

JARDINE LLOYD THOMPSON GROUP plc
PRELIMINARY RESULTS FOR THE YEAR ENDED 31st DECEMBER 2010
(UNAUDITED)

Jardine Lloyd Thompson Group plc ("JLT" or "the Group") announces preliminary results for the year ended 31st December 2010.

Financial Summary

	2010	2009	Change
	£m	£m	
Total revenue*	746.3	619.3	21%
Underlying trading profit **	129.9	103.6	25%
Trading margin	17.4%	16.7%	
Underlying profit before tax **	130.1	104.8	24%
Reported profit before tax	119.4	102.0	17%
Underlying earnings per share (diluted)**	40.5p	33.8p	20%
Reported earnings per share (diluted)	41.7p	33.1p	26%
Dividend per share	22.5p	21.0p	7%

* Total revenue comprises fees and commissions and investment income.

** Underlying results exclude exceptional and non-recurring items.

Highlights

- Continued strong organic growth of 7% across the business
- Total revenue growth of 21% to £746.3 million
- Underlying PBT increase of 24% to £130.1 million
- Trading margin improvements across all divisions
- Growing revenue contribution from high-growth economies such as Asia and Latin America with organic growth of 20% and 25% respectively
- Increasing market leadership in specialist areas through continued investment in recruiting and retaining leading industry professionals
- Business Transformation Programme delivering financial and operational benefits, with expected £16 million of recurring annualised cost savings across the Group by June 2012
- Dividend increased to 22.5p per share

Dominic Burke, Chief Executive, commented:

"I am pleased to be able to present a strong set of results despite challenging industry conditions. Our clear focus on clients, coupled with the benefits of the investments we are making in leading industry professionals, systems and acquisitions, provides us with confidence that we will continue to make financial progress in 2011, building on the strong momentum developed in 2010."

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A presentation to investors and analysts will take place at 9.00 am today at 6 Crutched Friars, London EC3N 2PH. A live webcast of the presentation can be viewed on the Group's website www.jltgroup.com.

FULL RELEASE FOLLOWS:

PRELIMINARY STATEMENT

Macro-economic conditions facing the Group remain very challenging and the insurance rating environment continues to be soft. Notwithstanding this, our focus on specialisms and value-added services has allowed us to strengthen our market position and we have benefited from our increasing profile in high growth economies.

JLT once again delivered a strong financial performance in 2010. This is summarised in the table below:

£m	Total Revenue				Trading Profit			Trading Margin		
	2010	Growth	CRE	Organic	2010	CRE	2009	2010	CRE	2009
Risk & Insurance:										
Retail	270.9	23%	11%	10%	64.0	58.3	46.0	24%	24%	21%
London Market	305.7	12%	5%	6%	65.7	54.2	53.1	21%	19%	19%
	576.6	17%	8%	8%	129.7	112.5	99.1	22%	21%	20%
Employee Benefits	132.0	46%	46%	4%	22.4	22.4	14.7	17%	17%	16%
Thistle Insurance Services	37.7	11%	11%	6%	4.8	4.8	3.3	13%	13%	10%
Central costs	-	-	-	-	(27.0)	(27.0)	(13.5)	-	-	-
	746.3	21%	14%	7%	129.9	112.7	103.6	17%	16%	17%
Underlying trading profit					129.9		103.6			
Associates after tax					3.7		3.8			
Underlying net finance costs					(3.5)		(2.6)			
Underlying profit before taxation					130.1		104.8			
Net exceptional costs					(10.7)		(2.8)			
Profit before taxation for the year					119.4		102.0			
Underlying tax expense					(37.7)		(30.0)			
Non-recurring tax credit and tax on net exceptional items					13.2		1.3			
Non-controlling interests					(4.2)		(2.4)			
Profit after taxation and non-controlling interests					90.7		70.9			
Underlying profit after taxation and non-controlling interests					88.2		72.4			
Diluted earnings per share					41.7p		33.1p			
Underlying diluted earnings per share					40.5p		33.8p			

Organic growth is based on total revenue excluding the effect of currency, acquisitions, investment income and disposals. Total revenue comprises fees, commissions and investment income.

CRE: Constant rates of exchange.

Total revenue increased by 21% to £746.3 million compared to 2009, or 14% at constant rates of exchange (CRE), reflecting organic growth of 7% and a contribution from acquisitions of 7%. Total revenue and underlying trading profit includes investment income on fiduciary funds of £5.6 million (2009: £6.4 million).

Underlying trading profit increased by 25% to £129.9 million, or 9% at CRE. The underlying trading margin increased from 16.7% to 17.4%, notwithstanding continuing investment for growth.

The contribution to profit after tax from associates was £3.7 million compared to £3.8 million in 2009, which relates mainly to Siaci Saint Honoré, which is 20% owned.

Underlying profit before tax was £130.1 million, 24% ahead of 2009.

Reported profit before tax was £119.4 million compared to £102.0 million in the prior year, an increase of 17%. This includes net exceptional and non-recurring costs of £10.7 million, comprising business transformation programme costs of £7.3 million and acquisition integration costs of £5.5 million, offset by other exceptional and non-recurring gains of £2.1 million.

The total tax expense was £24.5 million, comprising an underlying tax expense of £37.7 million, less a non-recurring tax credit of £13.2 million which primarily relates to a re-assessment of the Group's tax position following the resolution with tax authorities of several long outstanding tax matters. The underlying tax expense of £37.7 million represents an effective tax rate of 29.0%.

Profit after tax and non-controlling interests increased by £19.8 million to £90.7 million, resulting in diluted earnings per share increasing by 26% to 41.7 pence per share for the year. This incorporates the impact of exceptional and non-recurring items, including the benefit of the non-recurring tax credit.

Underlying profit after tax and non-controlling interests increased by 22% to £88.2 million and underlying diluted earnings per share increased by 20% to 40.5 pence per share.

DIVIDENDS

Subject to shareholder approval, the final dividend will be increased by 1.2p per share to 13.7p per share for the year to 31st December 2010 and will be paid on 4th May 2011 to shareholders on the register at 8th April 2011. This brings the total dividend for the year to 22.5p per share, compared to 21.0p for the prior year, an increase of 7%.

OPERATIONAL REVIEW

JLT operates three business divisions: Risk & Insurance, representing 77% of total revenue; Employee Benefits, representing 18%; and Thistle Insurance Services, representing 5%. Risk & Insurance comprises the Retail and London Market businesses.

