Jones Lang LaSalle Limited

Directors' report and financial statements

Registered number 1188567

31 December 2010

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Directors' Report

The directors present their directors' report and the audited financial statements for the year ended 31 December 2010

Business review and principal activities

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

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

Turnover from continuing operations increased from £118,808,000 to £153,347,000 reflecting improved investor confidence and market momentum throughout 2010 and improved market share in key service line offerings

The company continues to provide real value in a changing world This is being achieved by further strengthening client relationships and focusing on new markets

The company recorded an operating loss of £15,707,000 *(2009 loss £4,576,000)* from continuing operations, as shown on the face of the profit and loss account on page 7 The increase in the operating loss reflects the impact of acquisition related payments, share based compensation costs and one off costs in respect of a change in IT outsource provider

The table below shows the movement in operating performance taking accelerated goodwill amortisation into account

	2010 **£'000**	2009 £'000
Operating loss	**(15,707)**	(4 576)
Goodwill amortisation	**4,918**	4,910
Operating (loss)/profit excluding amortisation of goodwill	**(10,789)**	334

Key performance indicators ("KPIs")

Indicator	2010	2009	Commentary
Sales (%) (Year on year sales increase/(decrease) expressed as a percentage)	29 1	(12 3)	Movement due to increased real estate market activity reflecting improved market sentiment and an increase in market share in key service lines
Adjusted operating margin (%) (Operating profit/(loss) excluding goodwill amortisation)	(7 0)	0 3	Decrease in margin reflects the impact of acquisition related payments and share based compensation costs
Net margin (%) (Ratio of profit/(loss) for the financial year to sales, expressed as a percentage)	(7 8)	(4 2)	Decrease in margin reflects the movement in operating margin net of tax

Directors' Report *(continued)*

Future outlook

During the first half of 2011 the commercial real estate services market maintained the activity levels of 2010, showing stable investor confidence and market momentum

On the 1st June 2011, Jones Lang LaSalle joined forces with King Sturge creating a business with 34 offices in the UK and combined UK revenues of £315m employing 2,700 people This has created the number one real estate company in the UK with investment transactions of £9bn

The directors remain cautious in respect of the second half of the year Concerns about sovereign debt, the impact of the Euro crisis and the ultimate impact of the UK government austerity package could lead to slower trading conditions

The company believes that the solid start to 2011 and benefits of the combination with King Sturge leaves us well positioned to deal with this continued uncertainty

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

- Protect and grow market share
- Retain and attract key business leaders
- Take advantage of new areas of opportunity
- Continue to grow annuity revenue
- Absolute focus on current and new clients
- Maintain focus on cost control and improve operating margins across all business lines

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

Risks

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

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

Decline in acquisition and disposition activity

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

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

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

The cyclical nature of the real estate markets

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

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments The company manages liquidity risk through an ongoing review of future commitments, credit facilities and cash reserves

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored

Foreign exchange risk

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

Directors' Report *(continued)*

Results and dividends

The results of the company for the year ended 31 December 2010 are set out on page 7

The directors did not pay an interim dividend during the year *(2009 £nil)*

The directors do not recommend the payment of a final dividend *(2009 £nil)*

Directors

The directors during the year and to the date of signing were

SJ Cresswell	
AJ Mottram	
AJ Gould	
RO Howling	
M Stupples	(appointed 24 June 2011)
RM Fiddes	(appointed 24 June 2011)
RC Batten	(appointed 24 June 2011)

Secretary

NG Taylor	
RH Webster	
AJ Bruce	(appointed 24 June 2011)

Employment of disabled persons

The company has a policy of giving full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities and of providing retraining for alternative work for employees who become disabled

Employee consultation

The company has in place established methods and procedures for providing information to all its staff on matters affecting them as employees and in relation to the business affairs of Jones Lang LaSalle Information is provided by the company intranet, regular written briefings circulated to all staff and by meetings of staff to provide information to operating units and departments and to receive feedback

Political and charitable contributions

During the year the company made contributions for charitable purposes of £56,696 *(2009 £34,766)* It is company policy not to make contributions for political purposes

