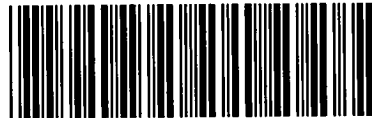


Registered number: 01188567

**JONES LANG LASALLE LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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## **JONES LANG LASALLE LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	TM Smith RC Batten R Howling M Stupples (resigned 31 December 2016) A Humphery C Macfarlane AR Irvine (resigned 2 June 2017) C Ireland JF Duckworth (resigned 1 December 2016) MD Grigorova JE Gregory (appointed 1 January 2017) AM Renshaw (appointed 4 November 2016)
<b>Company secretary</b>	RH Webster GR Thomas (appointed 4 November 2016) NG Taylor S Louw (resigned 4 November 2016)
<b>Registered number</b>	01188567
<b>Registered office</b>	30 Warwick Street London W1B 5NH
<b>Independent auditor</b>	KPMG LLP, Statutory Auditor Chartered Accountants 15 Canada Square London E14 5GL

## **JONES LANG LASALLE LIMITED**

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## **JONES LANG LASALLE LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **Introduction**

The directors present their strategic and directors' reports and the financial statements for the year ended 31 December 2016.

#### **Business review**

The results for the year, as shown on page 9, and the financial position of the company, as shown on page 11, are considered to be satisfactory by the directors.

The directors consider the company will continue to develop its business in the UK and will continue to provide services to fellow group companies.

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

Turnover from continuing operations decreased from £402.6m to £358.9m reflecting a significant decline in transactional markets, especially capital markets, based upon increased market uncertainties in 2016 arising during the run up to and as a result of the EU referendum. Annuity and consulting revenues maintained steady, modest growth.

The company recorded an operating profit of £32.1m (2015: £49.6m) from continuing operations. This decrease in operating profit in 2016 is due to the reduction in transaction activity and weaker economic conditions, in part mitigated by strong cost control efforts.

## JONES LANG LASALLE LIMITED

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

#### Principal risks and uncertainties

In relation to the assessment and monitoring of economic, political and regulatory risks, the Company is continuing to evaluate the impact of the outcome of the 2016 referendum in relation to the UK's membership of the EU on the Company's business strategy and business risks in the short, medium and long term. In the short term no further significant impact is expected on the Company's business activities, there will be no immediate change in business strategy, and it does not affect the going concern position of the company. Over the course of the expected two year transition period following the March 2017 notification of intention to leave the EU, the Company continues to closely monitor developments and will make appropriate changes to the business strategy once the impact on the UK and European real estate services industry is more certain.

The continued impact of the UK, European and Global macro-economic and political uncertainties allied with continuing uncertainty over the economic impact of the decision to leave the EU means that the UK business environment will continue to be challenging. These all have the potential to affect and disrupt international capital flows into the UK real estate market.

In light of this, the board maintains a heightened focus on both the wider external and business specific risk. Risks are formally reviewed by the board and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the company.

The Board seek to mitigate these risks by a strategy of: balanced and cautious growth, disciplined cost control and seeking growth in counter cyclical business lines.

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

#### *Decline in acquisition and disposition activity*

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

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

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

#### *The cyclical nature of the real estate markets*

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

#### *The highly competitive nature of the real estate markets*

The Company offers a broad range of services and there is significant competition in many of these activities. Depending upon the service, competition comes not only from within the real estate sector but also from outside such as investment banks, accountancy firms, technology firms and consulting firms. This can lead to increasing commoditisation of the services and increasing downward pressure on fees.

#### *Liquidity risk*

The Company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments, credit facilities and cash reserves. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

#### *Foreign exchange risk*

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

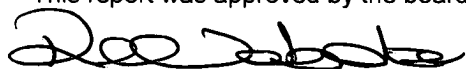
JONES LANG LASALLE LIMITED

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

Financial key performance indicators

Indicator	2016	2015	Commentary
Sales (%) <i>(Year on year sales increase/(decrease) expressed as a percentage)</i>	(10.8)	12.9	A significant decline in transactional volumes for most of 2016
Adjusted operating margin (%) <i>(Ratio of operating profit excluding exceptional items &amp; goodwill amortisation to sales, expressed as a percentage)</i>	10.4	13.6	Declining transactional volumes flowing through to a reduced margin partly offset by cost containment measures
Net margin (%) <i>(Ratio of pre-tax profit to sales, expressed as a percentage)</i>	7.9	12.3	Impact of lower transaction volumes, and the writing down of the value of investments in subsidiary companies

This report was approved by the board on 24<sup>th</sup> July 2017 and signed on its behalf.



RH Webster  
Secretary

## **JONES LANG LASALLE LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

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

#### **Principal activity**

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

#### **Results and dividends**

The profit for the year, after taxation, amounted to £25,697 thousand (2015 - £39,343 thousand).

The Company did not pay an interim dividend during the year (2015: £nil). The directors do not recommend the payment of a final dividend (2015: £nil).

#### **Directors**

The directors who served during the year were:

TM Smith  
RC Batten  
R Howling  
M Stupples (resigned 31 December 2016)  
A Humphery  
C Macfarlane  
AR Irvine (resigned 2 June 2017)  
C Ireland  
JF Duckworth (resigned 1 December 2016)  
MD Grigorova  
AM Renshaw (appointed 4 November 2016)

#### **Political contributions**

During the year the company made no contributions for political purposes (2015: £nil).