Risk & Insurance

Combined revenue in Risk & Insurance increased by 17% to £576.6 million or 8% at CRE, driven by strong organic growth of 8%. Underlying trading profit increased by 31% to £129.7 million for the year, representing a margin of 22% compared to 20% in 2009.

Retail

Retail revenue increased by 23% to £270.9 million, or 11% at CRE, comprising 10% organic growth and 1% attributable to acquisitions. Underlying trading profit increased by 39% to £64.0 million for the year, representing an underlying trading margin of 24% compared to 21% for the prior year.

£m	Total Revenue				Trading Profit			Trading Margin		
	2010	Growth	CRE	Organic	2010	CRE	2009	2010	CRE	2009
Australasia	108.6	21%	2%	2%	29.9	25.4	23.4	28%	28%	26%
Asia	64.3	26%	21%	20%	13.7	13.6	10.5	21%	22%	21%
Latin America	41.1	44%	30%	25%	11.7	10.8	6.0	28%	29%	21%
Canada	30.3	22%	11%	11%	4.9	4.7	2.5	16%	17%	10%
Europe	21.7	1%	3%	6%	3.5	3.5	3.2	16%	16%	15%
Insurance Management	4.9	(1%)	(2%)	(2%)	0.3	0.3	0.4	6%	6%	8%
	270.9	23%	11%	10%	64.0	58.3	46.0	24%	24%	21%

The Group's retail businesses achieved a strong overall performance, focusing on value-added advisory broking services in specialty areas aligned to client industry sectors.

Australasia improved its already strong trading margin to 28% and achieved modest revenue growth at CRE despite very competitive trading conditions.

Asia achieved strong organic revenue growth of 20% and maintained its trading margin of 21%, notwithstanding continued investment in a number of leading industry professionals. These strong results in Asia demonstrate how we continue to exploit a strong market presence in an exciting and developing part of the world.

Our operations in Latin America had an outstanding year with revenue growth of 44%, or 30% at CRE, reflecting organic growth of 25%. The trading margin increased from 21% to 28%. The region is becoming an increasingly important part of the Group's operations and also produces strong revenue flows to JLT's London Market businesses, in common with other parts of the Group.

Canada also delivered good organic growth and an improved trading margin of 16% following a repositioning of the business.

In Europe, organic revenue growth of 6% was achieved and the trading margin improved from 15% to 16% for the year. At the end of the year, our European operations were expanded with the acquisition of Tripol in Norway, a specialist real estate and construction broker.

London Market

Revenue in our London Market operations increased by 12% to £305.7 million, or 5% at CRE, with strong organic growth of 6% in very challenging market conditions.

The trading profit margin increased from 19% to 21% due to favourable currency movements. However, at CRE the margin was unchanged, reflecting our continued investment in the recruitment of leading industry professionals in certain of our specialist areas during the year.

<i>£m</i>	Total Revenue				Trading Profit			Trading Margin		
	2010	Growth	CRE	Organic	2010	CRE	2009	2010	CRE	2009
JLT Specialty	170.7	10%	5%	6%	37.1	31.7	30.3	22%	19%	20%
Lloyd & Partners	61.9	12%	4%	4%	14.4	11.8	11.2	23%	21%	20%
JLT Re	73.1	14%	7%	8%	14.2	10.7	11.6	19%	16%	18%
	305.7	12%	5%	6%	65.7	54.2	53.1	21%	19%	19%

JLT Specialty Limited changed its name from Jardine Lloyd Thompson Limited in January 2011, underlining its position as one of London's leading specialty brokers with market leading industry expertise in the sectors in which we operate. During the year the UK advisory retail business, including the UK regional offices, was successfully integrated. In addition, the Group's aerospace insurance broking business, which formerly reported under our Reinsurance operations, has been transferred to JLT Specialty Limited effective from 1st January 2011.

Lloyd & Partners Limited, the Group's specialist wholesale broker, delivered organic revenue growth of 4% and an improved profit margin of 23% in challenging trading conditions, with strong competition from the US domestic market and soft insurance market conditions in most classes.

During 2010, JLT Re comprised the Group's reinsurance broking business and aerospace insurance broking activities. Combined revenue growth of 14% was achieved, with organic growth of 8%. The overall trading margin growth was constrained by continued investment in the recruitment of many of the market's leading professionals in the aerospace insurance sector. The reinsurance business continued to see significant growth in the key non-marine segment, with organic growth of 16%.

Employee Benefits

<i>£m</i>	Total Revenue				Trading Profit			Trading Margin		
	2010	Growth	CRE	Organic	2010	CRE	2009	2010	CRE	2009
Employee Benefits	132.0	46%	46%	4%	22.4	22.4	14.7	17%	17%	16%

The Employee Benefits division achieved substantial revenue growth of 46%, reflecting the successful integration of the acquisitions of HSBC Actuaries and Consultants and iimia Wealth Management. It also delivered satisfactory organic growth of 4%, notwithstanding the focus on these integrations during the year.

The trading margin improved from 16% to 17% and is expected to improve further in 2011 as the full year benefits of the integrated acquisitions and further organic growth are seen.

An important element of the future development of the Employee Benefits business is its internationalisation with increased collaboration within the JLT International Network and the successful launch of BenPal in Latin America, Europe and the UK, with other overseas implementations in progress.

Thistle Insurance Services

£m	Total Revenue				Trading Profit			Trading Margin		
	2010	Growth	CRE	Organic	2010	CRE	2009	2010	CRE	2009
Thistle Insurance Services	37.7	11%	11%	6%	4.8	4.8	3.3	13%	13%	10%

Thistle Insurance Services is the Group's underwriting and distribution company, marketing products on a non-advisory basis, focused on writing small ticket, high volume business.

Notwithstanding competitive market conditions, Thistle achieved revenue growth of 11% including organic growth of 6%. The trading margin has improved to 13% and this is expected to improve further as the business builds scale.

In 2010, Gross Written Premium of £112 million was transacted, £37 million within Thistle's Managing General Underwriter (MGU) and the balance written under various Managing General Agencies (MGAs) administered by Thistle.

The launch of the Thistle business model is also progressing well in both Australia and Canada.