Payment policy for creditors

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

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

Directors' Report *(continued)*

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors, KPMG Audit Plc will be deemed to be reappointed and will therefore continue in office

By order of the board on 22nd September 2011

RH Webster

Secretary

Registered office

22 Hanover Square
London W1A 2BN

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 year In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Independent auditors' report to the members of Jones Lang LaSalle Limited

We have audited the financial statements of Jones Lang LaSalle Limited for the year ended 31 December 2010 set out on pages 7 to 29 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement 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 Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

WEJ Holland (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

22 September 2011

Profit and loss account

for the year ended 31 December 2010

	Note	2010	2009
		£'000	£'000
Turnover		**153,347**	118,808
Operating expenses	*2*	**(169,054)**	(123,384)
Operating loss		**(15,707)**	(4,576)
Income from shares in group undertakings		**1,000**	-
Loss on ordinary activities before interest and taxation		**(14,707)**	(4 576)
Interest receivable and similar income	*5*	**8,164**	8,955
Interest payable and similar charges	*6*	**(6,760)**	(7,640)
Loss on ordinary activities before taxation		**(13,303)**	(3,261)
Tax on loss on ordinary activities	*7*	**1,286**	(1,728)
Loss for the financial year	18	**(12,017)**	(4,989)

All the Company's revenues and costs are derived from continuing operations

The Company's revenues and costs are reported on the historical cost basis Accordingly there is no difference between historical cost profits and losses and those presented

The notes on pages 10 to 29 form part of these financial statements

Balance sheet
at 31 December 2010

	Note	2010	2009
		£'000	£'000
Fixed assets			
Intangible assets	*8*	**42,888**	47,641
Tangible assets	*9*	**18,460**	21,580
Investments	*10*	**209,874**	209,763
		271,222	278,984
Current assets			
Debtors	*11*	**175,243**	176,860
Cash at bank and in hand		**195**	975
		175,438	177,835
Creditors amounts falling due within one year	*13*	**(256,338)**	(247,445)
Net current liabilities		**(80,900)**	(69 610)
Total assets less current liabilities		**190,322**	209 374
Creditors amounts falling due after more than one year	*14*	**(6,759)**	(9 350)
Provisions for liabilities and charges	*15*	**(1,048)**	(1 256)
Net assets excluding pension assets/(liabilities)		**182,515**	198 768
Pension assets/(liabilities)			
Total of defined benefit schemes With net assets/(liabilities)	*16*	**289**	(1,896)
Net assets including pension assets/(liabilities)		**182,804**	196,872
Capital and reserves			
Called up share capital	*17*	**121,088**	121,088
Capital contribution reserve	*18*	**89,835**	89 783
Capital redemption reserve	*18*	**268**	268
Profit and loss account	*18*	**(28,387)**	(14,267)
Equity shareholders' funds		**182,804**	196 872

These financial statements were approved by the board of directors on 22nd September 2011 and were signed on its behalf by

RO Howling
Director

The notes on pages 10 to 29 form part of these financial statements

Statement of total recognised gains and losses

for the year ended 31 December 2010

	Note	2010	2009
		£'000	£'000
Loss for the financial year		**(12,017)**	(4,989)
Actuarial loss recognised in the pension scheme	16	**(134)**	(12,393)
Deferred tax arising on losses in the pension scheme		**10**	3,470
Total recognised gains and losses relating to the financial year		**(12,141)**	(13 912)

Reconciliation of movements in shareholders' funds

for the year ended 31 December 2010

	2010	2009
	£'000	£ 000
Loss for the financial year	**(12,017)**	(4 989)
Capital contributed	**52**	-
Other recognised gains and losses relating to the year (net of tax)	**(124)**	(8 923)
Share based payments charge for the year		
Parent company shares vesting	**(2,860)**	(4 300)
Share based payment amortisation	**3,428**	4,304
Movement in accruals for share based payment recharge	**(2,547)**	(4,964)
Net reduction to shareholders' funds	**(14,068)**	(18 872)
Opening shareholders' funds	**196,872**	215 744
Closing shareholders' funds	**182,804**	196,872