## **JONES LANG LASALLE LIMITED**

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

#### **Future developments**

Despite the uncertainties over the implications of the referendum vote to leave the EU and the macro-economic and political uncertainties in the UK, Eurozone and the Middle East, the first half year of 2017 saw a small increase in activity levels compared to the second half of 2016. We continue to monitor with interest trends in investor confidence and market momentum.

The directors continue to remain cautious in respect of the second half of the year. Economic concerns and the political uncertainty over the impact of "Brexit" may give rise to significant risks and offer some opportunities to investment performance and the timing of transactions.

Given the solid start to 2017, the company remains well placed to successfully negotiate the continuing fragile political and economic environment, and to seek out further growth opportunities.

The directors remain committed to the following priorities to guide the business through this difficult period:

- Absolute focus on clients
- Drive productivity to increase quality, reduce cost and improve operating margins across all business lines
- Take advantage of new areas of opportunity
- Continue to grow annuity revenue and ensure a balanced business growth and mix of businesses
- Protect and grow market share
- Retain and attract key business leaders

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

#### **Company's policy for payment of creditors**

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

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

#### **Employees**

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

The company will ensure equal opportunities for everyone throughout all stages of recruitment and selection. Short listing, interviewing and selection will always be carried out without regard to age, disability, sex, sexual orientation, gender reassignment, marriage and civil partnerships, race including colour, nationality, ethnic or national origin, pregnancy or maternity, religion or belief.

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



**JONES LANG LASALLE LIMITED**

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

**Disclosure of information to auditor**

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

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

**Auditor**

Under section 487(2) of the Companies Act 2006, KPMG LLP, Statutory Auditor will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 24 July 2017 and signed on its behalf.



RH Webster  
Secretary

## **JONES LANG LASALLE LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

## JONES LANG LASALLE LIMITED

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

We have audited the financial statements of Jones Lang LaSalle Limited for the year ended 31 December 2016, set out on pages 9 to 46. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

#### **Respective responsibilities of Directors and Auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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 Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit 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 Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' Report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

#### **Matters on which we are required to report by exception**

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.



Sean McCallion (Senior Statutory Auditor)  
for and on behalf of

**KPMG LLP, Statutory Auditor**

Chartered Accountants

15 Canada Square, London, E14 5GL

Date: 25 July 2017

**JONES LANG LASALLE LIMITED**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £000	2015 £000
Turnover	3	358,935	402,594
Administrative expenses		(326,807)	(353,065)
Other operating income	4	-	118
<b>Operating profit</b>	5	<b>32,128</b>	49,647
Amounts written off investments		(6,285)	-
Interest receivable and similar income	9	4,729	2,238
Interest payable and similar expenses	10	(2,403)	(2,140)
Other finance income / (expenses)	11	164	(103)
<b>Profit before tax</b>		<b>28,333</b>	49,642
Tax on profit	12	(2,636)	(10,299)
<b>Profit for the year</b>		<b>25,697</b>	39,343

The notes on pages 13 to 46 form part of these financial statements.

**JONES LANG LASALLE LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £000	2015 £000
Profit for the financial year		<b>25,697</b>	39,343
<b>Other comprehensive income</b>			
Actuarial (loss)/gain on defined benefit schemes		<b>(29,366)</b>	18,355
Effect of asset ceiling		<b>8,374</b>	(14,811)
Movement on deferred tax relating to pension losses/(gains)		<b>3,599</b>	(747)
<b>Other comprehensive (loss)/income for the year</b>		<b>(17,393)</b>	2,797
<b>Total comprehensive income for the year</b>		<b>8,304</b>	42,140

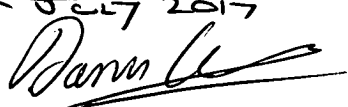
The notes on pages 13 to 46 form part of these financial statements.

**JONES LANG LASALLE LIMITED**  
**REGISTERED NUMBER:01188567**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £000	2015 £000
<b>Fixed assets</b>			
Intangible assets	14	13,598	18,063
Tangible assets	15	41,244	40,134
Investments	16	126,864	130,612
		<u>181,706</u>	<u>188,809</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	17	320,608	292,272
Cash at bank and in hand	18	922	301
		<u>321,530</u>	<u>292,573</u>
Creditors: amounts falling due within one year	19	(253,578)	(259,714)
<b>Net current assets</b>		<u>67,952</u>	<u>32,859</u>
<b>Total assets less current liabilities</b>		<u>249,658</u>	<u>221,668</u>
Creditors: amounts falling due after more than one year	20	(10,132)	(4,475)
<b>Provisions for liabilities</b>			
Other provisions	22	(10,636)	(15,095)
		<u>(10,636)</u>	<u>(15,095)</u>
Pension (liability)/asset		(13,766)	3,056
<b>Net assets</b>		<u>215,124</u>	<u>205,154</u>
<b>Capital and reserves</b>			
Called up share capital	24	121,088	121,088
Share premium account	25	2,500	2,500
Capital redemption reserve	25	268	268
Other reserves	25	90,557	90,557
Profit and loss account	25	711	(9,259)
		<u>215,124</u>	<u>205,154</u>

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

24<sup>th</sup> July 2017  


**JE Gregory**  
Director

**JONES LANG LASALLE LIMITED**

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

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Capital redemption reserve</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2016	121,088	2,500	268	90,557	(9,259)	205,154
Profit for the year	-	-	-	-	25,697	25,697
Actuarial losses on pension scheme	-	-	-	-	(17,393)	(17,393)
Dividends: Equity capital	-	-	-	-	130	130
Other movement (Share Based Payments)	-	-	-	-	1,536	1,536
<b>At 31 December</b>						
<b>2016</b>	<b>121,088</b>	<b>2,500</b>	<b>268</b>	<b>90,557</b>	<b>711</b>	<b>215,124</b>

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

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Capital redemption reserve</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2015	121,088	2,500	268	90,557	(48,922)	165,491
Profit for the year	-	-	-	-	39,343	39,343
Actuarial gains on pension scheme	-	-	-	-	2,797	2,797
Other movement (Share Based Payments)	-	-	-	-	(2,477)	(2,477)
<b>At 31 December</b>						
<b>2015</b>	<b>121,088</b>	<b>2,500</b>	<b>268</b>	<b>90,557</b>	<b>(9,259)</b>	<b>205,154</b>

The notes on pages 13 to 46 form part of these financial statements.