BUSINESS TRANSFORMATION PROGRAMME

Our three year Business Transformation Programme, which commenced in July 2009, is scheduled to complete by June 2012. The objective is to reduce the cost of doing business by streamlining back office processes allowing us to enhance delivery of the services we provide to clients. We anticipate that the programme will deliver approximately £16 million of recurring annualised cost savings across the Group by 30th June 2012, resulting from cumulative one-off costs of £19 million. Due to the material size of this non-recurring expenditure, we are treating the programme costs as exceptional. In 2010, we achieved additional recurring underlying cost savings of £8 million with additional one-off costs of £7 million. The additional one-off costs in 2011 are forecast to be £4 million, generating a recurring benefit of £3 million.

CASH FLOW AND BALANCE SHEET

Net debt at 31st December 2010 was £76 million. Following the issue of US\$125 million loan notes and the successful refinancing of the Group's revolving credit facilities in late 2010, the Group has committed unsecured long term debt facilities equivalent to £351 million with maturities varying between 2015 and 2022. Gross borrowings as at 31st December 2010 were £145 million, leaving unutilised committed headroom of approximately £206 million.

Net pension liabilities reduced by £15 million to £73 million. This is mainly due to the change in the statutory inflation rate from RPI to CPI which is used for the valuation of deferred pensioner liabilities in the UK defined benefit pension scheme. Otherwise key assumptions remain on a consistent basis with prior years.

FOREIGN EXCHANGE

The Group's major currency transaction exposure arises in the London Market businesses which currently earn annual US dollar denominated revenue of approximately US\$260 million. Consequently, the Group's results are sensitive to changes in the Sterling/US dollar exchange rate. The Group continues to operate a prudent US dollar hedging programme to smooth out the volatility caused by exchange rate movements. As a guide, each one cent movement in the achieved rate currently translates into a change of approximately £1.0 million in revenue and a corresponding impact on trading profit equal to approximately 65% of the revenue change.

In 2010, the Group achieved an average rate after hedging of US\$1.55 compared to an average market rate of US\$1.55.

As at 1st March 2011, some 84% of anticipated dollar revenues for 2011 are hedged at an average rate of US\$1.51. For 2012 some 77% of dollar revenues are hedged at an average rate of US\$1.53 and 70% hedged for 2013 at an average rate of US\$1.53. We have now also commenced our rolling hedging for 2014 with 10% hedged at an average rate of US\$1.54.

OUTLOOK

Our clear focus on clients, coupled with the benefits of the investments we are making in leading industry professionals, systems and acquisitions, provides us with confidence that we will continue to make financial progress in 2011, building on the strong momentum developed in 2010.

Results follow

Jardine Lloyd Thompson Group plc
Consolidated Income Statement
For the year ended 31st December 2010

	Notes	2010 £'000	2009 £'000
Fees and commissions	3	740,679	612,918
Investment income		5,601	6,425
Salaries and associated expenses		(441,797)	(370,493)
Premises		(40,125)	(35,414)
Other operating costs		(128,801)	(100,036)
Depreciation, amortisation and impairment charges	4	(17,365)	(12,587)
Operating profit	3,4	118,192	100,813
Analysed as:			
Operating profit before exceptional items		129,859	103,554
Business transformation programme	4	(7,282)	(6,919)
Acquisition integration costs	4	(5,567)	(435)
Gain on disposal of operations	4	1,182	2,397
Other non-recurring items	4	-	2,216
Operating Profit	3,4	118,192	100,813
Finance costs	5	(6,427)	(3,350)
Finance income	5	3,832	763
Finance costs - net	5	(2,595)	(2,587)
Share of results of associates after tax and non-controlling interests		3,772	3,785
Profit before taxation	3	119,369	102,011
Income tax expense	6	(24,554)	(28,745)
Profit for the year		94,815	73,266
Profit attributable to:			
Owners of the parent		90,664	70,889
Non-controlling interests		4,151	2,377
		94,815	73,266
Earnings per share attributable to the equity holders of the Company during the year (expressed in pence per share)	8		
Basic earnings per share		41.8	33.3
Diluted earnings per share		41.7	33.1

Jardine Lloyd Thompson Group plc
Consolidated Statement of Comprehensive Income
For the year ended 31st December 2010

	2010 £'000	2009 £'000
Profit for the year	94,815	73,266
Other comprehensive income		
Actuarial gains/(losses) recognised in post retirement benefit schemes	12,960	(73,317)
Taxation thereon	(3,816)	16,630
	9,144	(56,687)
Fair value (losses)/gains net of tax		
- available-for-sale	(114)	(192)
- cashflow hedges	(10,661)	32,784
Currency translation differences	8,191	(7,562)
Other comprehensive income net of tax	6,560	(31,657)
Total comprehensive income for the year	101,375	41,609
Attributable to:		
Owners of the parent	97,224	39,232
Non-controlling interests	4,151	2,377
	101,375	41,609

**Jardine Lloyd Thompson Group plc
Consolidated Group Balance Sheet
As at 31st December 2010**

	Notes	2010 £'000	2009 £'000
NET OPERATING ASSETS			
Non-current assets			
Goodwill		243,783	227,627
Intangible assets		38,281	24,701
Property, plant and equipment		28,860	28,445
Investment in associates		60,794	42,050
Available-for-sale financial assets	9	1,908	7,441
Derivative financial instruments	10	3,770	7,605
Employee benefit trusts		510	462
Deferred tax assets		41,130	43,637
		419,036	381,968
Current assets			
Trade and other receivables	11	271,435	231,692
Derivative financial instruments	10	4,510	6,791
Available-for-sale financial assets	9	38,260	74,164
Cash and cash equivalents	12	524,865	437,218
		839,070	749,865
Current liabilities			
Borrowings		(2,725)	(1,043)
Trade and other payables	13	(679,072)	(633,909)
Derivative financial instruments	10	(4,282)	(2,977)
Current tax liabilities		(10,538)	(11,100)
Provisions for liabilities and charges	15	(14,621)	(21,828)
		(711,238)	(670,857)
Net current assets		127,832	79,008
Non-current liabilities			
Borrowings		(142,660)	(99,001)
Derivative financial instruments	10	(8,244)	(773)
Deferred tax liabilities		(8,100)	(17,140)
Retirement benefit obligations	14	(72,835)	(87,893)
Provisions for liabilities and charges	15	(11,611)	(16,735)
		(243,450)	(221,542)
		303,418	239,434
TOTAL EQUITY			
Capital and reserves attributable to the Company's equity holders			
Ordinary shares		10,890	10,776
Share premium	16	93,577	84,640
Fair value and hedging reserves	16	(2,885)	7,890
Exchange reserves	16	38,027	29,836
Retained earnings		155,368	99,532
Shareholders' equity		294,977	232,674
Non-controlling interests		8,441	6,760
		303,418	239,434