The notes on pages 10 to 29 form part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

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

Under Financial Reporting Standard No 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of Jones Lang LaSalle Incorporated, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investors in the group qualifying as related parties) The consolidated financial statements of Jones Lang LaSalle Incorporated within which this company is included can be obtained from the address given in note 23

The company is exempt by virtue of S401 of the Companies Act 2006 from the requirement to prepare group accounts on the basis that the results of the company and all of its subsidiary undertakings are included in the consolidated financial statements of the ultimate parent undertaking, Jones Lang LaSalle Inc, which are prepared on an equivalent manner to the provisions of the EU seventh directive These financial statements present information about the company and not about its group

Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons The company is dependent for its working capital on funds provided to it by Jones Lang LaSalle Incorporated, the ultimate parent company Jones Lang LaSalle Incorporated has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate

Turnover

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

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

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

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

Notes *(continued)*

1 Accounting policies *(continued)*

Goodwill

Purchased goodwill arising on business combinations in respect of acquisitions before 1 January 1998, when FRS 10 *Goodwill and intangible assets* was adopted, was written off to reserves in the year of acquisition When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost, less the estimated residual value of tangible fixed assets, by equal instalments over their estimated useful economic lives as follows

Motor vehicles	- on written down value	25%
Office machinery and fixtures	- on cost	10% - 20%
Computer equipment	- on cost	33%

Short leasehold improvements are amortised on a straight line basis over the length of the lease

Investments

Investments held as fixed assets are stated at cost less provision for impairment for any permanent reduction in value

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs

The Company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the Company in an independently administered fund The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

The Company also operates a pension scheme providing benefits based on final pensionable pay The assets of the scheme are held separately from those of the Company

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

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

Notes *(continued)*

1 Accounting policies *(continued)*

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Share based payments

The share option programmes allow employees to acquire shares of the ultimate parent company The fair value of options granted after 7 November 2002 and those not yet vested at 1 January 2010 is recognised as an employee expense with a corresponding increase in equity The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options The fair value of the SAYE Scheme granted is measured using a valuation pricing model, taking into account the terms and conditions upon which the shares were granted The amount recognised as an expense is adjusted to reflect the actual number of share options that vest

The company receives a recharge from its ultimate parent company for the full value of shares issued when they vest Because the charge is clearly linked to the share awards it is recognised directly in the profit and loss reserve An accrual is made at each year end for the expected value of the charge based on the share price at year end, so as to spread the overall expected charge over the vesting period

Notes *(continued)*

2 Operating expenses

	2010 £'000	2009 £'000
Loss on ordinary activities before taxation is stated after charging/(crediting)		
Auditors' remuneration - audit fee	140	140
Other payments to auditors in respect of audit of group companies	130	126
Rentals under operating leases		
Hire of plant and machinery	79	137
Land and buildings	8,241	6,799
Depreciation	6,693	5,698
Amortisation of goodwill	4,918	4,910
Reversal of impairment losses	(639)	-
Intercompany debt forgiveness	(1,344)	(1,344)

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

Fees for Sarbanes-Oxley compliance work were borne by the ultimate parent company

3 Remuneration of directors

	2010 £'000	2009 £'000
Directors' emoluments	1,984	1 171
Company contributions to money purchase pension schemes	47	29
	2,031	1,200

The aggregate of emoluments of the highest paid director was £720,183 (2009 £480,275) and company pension contributions of £nil (2009 £14,000) were made to a money purchase scheme on his behalf He is not a member of a defined benefit scheme The highest paid director exercised share options in the ultimate holding company during either year During the year the highest paid director received shares in the ultimate holding company in respect of his service under long term incentive plan

	Number of directors 2010	2009
Retirement benefits accrued to the following number of directors under money purchase schemes	4	4
The number of directors who exercised share options	4	-
The number of directors in respect of whose services shares were received under long term incentive scheme	3	2

Notes *(continued)*

4 Staff costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows	**2010**	2009
	No	No
Managerial and professional	**1,207**	1,185