## **JONES LANG LASALLE LIMITED**

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

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

##### **1.2 Financial reporting standard 102 - reduced disclosure exemptions**

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

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

This information is included in the consolidated financial statements of Jones Lang LaSalle Incorporated as at 31 December 2016 and these financial statements may be obtained from Jones Lang LaSalle Incorporated can be obtained from Jones Lang LaSalle Incorporated, 200 East Randolph Drive, Chicago, Illinois 60601, USA.



## **JONES LANG LASALLE LIMITED**

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

#### **1. Accounting policies (continued)**

##### **1.3 Going concern**

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

The company is dependent for its working capital on funds 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.

The directors assessed the company's financial position, and they have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

There are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

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

##### **1.4 Revenue**

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

###### **Rendering of services**

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

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

## JONES LANG LASALLE LIMITED

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

#### 1. Accounting policies (continued)

##### 1.5 Intangible assets

###### Goodwill

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

###### Other intangible assets

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

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

The estimated useful lives range as follows:

Goodwill	-	10	years
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##### 1.6 Tangible fixed assets

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

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

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

Short-term leasehold property	- on a straight line basis over the length of the lease
Motor vehicles	- on written down value at 25%
Office machinery and fixtures	- on cost at 10% to 20%
Computer equipment	- on cost at 33%

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

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

## **JONES LANG LASALLE LIMITED**

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

#### **1. Accounting policies (continued)**

##### **1.7 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### **1.8 Valuation of investments**

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

##### **1.9 Operating leases**

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

##### **1.10 Debtors**

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

##### **1.11 Cash and cash equivalents**

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

##### **1.12 Creditors**

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

## **JONES LANG LASALLE LIMITED**

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

#### **1. Accounting policies (continued)**

##### **1.13 Foreign currency translation**

###### **Functional and presentation currency**

The company's functional and presentational currency is GBP.

###### **Transactions and balances**

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

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

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

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

##### **1.14 Finance costs**

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **1.15 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

## JONES LANG LASALLE LIMITED

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

#### 1. Accounting policies (continued)

##### 1.16 Share based payments

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

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

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

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

##### 1.17 Financial instruments

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

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an

## **JONES LANG LASALLE LIMITED**

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

#### **1. Accounting policies (continued)**

##### **1.17 Financial instruments (continued)**

intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **1.18 Onerous leases**

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

##### **1.19 Interest income**

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

##### **1.20 Borrowing costs**

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

##### **1.21 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 Income Statement in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

## JONES LANG LASALLE LIMITED

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

#### 1. Accounting policies (continued)

##### 1.22 Pensions

###### Defined contribution pension plan

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

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

###### Defined benefit pension plan

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

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

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

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

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

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

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

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

###### Group pension plan

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

## JONES LANG LASALLE LIMITED

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

#### 1. Accounting policies (continued)

##### 1.23 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2. Judgements in applying accounting policies and key sources of estimation uncertainty

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

The directors have not made any judgements in the process of applying the accounting policies that have a significant effect on the amounts recognised in the financial statements other than already disclosed in the notes to the accounts or below or made any key assumptions concerning the future and any other key sources of estimation uncertainty at the reporting date, that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities within the next financial year.

##### *Intangible assets, goodwill and investment*

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

##### *Provisions*

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

##### *Defined benefit pension scheme*

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



**JONES LANG LASALLE LIMITED**

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

**3. Turnover**

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

	<b>2016 £000</b>	<b>2015 £000</b>
Professional services	<b>358,935</b>	402,594
	<b>358,935</b>	402,594

Analysis of turnover by country of destination:

	<b>2016 £000</b>	<b>2015 £000</b>
United Kingdom	<b>358,935</b>	402,594
	<b>358,935</b>	402,594

**4. Other operating income**

	<b>2016 £000</b>	<b>2015 £000</b>
Reversal of impairment of fixed asset investments	-	118
	-	118

**5. Operating profit**

The operating profit is stated after charging:

	<b>2016 £000</b>	<b>2015 £000</b>
Depreciation of tangible fixed assets	<b>10,311</b>	8,531
Amortisation of intangible assets, including goodwill	<b>5,192</b>	5,174
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<b>507</b>	495
Exchange differences	<b>153</b>	-
Other operating lease rentals	<b>14,295</b>	11,074
Loss/(profit) on sale of tangible assets	<b>3,673</b>	(22)
Defined contribution pension cost	<b>12,393</b>	11,088

**JONES LANG LASALLE LIMITED**

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

**6. Auditor's remuneration**

	<b>2016 £000</b>	<b>2015 £000</b>
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<b>94</b>	96
	<b>94</b>	96
<b>Fees payable to the company's auditor and its associates in respect of:</b>		
The auditing of accounts of associates of the company pursuant to legislation	<b>250</b>	261
Other services supplied pursuant to such legislation	<b>69</b>	61
	<b>319</b>	322