Jardine Lloyd Thompson Group plc
Consolidated Statement of Changes in Equity
For year ended 31st December 2010

For the year ended 31st December 2010

	Ordinary shares £'000	Other reserves £'000	Retained earnings £'000	Shareholders' equity £'000	Non- controlling interests £'000	Total equity £'000
Balance at 1st January 2010	10,776	122,366	99,532	232,674	6,760	239,434
Comprehensive income						
Actuarial gains recognised in post retirement benefit schemes	-	-	9,144	9,144	-	9,144
Fair value losses net of tax						
- available-for-sale	-	(114)	-	(114)	-	(114)
- cashflow hedges	-	(10,661)	-	(10,661)	-	(10,661)
Currency translation differences	-	8,191	-	8,191	642	8,833
Total other comprehensive income	-	(2,584)	9,144	6,560	642	7,202
Profit for the year	-	-	90,664	90,664	4,151	94,815
Total comprehensive income for the year	-	(2,584)	99,808	97,224	4,793	102,017
Dividends paid	-	-	(46,280)	(46,280)	(2,191)	(48,471)
Shares acquired by the Employee Benefit Trust	-	-	(13,708)	(13,708)	-	(13,708)
Reversal of amortisation in respect of share based payments	-	-	17,297	17,297	-	17,297
Acquisitions	-	-	-	-	(1,405)	(1,405)
Disposals	-	-	-	-	484	484
Change in non-controlling interests	-	-	(1,281)	(1,281)	-	(1,281)
Issue of share capital	114	8,937	-	9,051	-	9,051
Balance at 31st December 2010	10,890	128,719	155,368	294,977	8,441	303,418

For the year ended 31st December 2009

	Ordinary shares £'000	Other reserves £'000	Retained earnings £'000	Shareholders' equity £'000	Non- controlling interests £'000	Total equity £'000
Balance at 1st January 2009	10,676	90,034	126,456	227,166	5,333	232,499
Comprehensive income						
Actuarial losses recognised in post retirement benefit schemes	-	-	(56,687)	(56,687)	-	(56,687)
Fair value (losses)/gains net of tax						
- available-for-sale	-	(192)	-	(192)	-	(192)
- cashflow hedges	-	32,784	-	32,784	-	32,784
Currency translation differences	-	(7,562)	-	(7,562)	(109)	(7,671)
Total other comprehensive income	-	25,030	(56,687)	(31,657)	(109)	(31,766)
Profit for the year	-	-	70,889	70,889	2,377	73,266
Total comprehensive income for the year	-	25,030	14,202	39,232	2,268	41,500
Dividends paid	-	-	(43,767)	(43,767)	(2,332)	(46,099)
Shares acquired by the Employee Benefit Trust	-	-	(11,595)	(11,595)	-	(11,595)
Reversal of amortisation in respect of share based payments	-	-	14,236	14,236	-	14,236
Acquisitions	-	-	-	-	799	799
Change in non-controlling interests	-	-	-	-	692	692
Issue of share capital	100	7,302	-	7,402	-	7,402
Balance at 31st December 2009	10,776	122,366	99,532	232,674	6,760	239,434

Jardine Lloyd Thompson Group plc
Consolidated Statement of Cash Flows
For the year ended 31st December 2010

	Notes	2010 £'000	2009 £'000
Cash flows from operating activities			
Cash generated from operations	17	96,507	85,995
Interest paid		(3,844)	(2,931)
Fair value gains on financial instruments		-	(353)
Interest received		9,719	7,570
Taxation paid		(25,656)	(21,614)
Increase/(decrease) in net insurance broking creditors		34,506	(4,859)
		111,232	63,808
Dividend received from associates		-	124
Net cash generated from operating activities		111,232	63,932
Cash flows from investing activities			
Purchase of property, plant and equipment		(9,205)	(9,374)
Purchase of intangible fixed assets		(23,834)	(13,666)
Proceeds from sale of property, plant and equipment		880	1,090
Proceeds from sale of intangible assets		343	84
Acquisition of businesses, net of cash acquired	18	(12,866)	(20,700)
Acquisition of associate undertakings		(15,592)	-
Proceeds from disposal of business, net of cash disposed of	19	1,783	-
Purchase of available-for-sale other investments		(214)	(717)
Proceeds from disposal of available-for-sale other investments		96	38
Net cash used in investing activities		(58,609)	(43,245)
Cash flows from financing activities			
Dividends paid to company's shareholders		(45,824)	(43,452)
Net cash flows from investments and deposits		42,911	(68,226)
Purchase of investments by Employee Benefit Trust		(13,708)	(11,595)
Proceeds from issuance of ordinary shares		9,051	7,402
Net increase in borrowing		43,464	26,228
Dividends paid to non-controlling interests		(2,191)	(2,332)
Net cash used in financing activities		33,703	(91,975)
Net increase /(decrease) in cash and cash equivalents		86,326	(71,288)
Cash and cash equivalents at beginning of year		437,218	511,495
Exchange gains/(losses) on cash and cash equivalents		1,321	(2,989)
Cash and cash equivalents at end of the year	12	524,865	437,218

Jardine Lloyd Thompson Group plc
Notes to the Preliminary Results
For the year ended 31st December 2010

1. Basis of preparation

The Group consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investments and derivative financial instruments and using accounting policies and presentation which comply with International Financial Reporting Standards (IFRS) as required by IAS 1.

The latest accounting policies can be seen in the 2009 Annual Report & Financial Statements. The Group has adopted IFRS 3 (revised) and IAS 27 (revised) which are mandatory for the year beginning 1st January 2010.

2. Alternative income statement

The format of the consolidated income statement on page 8 conforms to the requirements of IFRS. The alternative income statement set out below, which is provided by way of additional information, has been prepared on a basis that conforms more closely to the approach adopted by the Group in assessing its performance.