	2010	2009
	£'000	£'000
The aggregate payroll costs of these persons (including directors) were as follows		
Wages and salaries	**92,065**	64,381
Social security costs	**12,347**	9,330
Other pension costs		
Defined contribution fund *(see Note 16)*	**5,180**	5,085
Defined benefit fund *(see Note 16)*	**551**	417
Share based payments	**6,468**	172
	116,611	79 385

5 Interest receivable and similar income

	2010	2009
	£'000	£'000
Bank interest	**476**	472
Interest receivable from fellow subsidiaries	**6,961**	7 769
Interest on pension scheme	**727**	714
	8,164	8 955

6 Interest payable and similar charges

	2010	2009
	£'000	£'000
Interest payable to third parties	**89**	494
Interest payable to fellow subsidiaries	**6,457**	7 044
Other interest payable	**214**	102
	6,760	7,640

Notes *(continued)*

7 Tax on loss on ordinary activities

Analysis of charge in the year

	2010 £'000	2009 £'000
United Kingdom corporation tax at 28% (2009. 28%)		
Adjustments in respect of previous years	**302**	**(89)**
Current year tax	**(1,679)**	
Total current tax	**(1,377)**	(89)
Deferred tax at 27% (2009 28%)		
Origination and reversal of timing differences		
Pension provision	**854**	813
Other movements *(see Note 12)*	**(763)**	1,004
Total deferred tax	**91**	1,817
Tax on loss on ordinary activities	**(1,286)**	1,728

Factors affecting tax charge for the year
The tax assessed differs from the application of the standard rate of corporation tax in the UK (28%) (2009 28%) to the company's loss before taxation for the following reasons

	2010	2009
Loss on ordinary activities before tax	**(13,303)**	(3,261)
Tax credit on loss at a standard rate of 28% (2009 28%)	**(3,725)**	(913)
Expenses not deductible for tax purposes	**1,576**	2,674
Impact of share based payment recharges	**(801)**	(1,204)
Group relief for current year	**-**	251
Unutilised taxable losses carried forward	**2,280**	-
Non taxable income	**(280)**	-
Depreciation in excess of capital allowances	**533**	256
Other timing differences	**(886)**	(688)
Adjustments in respect of previous years	**302**	(89)
Intercompany debt forgiveness	**(376)**	(376)
Total current tax credit (see above)	**(1,377)**	(89)

On 22 June 2010 the Chancellor announced that the main rate of UK corporation tax will reduce from 28% to 27% with effect from 1 April 2011 This tax change became substantively enacted in July 2010 and therefore the effect of the rate reduction on the deferred tax balances as at 31 December 2010 has been included in the figures above

On 23 March 2011 the Chancellor announced a further reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011 This change became substantively enacted on 29 March 2011 The effect of the rate change will create an additional reduction in the deferred tax asset of £19,311, which is not reflected in the figures above as it was not substantively enacted at the balance sheet date

Notes *(continued)*

8 Intangible fixed assets

	Purchased goodwill £'000
Cost	
At 1 January 2010	94 287
Additions	165
At 31 December 2010	**94,452**
Amortisation	
At 1 January 2010	46,646
Charge for the year	4,918
At 31 December 2010	**51,564**
Net book value	
At 31 December 2010	**42,888**
At 31 December 2009	47,641

Purchased goodwill principally relates to the acquisition of the activities of the Jones Lang Wootton partnership on 8 March 1999 The average useful economic life of purchased goodwill is 20 years

9 Tangible fixed assets

	Motor vehicles £'000	Office machinery, computer equipment and fixtures £'000	Improvements to short leasehold premises £'000	Total £'000
Cost				
At 1 January 2010	7	24,690	16,197	40,894
Additions	-	3,262	977	4 239
Disposals	-	(4 720)	(1 029)	(5 749)
At 31 December 2010	**7**	**23,232**	**16,145**	**39,384**
Depreciation				
At 1 January 2010	3	14 369	4 942	19,314
Charge for the year	1	3,703	2,989	6,693
Disposals	-	(4,717)	(366)	(5,083)
At 31 December 2010	**4**	**13,355**	**7,565**	**20,924**
Net book value				
At 31 December 2010	**3**	**9,877**	**8,580**	**18,460**
At 31 December 2009	4	10,321	11 255	21,580