**7. Employees**

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

	<b>2016 £000</b>	<b>2015 £000</b>
Wages and salaries	<b>234,422</b>	247,529
Social security costs	<b>29,756</b>	32,351
Cost of defined benefit scheme	<b>608</b>	669
Cost of defined contribution scheme	<b>12,393</b>	11,088
	<b>277,179</b>	291,637

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

	<b>2016 No.</b>	<b>2015 No.</b>
Managerial and professional	<b>2,510</b>	2,623

**JONES LANG LASALLE LIMITED**

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

**8. Directors' remuneration**

	<b>2016 £000</b>	<b>2015 £000</b>
Directors' emoluments	<b>8,274</b>	7,827
Company contributions to defined contribution pension schemes	<b>69</b>	72
	<b>8,343</b>	7,899

During the year retirement benefits were accruing to 7 directors (2015 - 10) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £2,092 thousand (2015 - £1,961 thousand).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15 thousand (2015 - £15 thousand).

During the year 1 director received shares under the long term incentive schemes (2015: 2).

**9. Interest receivable**

	<b>2016 £000</b>	<b>2015 £000</b>
Interest receivable from group companies	<b>4,729</b>	2,238
	<b>4,729</b>	2,238

**10. Interest payable and similar charges**

	<b>2016 £000</b>	<b>2015 £000</b>
Other interest payable	<b>2</b>	7
Interest payable to group undertakings	<b>2,401</b>	2,133
	<b>2,403</b>	2,140

**JONES LANG LASALLE LIMITED**

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

**11. Other finance income / (expenses)**

	<b>2016 £000</b>	<b>2015 £000</b>
Interest on defined benefit obligations	(7,673)	(7,910)
Interest on defined benefit assets	8,452	7,807
Interest on pension scheme asset ceiling	(615)	-
	<u><b>164</b></u>	<u><b>(103)</b></u>

**12. Taxation**

	<b>2016 £000</b>	<b>2015 £000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	2,698	4,542
	<u><b>2,698</b></u>	<u><b>4,542</b></u>
<b>Total current tax</b>	<u><b>2,698</b></u>	<u><b>4,542</b></u>
<b>Deferred tax</b>		
Defined pension	709	890
Other movements	(771)	4,867
<b>Total deferred tax</b>	<u><b>(62)</b></u>	<u><b>5,757</b></u>
<b>Taxation on profit on ordinary activities</b>	<u><b>2,636</b></u>	<u><b>10,299</b></u>

# JONES LANG LASALLE LIMITED

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

### 12. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is different from (2015 - different from) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	28,333	49,641
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%)	5,667	10,052
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,296	1,291
Capital allowances for year in excess of depreciation	82	(210)
Utilisation of tax losses	-	(4,386)
Adjustments to tax charge in respect of prior periods	-	58
Other timing differences leading to an increase (decrease) in taxation	488	(1,359)
Tax deduction arising from exercise of employee options	-	(866)
Other differences leading to an increase (decrease) in the tax charge	50	(38)
Group relief	(5,885)	-
Deferred tax movement	(62)	5,757
<b>Total tax charge/(credit) for the year</b>	<b>2,636</b>	<b>10,299</b>

#### Factors that may affect future tax charges

The main rate of UK corporation tax for 2016 is 20%; it was reduced from 21% to 20% effective from 1 April 2015 (2015: 20.25%). In 2015, Finance (No.2) Act 2015 introduced reductions in the rate of UK corporation tax - effective from 1 April 2017 it will be 19%. During 2016, Finance Act 2016 has set the UK corporation tax rate for the Financial Year 2020 as 17%.

### 13. Dividends

	2016 £000	2015 £000
Dividends from subsidiary	130	-
	130	-

JONES LANG LASALLE LIMITED

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

14. Intangible assets

	Goodwill £000
<b>Cost</b>	
At 1 January 2016	94,481
Additions	727
At 31 December 2016	<u>95,208</u>
<b>Amortisation</b>	
At 1 January 2016	76,418
Charge for the year	5,192
At 31 December 2016	<u>81,610</u>
<b>Net book value</b>	
At 31 December 2016	<u>13,598</u>
At 31 December 2015	<u>18,063</u>

JONES LANG LASALLE LIMITED

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

15. Tangible fixed assets

	Short-term leasehold property £000	Fixtures and fittings £000	Land £000	Total £000
<b>Cost or valuation</b>				
At 1 January 2016	24,882	38,537	150	63,569
Additions	3,164	13,007	-	16,171
Disposals	(101)	(11,339)	-	(11,440)
At 31 December 2016	27,945	40,205	150	68,300
<b>Depreciation</b>				
At 1 January 2016	13,568	9,867	-	23,435
Charge for the period on owned assets	3,360	6,951	-	10,311
Disposals	(101)	(6,589)	-	(6,690)
At 31 December 2016	16,827	10,229	-	27,056
<b>Net book value</b>				
At 31 December 2016	11,118	29,976	150	41,244
At 31 December 2015	11,314	28,670	150	40,134

**JONES LANG LASALLE LIMITED**

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

**16. Fixed asset investments**

	Investments in subsidiary companies £000	Other fixed asset investments £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2016	129,918	694	130,612
Additions	2,537	-	2,537
At 31 December 2016	<u>132,455</u>	<u>694</u>	<u>133,149</u>
<b>Impairment</b>			
Charge for the period	6,285	-	6,285
At 31 December 2016	<u>6,285</u>	<u>-</u>	<u>6,285</u>
<b>Net book value</b>			
At 31 December 2016	<u><u>126,170</u></u>	<u><u>694</u></u>	<u><u>126,864</u></u>
At 31 December 2015	<u><u>129,918</u></u>	<u><u>694</u></u>	<u><u>130,612</u></u>

The directors have considered the net asset value and future trading potential of each of the Company's investments in subsidiaries. This assessment has resulted in an impairment charge for the year relating to the Company's investments in Tetris-Bluu Limited (£2,500 thousand), Rogers Chapman Limited (£376 thousand) and Avenue 9 Solutions Limited (£3,409 thousand) up to 31 December 2016.