	Year to 31st December 2010		
	Underlying profit £'000	Exceptional items £'000	Total £'000
Fees and commissions	740,679	-	740,679
Investment income	5,601	-	5,601
Salaries and associated expenses	(435,028)	(6,769)	(441,797)
Premises	(39,661)	(464)	(40,125)
Other operating costs	(124,367)	(4,434)	(128,801)
Depreciation, amortisation and impairment	(17,365)	-	(17,365)
Trading profit	129,859	(11,667)	118,192
Finance costs - net	(3,531)	936	(2,595)
Share of results of associates after tax and non-controlling interests	3,772	-	3,772
Profit before taxation	130,100	(10,731)	119,369

	Year to 31st December 2009		
	Underlying profit £'000	Exceptional item £'000	Total £'000
Fees and commissions	612,918	-	612,918
Investment income	6,425	-	6,425
Salaries and associated expenses	(367,467)	(3,026)	(370,493)
Premises	(35,417)	3	(35,414)
Other operating costs	(100,318)	282	(100,036)
Depreciation, amortisation and impairment	(12,587)	-	(12,587)
Trading profit	103,554	(2,741)	100,813
Finance costs - net	(2,587)	-	(2,587)
Share of results of associates after tax and non-controlling interests	3,785	-	3,785
Profit before taxation	104,752	(2,741)	102,011

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3. Segment information

Management has determined its operating segments based on the analysis used in the reports that are used to make strategic decisions.

Business segment analysis

The Group is organised on a worldwide basis into five main segments: London Market, Retail, Employee Benefits, Thistle Insurance Services and Head Office & Other operations. These segments are consistent with the internal reporting structure of the Group.

The London Market segment comprises JLT's specialist, wholesale and reinsurance broking activities. The retail segment comprises the Group international insurance broking and risk services activities. The Employee Benefits segment consists of pension administration, outsourcing and employee benefits consultancy. The Thistle Insurance Services segment provides solutions to Affinities, SME and retail markets via its own business units as well as third party brokers, mainly through open-market placements, delegated authorities and Managed General Underwriting (MGU) arrangements. The Head Office & Other segment consists mainly of holding companies, central administration function, the Group's captive insurance companies and the Group's principal investments in associates.

Segment results

In accordance with IFRS 8, segment results include the net income or expense derived from the trading activities of the segment together with the investment income earned on fiduciary funds. Interest income on the Groups own funds and finance costs are excluded since the trading activities of the Group's primary segments are not of a financial nature. The standard also specifically excludes the income tax expense from segmental allocation with the consequence that the minority interest charge is also excluded.

Segment assets include:

- non current assets excluding investments in associates and deferred tax assets
- trade and other receivables
- fiduciary funds

Interest bearing assets (e.g. cash & cash equivalents and investments & deposits) relating to the Group's own funds are excluded from segmental assets.

Segment liabilities include:

- trade and other payables
- provisions for liabilities and charges

It excludes any interest bearing liabilities (e.g. borrowings) as well as income & deferred tax liabilities.

Items excluded from segmental allocation are referred to as "unallocated".

Investments in associates

The Group owns 20 per cent of the French company Newstone Courtage (the holding company of Siaci Saint Honoré) which operates principally in France. In 2010, the Group acquired 20 per cent of the Austrian company GrECo which operates mainly in Austria and Eastern Europe. The investment and the Group's share of Newstone's and GrECo's net profit are included in the Head Office & Other segment, together with the investment and results of the Group's other associates, JLT Re Do Brazil, Sterling Re Intermediario de Reaseguro SA de CV, JLT Insurance Management Malta and ICAP-JLT. A small associate in Asia is included in the Retail segment.

Capital expenditure comprises additions to property, plant and equipment and intangible assets.

Comparatives for 2009 have been restated to show Thistle Insurance Services as a separate segment, to better reflect the way the business is managed. There has been no change in the reported results.

Jardine Lloyd Thompson Group plc
Notes to the Preliminary Results
For the year ended 31st December 2010

3. Segment information cont'd

Year to 31st December 2010	London Market £'000	Retail £'000	Employee Benefits £'000	Thistle Insurance Services £'000	Head Office & Other £'000	Unallocated £'000	Total £'000
Fees and commissions	304,163	267,000	132,003	37,510	3	-	740,679
Investment income	1,562	3,872	3	162	2	-	5,601
Total revenue	305,725	270,872	132,006	37,672	5	-	746,280
Operating profit	62,175	61,464	15,913	4,061	(25,421)	-	118,192
Finance costs - net	-	-	-	-	-	(2,595)	(2,595)
Share of results of associates after tax and non-controlling interests	-	-	-	-	3,772	-	3,772
Profit before taxation	62,175	61,464	15,913	4,061	(21,649)	(2,595)	119,369
Income tax expense	-	-	-	-	-	(24,554)	(24,554)
Non-controlling interests	-	-	-	-	-	(4,151)	(4,151)
Net profit	62,175	61,464	15,913	4,061	(21,649)	(31,300)	90,664
Segment assets	578,753	308,606	98,258	76,834	24,340	-	1,086,791
Investment in associates	-	-	-	-	60,794	-	60,794
Unallocated assets	-	-	-	-	-	110,521	110,521
Total assets	578,753	308,606	98,258	76,834	85,134	110,521	1,258,106
Segment liabilities	(415,736)	(190,422)	(36,524)	(24,663)	(120,617)	-	(787,962)
Unallocated liabilities	-	-	-	-	-	(166,726)	(166,726)
Total liabilities	(415,736)	(190,422)	(36,524)	(24,663)	(120,617)	(166,726)	(954,688)
Other segment items							
Capital expenditure	7,837	6,214	1,291	2,093	15,604	-	33,039
Depreciation, amortisation and impairment	(799)	(5,559)	(3,511)	(1,120)	(6,376)	-	(17,365)

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3. Segment information cont'd