Notes *(continued)*

10 Fixed asset investments

	2010 £'000	2009 £'000
Shares in group companies – subsidiaries	**209,405**	209,353
Other investments	**469**	410
	209,874	209 763

	£'000
Shares in group companies – subsidiary undertakings:	
At 1 January 2010	**209,353**
Additions	**52**
At 31 December 2010	**209,405**

	£'000
Other investments	
At 1 January 2010	**410**
Additions	**107**
Impairment	**(48)**
At 31 December 2010	**469**

The directors are satisfied that the company's investments are worth at least as much as the amounts at which they are included in the balance sheet

Notes *(continued)*

10 Fixed asset investments *(continued)*

Principal subsidiaries	Activity	Country of incorporation/ registration and operation	Proportion of ordinary shares held %
Direct holdings			
Jones Lang LaSalle Corporate Finance Limited	Financial services	England	100
Jones Lang LaSalle Resources Limited	Staff services provider	England	100
Jones Lang LaSalle European Services Limited	Surveying services	England	100
Jones Lang LaSalle European Holdings Limited	Holding company	England	100
Rogers Chapman Limited	Surveying services	England	100
HG2 Limited (formerly Hargreaves Goswell Limited)	Surveying services	England	100
Jones Lang Wootton Ltd	Dormant	England	100
AMAS Limited	Dormant	England	100
JLW Nominees Ltd	Dormant	England	100
JLW Second Nominees Ltd	Dormant	England	100
Tetris Projects Limited	Refurbishment & fit-out services	England	100

A full list of companies will be included in the company's annual return

Notes *(continued)*

11 Debtors

	2010 £'000	2009 £'000
Trade debtors	**1,390**	1,115
Amounts owed by		
Subsidiary undertakings	**7,986**	9 071
Parent company and fellow subsidiaries	**147,811**	140,347
Deferred tax asset	**1,931**	1 168
Other debtors	**1,642**	3,131
Prepayments and accrued income	**14,483**	22,028
	175,243	176,860

Debtors due after more than one year amounted to £nil *(2009 £24 290)*

12 Deferred taxation movement

	2010 £'000	2009 £'000
At the beginning of the year	**1,168**	2,172
Credited/(charged) to profit and loss account *(see Note 7)*	**763**	(1,004)
At 31 December 2010 *(see Note 11)*	**1,931**	1 168
Amounts fully provided for deferred taxation		
Accelerated depreciation	**757**	258
Company share schemes	**1,174**	784
Other timing differences	**-**	126
	1,931	1,168

A deferred tax asset of £5 896 000 in respect of unutilised trading taxable losses carried forward at 31December 2010 has not been provided for due to uncertainty surrounding the timing for future taxable profits available for offset

Notes *(continued)*

13 Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Amounts due to		
Subsidiary undertakings	**75,442**	98,446
Parent company and fellow subsidiaries	**116,514**	109,867
Taxation and social security	**7,764**	3 928
Other creditors	**5,467**	3 999
Accruals and deferred income	**51,151**	31,205
	256,338	247,445

Included in amounts due to parent company and fellow subsidiaries is an amount due to Jones Lang LaSalle Finance BV of £66,376,803 *(2009 £86,786,240)*

14 Creditors: amounts falling due after more than one year

	2010 £'000	2009 £'000
Acquisition creditor	-	2 611
Other creditors	-	2,768
Accruals due after more than one year	6,759	3,971
	6,759	9,350

15 Provisions for liabilities and charges

	Dilapidations £'000
At the beginning of the year	**1,256**
Additions	**455**
Utilisation in the year	**(663)**
At 31 December 2010	**1,048**

Notes *(continued)*

16 Pension schemes

The Company operates a defined contribution pension scheme The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £5,180,000 (2009 £5,085,000) There were no outstanding or prepaid contributions at either the beginning or end of the financial year

