

	2017	2016
Revenue	£57.9m	£54.6m
Profit before tax	£7.2m	£9.97m
Margin	12%	18%

Other key performance indicators

	2017	2016
Assets Under Management	£13.0bn	£12.8bn
AUM per Employee	£79.0m	£78.5m

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
25TH APRIL 2018

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their report and the financial statements for the year ended 31 December 2017.

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 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.

Results and dividends

The profit for the year, after taxation, amounted to £6,086,045 *(2016 - £7,984,259)*.

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 2017

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

The auditors, KPMG LLP, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 5 February 2014.

This report was approved by the board on 25TH APRIL 2018 and signed on its behalf.

Mr J Lyon
Director

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 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, and Statement of Change 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 2017 and of its profit for the year then ended;

- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

in our opinion those reports have been prepared in accordance with the Companies Act

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 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as 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

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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.

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

Malcolm Footer

Malcolm Footer (Senior Statutory Auditor)

for and on behalf of
KPMG LLP

15 Canada Square
London
E14 5GL
Date: 25/04/18

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	*2016 £*
Turnover	4	**57,858,676**	*54,646,875*
Gross profit		**57,858,676**	*54,646,875*
Administrative expenses		**(50,657,982)**	*(45,533,009)*
Operating profit	5	**7,200,694**	*9,113,866*
Interest receivable and similar income	9	**963,462**	*845,500*
Interest payable and expenses	10	**(5,336)**	*(4,824)*
Other finance (loss) income		**(65,000)**	*18,000*
Profit before tax		**8,093,820**	*9,972,542*
Tax on profit	12	**(2,007,775)**	*(1,988,283)*
Profit for the financial year		**6,086,045**	*7,984,259*
Other comprehensive income for the year			
Actuarial gains (losses) on defined benefit pension scheme		**1,136,000**	*(3,135,000)*
Pension surplus not recognised		**-**	*67,000*
Movement of deferred tax relating to pension surplus		**(17,430)**	*-*
Tax on defined benefit scheme movements		**-**	*261,200*
Other comprehensive income for the year		**1,118,570**	*(2,806,800)*
Total comprehensive income for the year		**7,204,615**	*5,177,459*

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	13		**432,470**		*737,659*
Investments	14		**1,371,994**		*1,371,994*
			1,804,464		*2,109,653*
Current assets					
Debtors	15	**94,149,766**		*89,911,973*	
Cash at bank and in hand	16	**88,548**		*118,502*	
		94,238,314		*90,030,475*	
Creditors: amounts falling due within one year	17	**(21,882,772)**		*(22,834,126)*	
Net current assets			**72,355,542**		*67,196,349*
Total assets less current liabilities			**74,160,006**		*69,306,002*
Creditors: amounts falling due after more than one year	18		**(1,380,144)**		*(2,722,215)*
Pension liability			**(1,389,230)**		*(2,318,800)*
Net assets			**71,390,632**		*64,264,987*
Capital and reserves					
Called up share capital	22		**7,125,000**		*7,125,000*
Profit and loss account	23		**64,265,632**		*57,139,987*
			71,390,632		*64,264,987*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
25TH APRIL 2018

Mr J Lyon
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 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	7,125,000	57,139,987	64,264,987
Comprehensive income for the year			
Profit for the year	-	6,086,045	6,086,045
Actuarial gains on pension scheme	-	1,118,570	1,118,570
Other comprehensive income for the year	-	1,118,570	1,118,570
Total comprehensive income for the year	-	7,204,615	7,204,615
Movements in respect of Share-based payments	-	(78,970)	(78,970)
Total transactions with owners	-	(78,970)	(78,970)
At 31 December 2017	7,125,000	64,265,632	71,390,632

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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 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.