Year to 31st December 2009	London Market £'000	Retail £'000	Employee Benefits £'000	Thistle Insurance Services £'000	Head Office & Other £'000	Unallocated £'000	Total £'000
Fees and commissions	270,976	217,715	90,474	33,738	15	-	612,918
Investment income	2,898	3,272	9	244	2	-	6,425
Total revenue	273,874	220,987	90,483	33,982	17	-	619,343
Operating profit	52,168	47,498	11,014	2,744	(12,611)	-	100,813
Finance costs - net	-	-	-	-	-	(2,587)	(2,587)
Share of results of associates after tax and non-controlling interests	-	(9)	-	-	3,794	-	3,785
Profit before taxation	52,168	47,489	11,014	2,744	(8,817)	(2,587)	102,011
Income tax expense	-	-	-	-	-	(28,745)	(28,745)
Non-controlling interests	-	-	-	-	-	(2,377)	(2,377)
Net profit	52,168	47,489	11,014	2,744	(8,817)	(33,709)	70,889
Segment assets	530,662	250,388	86,881	103,207	18,412	-	989,550
Investment in associates	-	-	-	-	42,050	-	42,050
Unallocated assets	-	-	-	-	-	100,233	100,233
Total assets	530,662	250,388	86,881	103,207	60,462	100,233	1,131,833
Segment liabilities	(387,622)	(159,227)	(31,221)	(42,955)	(141,520)	-	(762,545)
Unallocated liabilities	-	-	-	-	-	(129,854)	(129,854)
Total liabilities	(387,622)	(159,227)	(31,221)	(42,955)	(141,520)	(129,854)	(892,399)
Other segment items							
Capital expenditure	2,086	5,541	5,043	887	9,483	-	23,040
Depreciation, amortisation and impairment	(921)	(5,081)	(917)	(625)	(5,043)	-	(12,587)

Geographical segment analysis

Although the Group's four business segments are managed on a worldwide basis, they operate in five principal geographical areas of the world.

The United Kingdom is the home country of the parent company Jardine Lloyd Thompson Group plc.

The London Market segment operates in the United Kingdom, its home country. In the Americas, the London Market segment operates in Bermuda and the United States. In Europe, it operates in France and Russia.

The Retail segment operates in the United Kingdom, its home country and also in Guernsey. In the Americas, the Retail segment operates in Brazil, Canada, Colombia, Mexico and Peru. In Europe, it operates in the Republic of Ireland, Italy, Spain, Poland, Sweden, Finland and Norway. The Australasian segment includes operations in Australia and New Zealand and the Asian segment includes operations in Singapore, Hong Kong, Taiwan, Indonesia, Japan, Thailand, Korea, Philippines, Malaysia, China and Vietnam.

The Employee benefits segment operates in the United Kingdom, its home country and the Republic of Ireland.

The Thistle Insurance Services segment operates in the United Kingdom, its home country.

The Head Office & Other activities segment is mainly based in the United Kingdom with minor operations in the United States, Europe and Asia. The Group's captive operations are included in the United Kingdom segment.

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3. Segment information cont'd

Fees and commissions are disclosed both by (1) the country in which the office is located and (2) the country in which the customer is located.

Segment non current assets, segment assets and segment liabilities are disclosed based on the country in which they are located or occur.

Year to 31st December 2010

	Fees and commissions (1) £'000	Fees and commissions (2) £'000	Segment non-current assets £'000	Segment assets £'000	Segment liabilities £'000
UK	442,323	272,186	197,539	726,035	(562,647)
Americas	103,571	185,878	62,104	142,907	(81,113)
Australasia	105,340	116,343	28,978	107,471	(74,381)
Asia	65,694	78,661	14,678	66,215	(44,961)
Europe	23,751	69,989	8,135	44,163	(24,860)
Rest of World	-	17,622	-	-	-
	740,679	740,679	311,434	1,086,791	(787,962)
Investment in associates				60,794	-
Unallocated assets/(liabilities)				110,521	(166,726)
Total assets/(liabilities)				1,258,106	(954,688)

Year to 31st December 2009

	Fees and commissions (1) £'000	Fees and commissions (2) £'000	Segment non-current assets £'000	Segment assets £'000	Segment liabilities £'000
UK	367,802	214,949	180,250	685,400	(567,600)
Americas	82,341	152,356	57,456	126,166	(73,281)
Australasia	87,516	94,699	24,551	85,608	(60,633)
Asia	52,002	66,458	13,468	54,946	(36,201)
Europe	23,257	68,397	5,510	37,430	(24,830)
Rest of World	-	16,059	-	-	-
	612,918	612,918	281,235	989,550	(762,545)
Investment in associates				42,050	-
Unallocated assets/(liabilities)				100,233	(129,854)
Total assets/(liabilities)				1,131,833	(892,399)

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4. Operating profit

The following items have been charged/(credited) in arriving at operating profit:	2010	2009
	£'000	£'000
Foreign exchange losses/(gains)		
- fees and commissions	57	15,240
- other operating costs	892	(889)
	949	14,351
Amortisation of intangible assets:		
- software costs	6,829	2,791
- other intangible assets	530	608
Depreciation on property, plant and equipment:		
- owned assets	9,742	8,858
- leased assets under finance leases	264	330
Total depreciation, amortisation and impairment charges	17,365	12,587
Amortisation of intangible assets:		
- employment contract payments (included in salaries and associated expenses)	4,327	2,526
(Gains)/losses on disposal of property, plant and equipment	(26)	112
Operating lease rentals payable:		
- minimum lease payments		
- land and buildings	21,901	18,378
- furniture, equipment and motor vehicles	861	622
- computer equipment and software	63	57
- other	-	963
-sub-lease receipts		
- land and buildings	(1,837)	(2,208)
Available-for-sale financial assets		
- fair value losses	128	2
Exceptional items:		
Acquisition integration costs of which:		
- included in salaries and associated expenses	3,769	248
- included in premises costs	311	72
- included in other operating costs	1,487	115
	5,567	435
Business transformation programme:		
- included in salaries and associated expenses	3,000	4,616
- included in premises costs	153	505
- included in other operating costs	4,129	1,798
	7,282	6,919
Loss on sale of Mexico business	618	-
Profit on sale of JLT Poland and JLT Malta	(184)	-
Gain on deferred consideration in respect of 2006 sale of US businesses	(1,616)	(1,017)
Gain on Latin American restructuring	-	(1,380)
Pension curtailment gains		
- curtailment gain	-	(1,894)
- professional fees	-	259
	-	(1,635)
Vacant property provision release	-	(581)
Total exceptional items included within operating profit	11,667	2,741
Interest receivable from HRMC - included within finance income	(936)	-
Total exceptional items	10,731	2,741

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5. Finance income and costs

	2010 £'000	2009 £'000
Interest receivable - own funds	2,896	729
Investment income from fixed asset investments	-	34
Interest receivable from HMRC	936	-
Interest expense:		
- bank and other borrowings	(4,423)	(2,793)
- finance leases	(85)	(111)
- interest in respect of provision discounting	(629)	(154)
Pension financing:		
- expected return on post employment scheme assets	28,740	26,935
- interest on post employment scheme liabilities	(29,902)	(27,225)
Net pension financing expenses	(1,162)	(290)
Fair value gains on financial instruments		
- forward contracts: fair value hedges	(128)	(2)
Finance costs - net	(2,595)	(2,587)
Finance costs	(6,427)	(3,350)
Finance income	3,832	763
Finance costs - net	(2,595)	(2,587)