The Company also operates a pension scheme providing benefits based on final pensionable pay The latest full actuarial valuation was carried out at 31 December 2008 and was updated for FRS 17 purposes to 31 December 2010 by a qualified independent actuary The Jones Lang LaSalle Limited Group contributions for the year were £2,987,000 *(2009 £2,608,000)* The Company expects to contribute around £3,120,000 to its pension scheme in 2011

	2010	2009
	£'000	£'000
Fair value of plan assets	**102,279**	91,131
Present value of unfunded defined benefit obligations	**(101,883)**	(93 764)
Surplus/(deficit)	**396**	(2,633)
Related deferred tax	**(107)**	737
Net surplus/(deficit)	**289**	(1 896)

Movements in present value of defined benefit obligation

	2010	2009
	£'000	£'000
Benefit obligation at beginning of year	**93,764**	72,500
Current service cost	**551**	417
Interest cost	**5,290**	4,647
Actuarial loss	**5,067**	18,806
Benefits paid	**(2,789)**	(2,606)
Benefit obligation at end of year	**101,883**	93 764

Analysis of defined benefit obligation

	2010	2009
	£'000	£'000
Plans that are wholly or partly funded	**101,883**	93,764

Notes *(continued)*

16 Pension schemes *(continued)*

Movements in fair value of plan assets

	2010 £'000	2009 £ 000
Fair value of plan assets at beginning of year	**91,131**	79 355
Expected return on plan assets	**6,017**	5,361
Actuarial gain	**4,933**	6,413
Employer contributions	**2,987**	2 608
Benefits paid	**(2,789)**	(2,606)
Fair value of plan assets at end of year	**102,279**	91,131

	2010 £'000	2009 £'000
Funded status	**396**	(2,633)

Components of pension cost

	2010 £'000	2009 £'000
Interest cost	**5,290**	4 647
Expected return on plan assets	**(6,017)**	(5 361)
Net benefit	**(727)**	(714)
Current service cost	**551**	417
Total pension cost recognised in the profit and loss account	**(176)**	(297)

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

Notes *(continued)*

16 Pension schemes *(continued)*

	2010 £'000	2009 £'000
Actuarial loss immediately recognised in statement of total recognised gains and losses	**134**	12 393
Cumulative amount of actuarial (gains) immediately recognised	**(10,503)**	(10,637)

Plan assets

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

	2010 %	2009 %
Equities	**51.1**	60 1
Bonds	**37 2**	38 4
Diversified growth fund	**11 7**	-
Other	**-**	1 5
	100 0	100 0

To develop the expected long-term rate of return on assets assumption the company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio This resulted in the selection of the 6 61% assumption for the year ended 31 December 2010 and 6 45% for the 2011 pension cost

	2010 £'000	2009 £'000
Actual return on plan assets	**10,950**	11,774

Weighted average assumption used to determine benefit obligation at year end

	2010 %	2009 %
Discount rate	**5.35**	5 70
Rate of compensation increase	**4 85**	5 00
Rate of price inflation	**3 35**	3 50
Rate of pension increases	**3 25**	3 40

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

	2010 %	2009 %
Discount rate	**5.70**	6 50
Expected long-term return on plan assets	**6 61**	6 80
Rate of compensation increase	**5 00**	4 30
Rate of price inflation	**3 50**	2 80
Rate of pension increases	**3 40**	2 80

Notes *(continued)*

16 Pension schemes *(continued)*

Weighted average life expectancy for mortality tables used to determine benefit obligation at

	Male	Female
Member aged 60 (current life expectancy)	27	30
Member aged 40 (life expectancy at age 60)	30	32

Five year history

	2010 £'000	2009 £ 000	2008 £'000	2007 £'000	2006 £ 000
Benefit obligation at end of year	**(101,883)**	(93,764)	(72 500)	(90 050)	(95,000)
Fair value of plan assets at end of year	**102,279**	91,131	79,355	93,369	88,216
Surplus/(deficit)	**396**	(2,633)	6,855	3,319	(6,784)
Difference between actual and expected return on scheme assets Amount (£'000)	**4,933**	**6,413**	(20,230)	(606)	162
Percentage of scheme assets	**5%**	**7%**	(25%)	(1%)	0%
Experience gains/(losses) on scheme liabilities Amount (£'000)	**6**	**1,120**	(749)	(532)	2 193
Percentage of scheme assets	**0%**	**1%**	(1%)	(1%)	2%