**JONES LANG LASALLE LIMITED**

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

**16. Fixed asset investments (continued)**

**Direct subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Class of shares</b>		<b>Principal activity</b>
Jones Lang LaSalle Corporate Finance Limited (UK)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Resources Limited (UK)	Ordinary	100 %	Real estate services
Jones Lang LaSalle European Services Limited (UK)	Ordinary	100 %	Real estate services
Jones Lang LaSalle European Holdings Limited (UK)	Ordinary	97 %	Real estate services
Rogers Chapman UK Limited (UK)	Ordinary	100 %	Real estate services
HG2 Limited (UK)	Ordinary	100 %	Real estate services
AMAS Limited (UK)	Ordinary	100 %	Dormant
JLW Nominees Limited (UK)	Ordinary	100 %	Dormant
JLW Second Nominees Limited (UK)	Ordinary	100 %	Dormant
Tetris-blau Limited (UK)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Insurance Services Limited (UK)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Pension Trustees Limited (UK)	Ordinary	100 %	Dormant
Jones Lang LaSalle Services S.R.L. (Romania)	Ordinary	100 %	Real estate services
Avenue 9 Solutions Limited (UK)	Ordinary	100 %	Real estate services

# JONES LANG LASALLE LIMITED

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

### 16. Fixed asset investments (continued)

#### Indirect Subsidiary undertakings

The following were subsidiary undertakings of the company:

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

# JONES LANG LASALLE LIMITED

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

### 16. Fixed asset investments (continued)

Tetris SAS (France)	Ordinary	100 %	Real estate services
Jones Lang LaSalle SpA (Italy)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Services Srl (Italy)	Ordinary	100 %	Real estate services
Tetris Design and Build SRL (Italy)	Ordinary	100 %	Real estate services
LaSalle Italia SRL (Italy)	Ordinary	100 %	Real estate services
Jones Lang LaSalle SARL (Luxembourg)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Administration GmbH (Germany)	Ordinary	100 %	Real estate services
Jones Lang LaSalle GmbH (Germany)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Services GmbH (Germany)	Ordinary	100 %	Real estate services
Jones Lang LaSalle GmbH (Austria)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Misc LLC (Egypt)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Holdings GmbH & Co KG (Germany)	Ordinary	100 %	Real estate services
Jones Lang LaSalle SPRL (Belgium)	Ordinary	92.3 %	Real estate services
Jones Lang LaSalle Services SA/NV (Belgium)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Israel Limited (Israel)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Holdings Sp.z.o.o. (Poland)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Sp.z.o.o. (Poland)	Ordinary	100 %	Real estate services
King Sturge Management SPRL (Belgium)	Ordinary	99 %	Real estate services
Tenzing AB (Sweden)	Ordinary	70 %	Real estate services
Tenzing Kapitalmarknad Holding AB (Sweden)	Ordinary	70 %	Real estate services
Tenzing Kapitalmarknad AB (Sweden)	Ordinary	100 %	Real estate services
Nima Mountaineer AB (Sweden)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Group Services Sp.z.o.o. (Poland)	Ordinary	100 %	Real estate services
Tetris Design and Build SARL (Luxembourg)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Retail Asset Management GmbH (Germany)	Ordinary	100 %	Real estate services
Jones Lang LaSalle Finance GmbH (Germany)	Ordinary	100 %	Real estate services
Jones Lang LaSalle LLC (Russia)	Ordinary	100 %	Real estate services
Tetris Projects GmbH (Germany)	Ordinary	100 %	Real estate services
Nextport Business Relocation Partner AB (Sweden)	Partnership	100 %	Real estate services
Jones Lang LaSalle OY (Finland)	Interest	100 %	Real estate services
Jones Lang LaSalle Holding SAS (France)	Ordinary	100 %	Real estate services
JLL Finance LLP (UK)	Partnership	100 %	Real estate services
Jones Lang LaSalle Secs (Luxembourg)	Interest	100 %	Real estate services
Jones Lang LaSalle LLP (Kazakhstan)	Partnership	100 %	Real estate services
Novo Interior – Arquitectura, Engenharia e Imobiliaria, S.A. (Portugal)	Interest	100 %	Real estate services
Cobertura S.A. (Portugal)	Ordinary	100 %	Real estate services
BG data Bilisim Teknolojileri ve Medja Hiz Tic A.S. (Turkey)	Ordinary	100 %	Real estate services
AVM Ortaklari Proje Yonetimi A.S. (Turkey)	Ordinary	100 %	Real estate services

# JONES LANG LASALLE LIMITED

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

### 16. Fixed asset investments (continued)

JLL Ingenierie (France)	Ordinary	100 %	Real estate services
Tetris Design & Build Romania SRL (Romania)	Ordinary	100 %	Real estate services
Zabel Property AG (Germany)	Ordinary	100 %	Real estate services
Jones Lang LaSalle 1. Beteiligungsgesellschaft GmbH (Germany)	Ordinary	100 %	Real estate services
AGL Treasury Support AB (Sweden)	Ordinary	100 %	Real estate services
AGL Transaction Services AB (Sweden)	Ordinary	100 %	Real estate services
ACREST Center-Management GmbH (Germany)	Ordinary	50 %	Real estate services