6. Income tax expense

	2010 £'000	2009 £'000
Current tax expense		
Current year	33,305	29,150
Over provided in prior years	(6,025)	(5,094)
	27,280	24,056
Deferred tax expense		
Origination and reversal of temporary differences	1,821	(279)
Reduction in tax rate	535	54
Adjustments in respect of prior years	(5,082)	4,914
	(2,726)	4,689
Total income tax expense	24,554	28,745

The total income tax expense in the income statement of £24,554,000 includes non-recurring tax credits of £10,293,000 (2009: nil) in addition to the underlying tax charge and tax on exceptional items. The non-recurring tax credits relate to the release of tax provisions of £5,180,000 following the settlement of outstanding issues with various tax authorities and the release of a deferred tax liability of £5,113,000 in respect of overseas earnings which are no longer expected to be repatriated in the foreseeable future.

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6. Income tax expense cont'd

The UK Government has announced various measures in relation to UK Corporation tax including a 1% reduction in the headline rate of corporation tax from April 2011 and the three subsequent years, to reduce the UK tax rate from 28% to 24%. Only the first 1% rate reduction has been substantively enacted as at 31st December 2010 and therefore the impact of the remaining 3% reduction has not been incorporated into the income tax charge for the year ended 31st December 2010. The impact of a 1% and cumulative 3% rate reduction in the deferred tax balances as at 31st December 2010 would result in the following changes:

	1% rate change	Cumulative 3% rate change
Impact on Income Statement	317	951
Impact on Reserves	820	2,459

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate of the home country of the Company as follows:

	2010 £'000	2009 £'000
Profit before taxation	119,369	102,011
Tax calculated at UK Corporation Tax rate of 28% (2009: 28%)	33,423	28,563
Non-deductible expenses *	2,323	889
Tax losses not previously recognised	(1,170)	-
Share based payments	-	2
Adjustments to tax charge in respect of prior years	(11,107)	(180)
Effect of UK and non-UK tax rate differences	1,824	741
Effect of reduction in UK tax rate	317	-
Tax on associates	(1,056)	(1,270)
Total income tax expense	24,554	28,745

* The non-deductible expenses relate principally to non-deductible entertainment expenses.

7. Dividends

	2010 £'000	2009 £'000
Final dividend in respect of 2009 of 12.5p per share (2008: 12.0p)	27,690	25,567
Less: adjustment*	(592)	(535)
	27,098	25,032
Interim dividend in respect of 2010 of 8.8p per share (2009: 8.5p)	19,182	18,735
	46,280	43,767

* Adjustment relating to dividend equivalents accrued in respect of various performance related share awards and long-term incentive plans not currently anticipated to fully vest.

A final dividend in respect of 2010 of 13.7p per share (2009: 12.5p) amounting to a total of £29,685,000 (2009: £26,799,000) is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the Annual General Meeting on 28th April 2011.

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8. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the owners of the parent by the weighted average number of ordinary shares in issue during the year, excluding unallocated shares held by the Trustees of the Employee Share Ownership Plan Trust.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Additional basic and diluted earnings per share are also calculated based on underlying earnings attributable to the owners of the parent.

A reconciliation of earnings is set out below.

	2010	2009
	No. of shares	No. of shares
Weighted average number of ordinary shares in issue	216,663,347	213,006,682
Effect of outstanding share options	960,089	958,536
Adjusted weighted average number of ordinary shares for diluted earnings per share	217,623,436	213,965,218

	2010			2009		
	Basic pence per share	Diluted pence per share	£'000	Basic pence per share	Diluted pence per share	£'000
Earnings reconciliation						
Underlying profit after taxation and non-controlling interests	40.7	40.5	72,366	34.0	33.8	
Exceptional items and non-recurring items before tax			(2,741)			
Taxation thereon			1,264			
Non-recurring tax credit			-			
	1.1	1.2	(1,477)	(0.7)	(0.7)	
Profit attributable to the owners of the parent	41.8	41.7	70,889	33.3	33.1	

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9. Available-for-sale financial assets

Available for sale financial assets are categorised according to their nature into one of two categories:

- 1) Investments and deposits, which consist mainly of Bonds, Commercial Paper and Fixed Deposits - these investments are held at fair value and are classified between current and non-current assets according to maturity date.
- 2) Other investments, which include securities and other investments held for strategic purposes - these investments are held at fair value unless a fair value cannot be accurately determined in which case they are held at cost less any provision for impairment.

	Other investments £'000	Investments & deposits £'000	Total £'000
At 1st January 2010	1,590	80,015	81,605
Exchange differences	114	1,379	1,493
Additions	214	31,568	31,782
Disposals/maturities	(8)	(74,479)	(74,487)
Revaluation deficit (included within equity)	(2)	(223)	(225)
At 31st December 2010	1,908	38,260	40,168
Analysis of available for sale financial assets			
Current	-	38,260	38,260
Non-current	1,908	-	1,908
At 31st December 2010	1,908	38,260	40,168
Available for sale investments & deposits			
Fiduciary		38,089	
Own funds		171	
At 31st December 2010		38,260	
	Other investments £'000	Investments & deposits £'000	Total £'000
At 1st January 2009	798	10,158	10,956
Exchange differences	89	1,637	1,726
Additions	717	78,877	79,594
Disposals/maturities	(10)	(10,651)	(10,661)
Revaluation deficit (included within equity)	(4)	(6)	(10)
At 31st December 2009	1,590	80,015	81,605
Analysis of available for sale financial assets			
Current	-	74,164	74,164
Non-current	1,590	5,851	7,441
At 31st December 2009	1,590	80,015	81,605
Available for sale investments & deposits			
Fiduciary		80,015	
Own funds		-	
At 31st December 2009		80,015	

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9. Available-for-sale financial assets cont'd

The credit quality of available for sale investments and deposits can be assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates:

	2010	2009
	£'000	£'000
AA	13,243	13,477
AA/A	24,836	3,123
A	181	63,415
Total	38,260	80,015

10. Derivative financial instruments

	2010		2009	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Forward foreign exchange contracts - cash flow hedges	8,280	(12,526)	14,396	(3,750)
Current	4,510	(4,282)	6,791	(2,977)
Non-current	3,770	(8,244)	7,605	(773)
Total	8,280	(12,526)	14,396	(3,750)

The credit quality of counterparties with whom derivative financial assets are held can be assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates:

	2010	2009
	£'000	£'000
AA	3,498	-
AA/A	698	14,396
A	4,084	-
Total	8,280	14,396

Maturity analysis

The table below analyses the Group's derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based upon the remaining period at the balance sheet date to contractual maturity. The amounts disclosed are the contractual undiscounted cash flows.