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 instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or

2. Accounting policies (continued)

2.8 Financial instruments (continued)

financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017

4. Turnover

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

	2017	*2016*
	£	*£*
Advisory Fees	**51,443,366**	*47,396,727*
Acquisition Fees	**292,714**	*494,126*
Periodic Performance Fees	**1,331,849**	*3,333,777*
Other Income	**4,790,748**	*3,422,246*
	57,858,677	*54,646,876*

Analysis of turnover by country of destination:

	2017	*2016*
	£	*£*
United Kingdom	**48,250,728**	*51,976,343*
Rest of Europe	**8,382,406**	*1,930,983*
Rest of the world	**1,225,542**	*739,548*
	57,858,676	*54,646,874*

5. Operating profit

The operating profit is stated after charging:

	2017	*2016*
	£	*£*
Depreciation of tangible fixed assets	**368,041**	*376,590*
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**65,356**	*69,638*
Exchange differences	**134,794**	*(6,655)*
Defined contribution pension cost	**1,822,044**	*1,917,612*
Defined benefit pension cost	**474,000**	*316,000*

6. Auditors' remuneration

	2017	*2016*
	£	*£*
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**65,356**	*69,638*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

7. Employees

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

	2017 £	*2016 £*
Wages and salaries	**26,644,383**	*24,746,770*
Social security costs	**3,518,407**	*3,388,713*
Cost of defined benefit scheme	**474,000**	*316,000*
Cost of defined contribution scheme	**1,822,044**	*1,917,612*
	32,458,834	*30,369,095*

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

	2017 No.	*2016 No.*
UK	**160**	*159*
Overseas	**3**	*4*
	163	*163*

8. Directors' remuneration

	2017 £	*2016 £*
Directors' emoluments	**2,386,214**	*2,477,796*
Company contributions to defined contribution pension schemes	**49,271**	*35,938*
	2,435,485	*2,513,734*

During the year retirement benefits were accruing to 1 Director *(2016 - 2)* in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £1,330,396 *(2016 - £1,297,258)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL *(2016 - £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 *(2016 - £NIL)*.

The total accrued pension provision of the highest paid Director at 31 December 2017 amounted to £NIL *(2016 - £NIL)*.

The amount of the accrued lump sum in respect of the highest paid Director at 31 December 2017 amounted to £NIL *(2016 - £NIL)*.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

9. Interest receivable

	2017 £	*2016 £*
Interest receivable from group companies	955,586	*830,626*
Other interest receivable	7,876	*14,874*
	963,462	*845,500*

10. Interest payable and similar charges

	2017 £	*2016 £*
Bank interest payable	(360)	*4,824*
Loans from group undertakings	5,696	*-*
	5,336	*4,824*

11. Other finance costs

	2017 £	*2016 £*
Net interest on net defined benefit liability	(65,000)	*18,000*
	(65,000)	*18,000*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

12. Taxation

	2017 £	*2016* *£*
Corporation tax		
Current tax on profits for the year	1,508,341	*1,962,652*
Adjustments in respect of previous periods	615,375	*(59,906)*
	2,123,716	*1,902,746*
Foreign tax		
Foreign tax on income for the year	(58,659)	*(15,177)*
	(58,659)	*(15,177)*
Total current tax	2,065,057	*1,887,569*
Deferred tax		
Origination and reversal of timing differences	(57,282)	*100,714*
Total deferred tax	(57,282)	*100,714*
Taxation on profit on ordinary activities	2,007,775	*1,988,283*

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2016 - lower than)* the standard rate of corporation tax in the UK of 19.25% *(2016 - 20%)*. The differences are explained below:

	2017 £	*2016* *£*
Profit on ordinary activities before tax	**8,093,820**	*9,972,542*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	**1,558,060**	*1,994,508*
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**4,670**	*4,852*
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**103,371**	*280,637*
Capital allowances for year in excess of depreciation	**32,032**	*21,613*
Overseas Tax	**(58,659)**	*(15,177)*
Adjustments to tax charge in respect of prior periods	**615,375**	*(59,937)*
Other timing differences leading to an increase (decrease) in taxation	**(107,606)**	*(162,055)*
Impact of share-based charges	**(82,186)**	*(176,872)*
Deferred Tax	**(57,282)**	*100,714*
Total tax charge for the year	**2,007,775**	*1,988,283*