Name	Registered office
UK companies	30 Warwick Street, London, W1B 5NH
Romanian companies	145 Calea Victoriei, Victoria Center, Floor 9, District 1, Bucharest
Swedish companies	Birger Jarlsgatan 25, 111 45 Stockholm
Dutch companies	Strawinskylaan 3103, 1077 ZX, Amsterdam
Russian companies	2, Bld. 1, Letnikovskaya Street, Moscow, 115114
Hungarian companies	1054 Budapest, Szabadság tér 14
Czech companies	1096/21, Na Příkopě, 110 00, Praha 1
Polish companies	Warsaw Spire, 30th floor, Plac Europejski 1, Warsaw, 00-844
Spanish companies	Paseo de la Castellana 110-12a, Madrid, 28046
Portuguese companies	Avenida Duque D'Avila, No. 141-lo.dto., Lisbon, 1050-081
Moroccan companies	Twin Centre, Tour Ouest, Angle Boulevards, Zerktouni at Al Massira, Casablanca, 201000
Turkish companies	Yesim Sokak No 2, Aktlar, Levent - Istanbul, Turkey, 34335
French companies	40-42 rue La Boétie, PARIS, 75008
Saudi Arabian companies	18th floor, South Tower, Taawuneya Towers Olaya District, King Fahd Road P.O.Box 13547 Riyadh 11414, Saudi Arabia
Italian companies	8, Via Agnello, Milano, 20121

**JONES LANG LASALLE LIMITED**

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

**16. Fixed asset investments (continued)**

Luxembourgish companies	41 rue du Puits Romain, L - 8070 Bertrange
German companies	Wilhelm-Leuschner Strasse 78, Frankfurt am Main, 60329
Austrian companies	Praterstraße 62-64, Vienna, 1020
Egyptian companies	2 Aly Rashed St., Stars Capital, 8th Floor, Heliopolis, Cairo, Egypt
Belgian companies	23 Avenue Marnixlaan, 1000 - Brussels
Israeli companies	c/o TMF Management and Accounting Services (Israel) Ltd., 7 Rival Street, Tel-Aviv 67778
Finnish companies	Eteläesplanadi 22 A, FI-00130, Helsinki
Kazakhstani companies	62B Karmysova str., Medeusky District, Almaty, Kazakhstan

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings (direct holdings) were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Jones Lang LaSalle Corporate Finance Limited	13,770,087	2,701,715
Jones Lang LaSalle Resources Limited	2	-
Jones Lang LaSalle European Services Limited	6,620,250	(176,433)
Jones Lang LaSalle European Holdings Limited	260,207,597	7,925,044
Rogers Chapman UK Limited	16,612,894	(280,842)
HG2 Limited	3,570,724	48,882
AMAS Limited	44,000	-
JLW Nominees Limited	3,475,396	-
JLW Second Nominees Limited	2	-
Tetris-bluu Limited	(4,124,942)	(6,623,331)
Jones Lang LaSalle Insurance Services Limited	8,757,364	790,602
Jones Lang LaSalle Services S.R.L.	3,652,118	431,279
Jones Lang LaSalle Pension Trustees Limited	100	-
Avenue 9 Solutions Limited	100	216,765
	<u>312,585,692</u>	<u>5,033,681</u>

**JONES LANG LASALLE LIMITED**

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

**17. Debtors**

	2016 £000	2015 £000
Trade debtors	67,653	80,779
Amounts owed by group undertakings	195,298	163,079
Other debtors	15,248	13,601
Prepayments and accrued income	37,976	34,041
Deferred taxation	4,433	772
	<u>320,608</u>	<u>292,272</u>

**18. Cash and cash equivalents**

	2016 £000	2015 £000
Cash at bank and in hand	922	301
Less: bank overdrafts	(695)	-
	<u>227</u>	<u>301</u>

**19. Creditors: Amounts falling due within one year**

	2016 £000	2015 £000
Bank overdrafts	695	-
Trade creditors	8,334	11,847
Amounts owed to group undertakings	108,259	91,555
Corporation tax	-	1,381
Taxation and social security	21,252	26,401
Other creditors	406	760
Accruals and deferred income	114,632	127,770
	<u>253,578</u>	<u>259,714</u>

**JONES LANG LASALLE LIMITED**

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

**20. Creditors: Amounts falling due after more than one year**

	<b>2016 £000</b>	2015 £000
Other creditors	<b>7,382</b>	605
Accruals and deferred income	<b>2,750</b>	3,870
	<u><b>10,132</b></u>	<u>4,475</u>

**21. Financial instruments**

	<b>2016 £000</b>	2015 £000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<b>309,023</b>	257,460
	<u><b>309,023</b></u>	<u>257,460</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>(236,926)</b>	(231,297)
	<u><b>(236,926)</b></u>	<u>(231,297)</u>

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

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

JONES LANG LASALLE LIMITED

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

22 Provisions

	Onerous lease £000	Dilapidations £000	Professional indemnity insurance £000	Earn out £000	Total £000
At 1 January 2016	2,299	5,296	7,500	-	15,095
Charged to profit or loss	-	323	1,440	2,537	4,300
Utilised in year	(1,544)	-	(6,750)	(465)	(8,759)
<b>At 31 December 2016</b>	<b>755</b>	<b>5,619</b>	<b>2,190</b>	<b>2,072</b>	<b>10,636</b>

*Dilapidations*

As part of its property leasing arrangements, the Company has an obligation to return some properties to their original condition (when the Company conducted significant leasehold improvements) or repair damages which incur during the life of the lease. The present value of the expected cost is capitalised as a part of the leasehold improvement asset. The provision is expected to be utilised at the end of the respective leases between 2017 and 2023.