17 Called up share capital

	2010 £'000	2009 £'000
Allotted, called up and fully paid		
At 1 January and 31 December (121,087,706 ordinary shares of £1 each)	**121,088**	121,088

Notes *(continued)*

18 Reserves

	Capital contribution reserve £'000	Capital Redemption reserve £'000	Profit and loss account £'000
At the beginning of the year	89,783	268	(14,267)
Loss for the year	-	-	(12,017)
Capital contributed	52	-	-
Other recognised gains/losses relating to the year			
Actuarial loss recognised in the pension scheme	-	-	(134)
Deferred tax arising on losses in the pension scheme	-	-	10
Share based payments charge for the year	-	-	568
Movement in accruals for share based payment recharge	-	-	(2,547)
	89,835	268	(28,387)

19 Operating lease commitments

At 31 December 2010 the company was committed to making the following payments during the following year in respect of operating leases

	Land and buildings 2010 £'000	Office equipment 2010 £'000	Total 2010 £'000	Land and buildings 2009 £'000	Office equipment 2009 £'000	Total 2009 £'000
Leases which expire						
Within one year	295	105	400	-	37	37
Within two to five years	485	278	763	2,154	547	2,701
After five years	6,692	-	6,692	5,619	-	5,619
	7,472	383	7,855	7 773	584	8 357

20 Capital commitments

	2010 £'000	2009 £ 000
Contracted for but not provided	3,550	997

Notes *(continued)*

21 Contingent liabilities

The company, along with other Jones Lang LaSalle group entities, is guarantor of the obligations of Jones Lang LaSalle Finance BV to lending banks under the Multicurrency Credit Facility In September 2010, the existing US$875 million unsecured Multicurrency Credit Facility was renewed and extended to increase the borrowing capacity to $1 1 billion, consisting of $900 million of revolving credit and a $200 million term loan, and extend the maturity to September 28, 2015 The term loan was fully drawn and requires twelve quarterly principal repayments of $2 5 million commencing December 31, 2010, four quarterly principal payments of $5 million commencing December 31, 2013, three quarterly principal repayments of $6 25 million commencing December 31, 2014 and the balance payable September 28, 2015 The Facility remains unsecured

As at 31 December 2010, the Facility had a drawn balance of US$197 5 million (2009 US$175 0 million)

In connection with Jones Lang LaSalle's acquisition of Staubach Holdings, Inc on 11 July 2008, the company, along with other Jones Lang LaSalle group entities, became a guarantor of deferred acquisition and potential earn out payment obligations owed by an affiliate to the Staubach Holdings, Inc shareholders The remaining guaranteed deferred acquisition and potential earn out payments as of 31 December 2010 total approximately US$426 million and will be paid at various times through August 2013

22 Share-based payments

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

All of the schemes provide for shares with no performance conditions, and with the exception of the SAYE scheme, entitle participants to dividend equivalents Therefore, the fair value of the share awards, other than SAYE, is equal to the share price at date of grant The fair value of SAYE schemes is determined by using the Black-Scholes valuation model For 2006 and earlier years the Mercer Binomial valuation model was used

All employee Save As You Earn (SAYE) schemes

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

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

	2010	2009
Outstanding at the beginning of the year	**237,942**	133,202
Granted during the year	**20,900**	232,350
Forfeited during the year	**(3,184)**	(114 898)
Exercised during the year	**(12,655)**	(12,712)
Outstanding at the end of the year	**243,003**	237 942

Notes *(continued)*

22 Share-based payments *(continued)*

All employee Save As You Earn (SAYE) schemes *(continued)*

The options outstanding at 31 December 2010 had a weighted average exercise price of £17 17 (2009 £15 63), and a weighted average remaining contractual life of 2 0 years (2009 2 8 years) During the year options were granted on 16 March 2010 The aggregate of the estimated fair values of the options granted on that date is £396,359