Factors that may affect future tax charges

A reduction in UK Corporation tax from 20% to 19% took effect on 1 April 2017, A further change to 17%, which was substantively enacted in September 2016, and will take effect from 1 April 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

13. Tangible fixed assets

	Long-term leasehold property £	Short-term leasehold property £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2017	1,156,230	-	466,454	845,617	2,468,301
Additions	-	-	1,647	61,204	62,851
Transfers between classes	(1,156,230)	1,156,230	-	-	-
At 31 December 2017	-	1,156,230	468,101	906,821	2,531,152
Depreciation					
At 1 January 2017	877,140	-	348,525	504,976	1,730,641
Charge for the year on owned assets	-	159,480	64,531	144,030	368,041
Transfers between classes	(877,140)	877,140	-	-	-
At 31 December 2017	-	1,036,620	413,056	649,006	2,098,682
Net book value					
At 31 December 2017	-	119,610	55,045	257,815	432,470
At 31 December 2016	*279,090*	-	*117,929*	*340,640*	*737,659*

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

	2017 £	*2016 £*
Long leasehold	-	*279,090*
Short leasehold	119,610	-
	119,610	*279,090*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

14. Fixed asset investments

	Other fixed asset investments £
Cost or valuation	
At 1 January 2017	4,148,066
At 31 December 2017	4,148,066
Impairment	
At 1 January 2017	2,776,072
At 31 December 2017	2,776,072
Net book value	
At 31 December 2017	1,371,994
At 31 December 2016	*1,371,994*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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

	2017 £	*2016* *£*
Due after more than one year		
Deferred tax asset	**416,007**	*358,725*
	416,007	*358,725*
Due within one year		
Trade debtors	**3,221,572**	*5,125,648*
Amounts owed by group undertakings	**79,483,485**	*72,985,909*
Other debtors	**1,621,118**	*1,850,846*
Prepayments and accrued income	**9,407,584**	*9,590,845*
	94,149,766	*89,911,973*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

16. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	88,548	118,502
	88,548	118,502

17. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	692,766	899,596
Corporation tax	4,518,877	1,947,475
Other taxation and social security	426,336	4,407,428
Other creditors	694,877	2,049,506
Accruals and deferred income	15,549,916	13,530,121
	21,882,772	22,834,126

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

	2017 £	2016 £
Other creditors	1,379,143	2,244,951
Accruals and deferred income	1,001	477,264
	1,380,144	2,722,215

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:

	2017	2016
	No	No
Outstanding at the beginning of the year	10,337	13,174
Granted during the year	6,729	-
Vested during the year	(3,178)	(2,336)
Forfeited during the year	(501)	(501)
Outstanding at the end of the year	10,337	10,337

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Share based payments note continued

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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:

	2017 No	2016 No
Outstanding at the beginning of the year	2,313	4,633
Granted during the year	-	
Exercised during the year		(2,320)
Forfeited during the year		
Outstanding at the end of the year	2,313	2,313

The options outstanding at 31 December 2017 had a remaining contractual life of 1.0 years (2016: 0.29). No award were made in 2017.

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 No	2016 No
Outstanding at the beginning of the year	6,298	6,725
Granted during the year	2,088	916
Exercised during the year	(2,626)	(1,343)
Forfeited during the year	0	0
Outstanding at the end of the year	5,760	6,298

The options outstanding at 31 December 2017 had a remaining contractual life of 1.0 years (2016: 1.13). Awards totalling 2,088 shares were granted during the year (2016: 916).

20. Financial instruments

	2017 £	*2016 £*
Financial assets		
Cash at Bank	88,548	*118,502*
Financial assets that are debt instruments measured at amortised cost	92,566,276	*88,462,891*
	92,654,824	*88,581,393*
Financial liabilities		
Financial liabilities measured at amortised cost	(18,317,702)	*(19,201,438)*
	(18,317,702)	*(19,201,438)*

Financial assets that are debt instruments measured at amortised cost comprise loans repayable on demand to Jones Lang LaSalle Finance BV (£7.13m), other Group Companies (£2.3m) accrued income (£8.2m), and Trade recivables (£3.2m).