*Onerous lease*

Where leasehold properties become vacant, the Company provides for all costs, net of anticipated income, to the end of the lease or anticipated date of the disposal or sublease. The provision is expected to be utilised over the life of the related leases between 2017 and 2018.

*Professional indemnity insurance*

The Company is, from time to time, subject to certain litigation matters arising in the normal course of the professional services it provides. Such claims are subject to scrutiny and assessment and, whilst Jones Lang LaSalle Limited is ultimately responsible for any commercial settlements that may be agreed or enforced by the courts, the company expects to recover amounts due from its professional indemnity insurance arrangements. Indemnification is arranged by other members of the Jones Lang LaSalle Group with captive and/or external insurance providers and as such any economic exposure is limited to the insurance excess amounts. The provision has been represented gross to better reflect the liabilities and assets arising from the claims against the business. Of the £2,190 thousand provided for in 2016, £1,800 thousand was paid to date in 2017.

*Earn out*

The earn out provision results from the acquisition of Avenue 9 Solutions Limited. Jones Lang LaSalle Limited have taken on the liabilities of Avenue 9 as the entity is being liquidated and have provided for the expected amount payable.



**JONES LANG LASALLE LIMITED**

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

**23. Deferred taxation**

	<b>2016 £000</b>
At beginning of year	772
Charged to profit or loss	62
Charged to other comprehensive income	3,599
<b>At end of year</b>	<b>4,433</b>

The deferred tax asset is made up as follows:

	<b>2016 £000</b>
Accelerated capital allowances	1,389
Pension surplus	2,340
Company share scheme	704
	<b>4,433</b>

There are no unused tax losses or unused tax credits. The net deferred tax asset is expected to increase in 2017 by £91 thousands. This primarily relates to an increase in the timing differences on tangible fixed assets, capital allowances, depreciation and share based payments in the accounts and the expected tax deduction when the shares vest.

**24. Share capital**

	<b>2016 £000</b>	<b>2015 £000</b>
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
121,087,708 Ordinary shares of £1 each	<b>121,088</b>	121,088

**JONES LANG LASALLE LIMITED**

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

**25. Reserves**

**Share premium**

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

**Capital redemption reserve**

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

**Other reserves**

Capital contributions from the parent company.

**Profit and loss account**

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

# JONES LANG LASALLE LIMITED

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

### 26. Share based payments

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

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

#### *All employee Save As You Earn (SAYE) schemes:*

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

#### *Restricted Stock Grant Plan:*

The Group operates a restricted stock grant plan (RSG), under which some directors and senior managers may receive awards of shares. Shares under this plan vest in equal instalments after either three years or five years from the grant date. Vesting is conditional upon the participant remaining in the employ of a Group company.

	Weighted average exercise price (pence) 2016	Number 2016	Weighted average exercise price (pence) 2015	Number 2015
<b>All employee Save As You Earn (SAYE) schemes</b>				
Outstanding at the beginning of the year	6,819	143,675	4,398	158,582
Granted during the year		-	8,279	70,503
Forfeited during the year	6,507	(30,220)	5,232	(7,729)
Exercised during the year	9,758	(5,995)	11,375	(77,681)
<b>Outstanding at the end of the year</b>	<b>7,070</b>	<b>107,460</b>	<b>6,819</b>	<b>143,675</b>
<b>Restricted Stock Grant Plan</b>				
Outstanding at the beginning of the year	7,002	83,296	5,325	95,352
Granted during the year	8,063	25,891	9,934	21,495
Forfeited during the year	6,228	(14,791)	4,351	(2,135)
Exercised during the year	8,901	(16,426)	10,935	(31,416)
<b>Outstanding at the end of the year</b>	<b>7,629</b>	<b>77,970</b>	<b>7,002</b>	<b>83,296</b>

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

**JONES LANG LASALLE LIMITED**

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

**26. Share based payments (continued)**

	<b>2016</b>	2015
<b>3 year options</b>		
Weighted average share price (pence)	<b>9,740</b>	9,740
Exercise price (pence)	<b>8,279</b>	8,279
Weighted average contractual life (years)	<b>3</b>	3
Expected volatility %	<b>20.76</b>	20.76
Expected dividend growth rate	<b>0.29</b>	0.29
Risk-free interest rate	<b>0.90</b>	0.90
<b>5 year options</b>		
Weighted average share price (pence)	<b>9,740</b>	9,740
Exercise price (pence)	<b>8,279</b>	8,279
Weighted average contractual life (years)	<b>5</b>	5
Expected volatility %	<b>32.71</b>	32.71
Expected dividend growth rate	<b>0.29</b>	0.29
Risk-free interest rate	<b>1.34</b>	1.34

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

The total charge for the year was £1,536 thousand (2015: £2,848 thousand).

# JONES LANG LASALLE LIMITED

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

### 27. Pension commitments

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £12,393 thousand (2015: £11,088 thousand). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The company operates a pension scheme providing benefits based on final pensionable pay. The scheme is divided into two sections: Jones Lang LaSalle and King Sturge. The assets of the scheme are held separately from those of the Company.