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

	2010	**2010**	2009	2009
	3 year	**5 year**	3 year	5 year
Share price at date of grant	$61 42	$61 42	$22 90	$22 90
Share price at date of grant	£40 33	£40 33	£16 28	£16 28
Exercise price	£34 29	£34 29	£13 84	£13 84
Expected volatility	64 00%	52 90%	38 40%	38 00%
Expected life	3 year	5 year	3 year	5 year
Risk free rate	1 94%	2 13%	1 22%	1 65%
Expected dividend yield	1 0%	1 0%	2 2%	2 2%

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

The weighted average share price at date of exercise of share options exercised during the year was £51 34

Share Ownership Programme

The Group also operates a Share Ownership Programme (SOP), the participants in this were the directors and senior managers of the Company Under the SOP the participants receive part of their discretionary bonus in the form of shares These shares vest eighteen and thirty months after the financial year to which they relate Vesting is conditional upon the participant remaining in the employ of a Group company, unless they retire in the intervening period at normal retirement age

Details of the shares outstanding under the SOP during the year are as follows

	2010	2009
Outstanding at the beginning of the year	**127,884**	126,326
Granted during the year	**20,315**	88,379
Forfeited during the year	**(190)**	(6,072)
Exercised during the year	**(83,695)**	(80,749)
Outstanding at the end of the year	**64,314**	127,884

The options outstanding at 31 December 2010 had a weighted average remaining contractual life of 0 7 years (2009 0 9 years) During the year awards were granted on 1 January 2011 relating to performance in the current year The aggregate of the estimated fair values of the shares awarded on that date is £763,173

The share price at the date of grant was £37 57 ($60 40)

The weighted average share price at date of exercise of share options exercised during the year was £45 89

Notes *(continued)*

22 Share-based payments *(continued)*

Restricted Stock Grant Plan

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

Details of the shares outstanding under the RSG during the year are as follows

	2010	2009
Outstanding at the beginning of the year	**137,062**	148,062
Granted during the year	**56,739**	45 686
Forfeited during the year	**(1,498)**	(19,129)
Exercised during the year	**(31,494)**	(37 557)
Outstanding at the end of the year	**160,809**	137,062

The options outstanding at 31 December 2010 had a weighted average remaining contractual life of 2 2 years (2009 2 2 years) During the year awards were made as shown below The aggregate of the estimated fair values of the shares awarded on that date is £2,486,531

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

Grant Date	01/01/2006	18/01/2006	23/02/2006	15/06/2006	15/08/2006
Share price at date of grant	$50 35	$57 55	$70 94	$78 00	$78 40
Share price at date of grant	£29 21	£32 61	£40 68	£42 39	£41 46
Grant Date	08/03/2007	02/08/2007	21/11/2007	13/12/2007	15/02/2008
Share price at date of grant	$104 34	$110 11	$71 66	$77 34	$71 70
Share price at date of grant	£54 05	£54 31	£34 85	£37 90	£36 49
Grant Date	15/04/2008	01/07/2008	01/08/2008	02/01/2009	04/03/2009
Share price at date of grant	$77 93	$62 11	$48 99	$30 55	$18 77
Share price at date of grant	£39 47	£31 16	£24 72	£20 91	£13 35
Grant Date	26/05/2009	16/06/2009	14/08/2009	01/10/2009	18/11/2009
Share price at date of grant	$35 75	$32 25	$42 02	$44 91	$54 32
Share price at date of grant	£22 49	£19 72	£25 39	£28 04	£32 31
Grant Date	23/11/2009	18/12/2009	03/03/2010	21/05/2010	07/07/2010
Share price at date of grant	$50 93	$58 38	$66 31	$71 59	$66 62
Share price at date of grant	£30 86	£36 02	£43 51	£49 19	£44 26
Grant Date	14/07/2010	02/08/2010	05/08/2010	16/08/2010	
Share price at date of grant	$66 77	$80 03	$79 72	$76 01	
Share price at date of grant	£45 68	£51 26	£51 07	£49 15	

The weighted average share price at date of exercise of share options exercised during the year was £45 21

Notes *(continued)*

23 Ultimate controlling party

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

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