21. Deferred taxation

	2017 £
At beginning of year	358,725
Charged to profit or loss	57,282
At end of year	416,007

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

21. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2017 £	*2016 £*
Accelerated capital allowances	**104,580**	*119,161*
Other timing differences	**311,427**	*239,564*
	416,007	*358,725*

22. Share capital

	2017	2016
	£	£
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.

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:

	2017 £	*2016 £*
Reconciliation of present value of plan liabilities		
At the beginning of the year	**19,967,000**	*14,482,000*
Current service cost	**469,000**	*312,000*
Interest cost	**541,000**	*567,000*
Actuarial gains/losses	**19,000**	*4,855,000*
Benefits paid	**(280,000)**	*(249,000)*
At the end of the year	**20,716,000**	*19,967,000*

Reconciliation of present value of plan assets:

	2017 £	*2016 £*
At the beginning of the year	**17,648,200**	*14,482,000*
Interest cost	**476,000**	*585,000*
Actuarial gains/losses	**1,155,000**	*1,720,000*
Contributions	**395,000**	*831,000*
Benefits paid	**(280,000)**	*(249,000)*
Admin Costs	**(50,000)**	*(49,000)*
Deferred tax on actuarial gain/loss	**(17,430)**	*261,200*
Derecognition of surplus	**-**	*67,000*
At the end of the year	**19,326,770**	*17,648,200*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

24. Pension commitments (continued)

Composition of plan assets:

	2017 £	*2016 £*
UK Equities	1,268,000	*2,949,000*
Overseas Equities	2,959,000	*6,881,000*
UK Corporate Bonds	8,000	*3,023,000*
Muilti-Asset Credit	3,863,000	*-*
Index Linked Bonds	5,791,000	*2,231,000*
Diversified Growth Fund	3,766,000	*-*
Alternatives	-	*1,372,000*
Property	1,442,000	*852,000*
Cash/Other	(14,000)	*79,000*
Total plan assets	19,083,000	*17,387,000*

	2017 £	*2016 £*
Fair value of plan assets	19,326,770	*17,648,200*
Present value of plan liabilities	(20,716,000)	*(19,967,000)*
Net pension scheme liability	(1,389,230)	*(2,318,800)*

The amounts recognised in profit or loss are as follows:

	2017 £	*2016 £*
Current service cost	424,000	*(267,000)*
Interest on obligation	(65,000)	*18,000*
Admin expenses	(50,000)	*(49,000)*
Total	309,000	*(298,000)*

Reconciliation of fair value of plan liabilities were as follow:

	2017 £	*2016 £*
Opening defined benefit obligation	(4,873,000)	*-*
Interest cost	65,000	*(18,000)*
Actuarial gains and (losses)	19,000	*4,855,000*
Closing defined benefit obligation	(4,827,000)	*(4,873,000)*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

24. Pension commitments (continued)

Reconciliation of fair value of plan assets were as follows:

	2017	*2016*
	£	*£*
Opening fair value of scheme assets	**(4,290,000)**	*(369,000)*
Actuarial gains and (losses)	**(1,155,000)**	*(1,720,000)*
Contributions by employer	**(350,000)**	*(786,000)*
Actuarial losses	**(19,000)**	*(4,855,000)*
	(3,504,000)	*(4,290,000)*

The Company expects to contribute £NIL to its Defined Benefit Pension Scheme in 2018.

	2017	*2016*
	%	*%*
Discount rate	**2.55**	*2.70*
Future salary increases	**3.75**	*3.65*
Future pension increases	**3.00**	*3.10*
Mortality rates		
- life expectancy of current male pensioners (from age 60)	**27.8**	*27.7*
- life expectancy of future male pensioners (from age 60)	**29.5**	*29.4*
- life expectancy of current female pensioners (from age 60)	**30.0**	*29.9*
- life expectancy of future female pensioners (from age 60)	**31.9**	*31.7*

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

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.