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

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

The latest full actuarial valuation was carried out in November 2015 and was updated on 15 February 2017 for FRS 102 purposes to 31 December 2016 by a qualified independent actuary. The Jones Lang LaSalle Limited Group contributions for the year were £5,180 thousand (2015: £6,291 thousand).

Reconciliation of present value of plan liabilities:

	2016 £000	2015 £000
At the beginning of the year	202,484	216,875
Current service cost	608	669
Interest cost	7,229	7,479
Actuarial losses/(gains)	48,854	(16,342)
Benefits paid	(11,461)	(6,197)
<b>At the end of the year</b>	<b>247,714</b>	<b>202,484</b>

JONES LANG LASALLE LIMITED

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

27. Pension commitments (continued)

	2016 £000	2015 £000
<b>Reconciliation of present value of plan assets</b>		
At the beginning of the year	220,351	211,443
Interest income	8,452	7,807
Interest cost	(1,010)	(1,006)
Actuarial gains	19,488	2,013
Contributions	5,180	6,291
Benefits paid	(11,461)	(6,197)
<b>At the end of the year</b>	<b>241,000</b>	<b>220,351</b>
Effect of asset ceiling	(7,052)	(14,811)
	<b>233,948</b>	<b>205,540</b>

Composition of plan assets:

	2016 £000	2015 £000
Cash and cash equivalents	1,600	5,358
Equity instruments	68,300	115,078
Debt instruments	78,900	75,189
Multi-asset funds	72,600	24,726
Other	19,600	-
<b>Total plan assets</b>	<b>241,000</b>	<b>220,351</b>

	2016 £000	2015 £000
Fair value of plan assets	233,948	205,540
Present value of plan liabilities	(247,714)	(202,484)
<b>Net pension scheme liability</b>	<b>(13,766)</b>	<b>3,056</b>

**JONES LANG LASALLE LIMITED**

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

**27. Pension commitments (continued)**

The amounts recognised in profit or loss are as follows:

	<b>2016</b>	2015
	<b>£000</b>	£000
Current service cost	<b>(608)</b>	(669)
Net finance income / (expenses)	<b>164</b>	(103)
Administration expenses	<b>(566)</b>	(575)
<b>Total</b>	<b>(1,010)</b>	(1,347)
<b>Return on plan assets</b>		
Return on plan assets (excluding interest)	<b>19,488</b>	2,013
Interest income	<b>8,452</b>	7,807
	<b>27,940</b>	9,820

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £(29,366) thousand (2015 - £18,355 thousand).

The company expects to contribute £5,187 thousand to its Defined Benefit Pension Scheme in 2017.

	<b>2016</b>	2015
	<b>£000</b>	£000
<b>Analysis of actuarial loss recognised in Other Comprehensive Income</b>		
Actual return less interest income included in net interest income	<b>19,488</b>	2,013
Experience gains and losses arising on the scheme liabilities	<b>3,139</b>	5,079
Changes in assumptions underlying the present value of the scheme liabilities	<b>(51,993)</b>	11,263
	<b>(29,366)</b>	18,355

**JONES LANG LASALLE LIMITED**

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

**27. Pension commitments (continued)**

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

	<b>2016</b>	2015
	%	%
Discount rate	<b>2.70</b>	3.90
Future salary increases	n/a	3.50
Future pension increases	<b>3.10</b>	2.95
Mortality rates		
- for a male aged 65 now	<b>24.10</b>	24.00
- at 65 for a male aged 45 now	<b>26.20</b>	26.10
- for a female aged 65 now	<b>25.20</b>	25.10
- at 65 for a female member aged 45 now	<b>27.50</b>	27.30

Defined benefit pension schemes

	<b>2016</b>	2015
	£000	£000
<b>Jones Lang LaSalle section</b>		
Defined benefit obligation	<b>(153,118)</b>	(126,357)
Scheme assets	<b>155,348</b>	131,957
<b>Surplus</b>	<b>2,230</b>	5,600

	<b>2016</b>	2015
	£000	£000
<b>King Sturge section</b>		
Defined benefit obligation	<b>(94,596)</b>	(76,127)
Experience adjustments on scheme liabilities	<b>78,600</b>	73,583
<b>Deficit</b>	<b>(15,996)</b>	(2,544)



## JONES LANG LASALLE LIMITED

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

#### 28. Commitments under operating leases

At 31 December 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £000	2015 £000
Not later than 1 year	25,143	30,933
Later than 1 year and not later than 5 years	89,136	77,252
Later than 5 years	47,862	45,423
	<u>162,141</u>	<u>153,608</u>

#### 29. Contingent liabilities

The company, along with other Jones Lang LaSalle group entities, is guarantor of the obligations of Jones Lang LaSalle Finance BV to lending banks under the Multicurrency Credit Facility. At 31 December 2016, the Group had a \$2.75 billion (2015 - \$2.0 billion) unsecured revolving credit facility scheduled to mature on 21 June 2021 (2015 - 25 February 2020). As at 31 December 2016, the Facility had a drawn balance of \$925 million (2015: \$255 million).

The average outstanding borrowings under the Facility were \$981.6 million and \$335.1 million during the years ended 31 December 2016 and 2015 respectively.

The remaining guaranteed deferred acquisition payments as of 31 December 2016 totalled US\$ 10.2 million (2015: US\$ 17.2 million). The remaining amounts will be paid over the next two years.

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

#### 30. Controlling party

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

The ultimate parent company is Jones Lang LaSalle Incorporated, a company incorporated in Maryland, USA.

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