At 31st December 2010	Less than 1 year	Greater than 1 year
	£'000	year
		£'000
Forward foreign exchange contracts		
Outflow	(213,654)	(432,279)
Inflow	211,583	432,017

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10. Derivative financial instruments cont'd

At 31st December 2009	Less than 1 year £'000	Greater than 1 year £'000
Forward foreign exchange contracts		
Outflow	(222,213)	(212,232)
Inflow	223,320	219,241
	<u>223,320</u>	<u>219,241</u>

The Group's treasury policies are approved by the Board and are implemented by a centralised treasury department. The treasury department operates within a framework of policies and procedures that establishes specific guidelines to manage currency risk, liquidity risk and interest rate risk and the use of counter parties and financial instruments to manage these. The treasury department is subject to regular internal and external audit.

The Group uses various derivative instruments including forward foreign exchange contracts, interest rate swaps and from time to time, foreign currency collars and options to manage the risks arising from variations in currency and interest rates. Derivative instruments purchased are primarily denominated in the currencies of the Group's main markets.

Where forward foreign exchange contracts have been entered into to manage currency risk, they are designated as hedges of currency risk on specific future cash flows, and qualify as highly probable transactions for which hedge accounting has been used. The Group anticipates that hedge accounting criteria will continue to be met on its foreign currency and interest rate hedging activities and that no material ineffectiveness will arise which will result in gains or losses being recognised through the profit and loss account.

The fair value of financial derivatives based upon market values as at 31st December 2010 and designated as effective hedges was a liability of £4.2 million and has been deferred in equity (2009: asset of £10.6 million). Gains and losses arising on derivative instruments outstanding as at 31st December 2010 will be released to the income statement at various dates up to:

- a) Forty two months in respect of cashflow hedges on currency denominated UK earnings.
- b) 12 years in respect of specific hedges on USD denominated long term debt drawn under the group's USD Private Placement programme.

No material amounts were transferred to the income statement during the period in respect of the fair value of financial derivatives.

Transactions maturing within 12 months of the balance sheet date are classified in current maturities. Transactions maturing in a period in excess of 12 months of the balance sheet date are classified as non-current maturities.

- a) **Forward Foreign Exchange Contracts**
The Group's major currency transaction exposure arises in USD and the Group continues to adopt a prudent approach in actively managing this exposure. As at 31st December 2010 the Group had outstanding foreign exchange contracts, principally in USD, amounting to a principal value of £643,599,000 (2009: £442,562,000).
- b) **Interest Rate Swaps and Forward Rate Agreements**
The Group uses interest rate hedges, principally interest rate swaps, to mitigate the impact upon interest earnings and expense of changes in interest rates. The notional principal amounts of outstanding cross currency interest rate swaps as at 31st December 2010 was \$125,000,000 (2009: Nil).
- c) **Price Risk**
The group does not have a material exposure to commodity price risk.

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11. Trade and other receivables

	2010	2009
	£'000	£'000
Trade receivables	198,043	173,833
Less: provision for impairment of trade receivables	(14,265)	(9,745)
Trade receivables - net	183,778	164,088
Other debtors	68,364	58,645
Prepayments	19,293	8,959
	271,435	231,692

12. Cash and cash equivalents

	2010	2009
	£'000	£'000
Cash at bank and in hand	177,311	159,324
Short-term bank deposits	347,554	277,894
	524,865	437,218
Fiduciary funds	455,730	379,419
Own funds	69,135	57,799
	524,865	437,218

The effective interest rate in respect of short-term deposits was 0.80% (2009: 0.60%). These deposits have an average maturity of 15 days (2009: 15 days).

13. Trade and other payables

	2010	2009
	£'000	£'000
Insurance creditors	493,819	459,435
Social security and other taxes	12,871	14,706
Other creditors	99,343	90,285
Accruals and deferred income	73,039	69,483
Trade and other payables	679,072	633,909

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14. Retirement benefit obligations

The Group operates a number of pension schemes throughout the world, the most significant of which are of the defined benefit type and operate on a funded basis. The principal pension schemes are the Jardine Lloyd Thompson Pension Scheme in the UK, the JLT (USA) Employee Retirement Plan, the Pension Plan for Employees of Jardine Lloyd Thompson Canada Inc, the Jardine Lloyd Thompson Ireland Limited Pension Fund and the Jardine Matheson Executive Staff Retirement Plan (JMESRP), the Jardine Matheson Resident Staff Retirement Plan (JMRSRP) and the Menu Plan sections of the Jardine Matheson Group Retirement Plan in Hong Kong.

The pension costs for the year are comprised as follows:

	2010			2009		
	UK £'000	Overseas £'000	Total £'000	UK £'000	Overseas £'000	Total £'000
Defined benefit schemes	-	-	-	-	392	392
Defined contribution schemes	14,080	10,317	24,397	10,829	9,200	20,029
	14,080	10,317	24,397	10,829	9,592	20,421

The Jardine Lloyd Thompson Pension Scheme is based in the UK and has two sections; one providing defined benefits based primarily on Final Pensionable Salary and the other providing benefits on a defined contribution basis. The assets of the scheme are held in a trustee administered fund separate from the Company.

With effect from 1st December 2006 the Scheme was amended to eliminate future benefit accruals. Under the Scheme as amended, a participant's normal retirement benefit will be determined based on their service and compensation prior to 1st December 2006. The average compensation and length of service will be determined as at 1st December 2006. The amendment to the plan gave rise to a curtailment gain of £31.3 million which was treated as an exceptional item in 2006. The Company agreed to make additional contributions to the scheme totalling £65 million. An amount of £14 million was paid in December 2006 and further amounts were paid comprising of £31 million in January 2007, £10 million in January 2008 and a final payment of £10 million in July 2009.

The latest formal valuation of the Jardine Lloyd Thompson Pension Scheme was undertaken at 1st April, 2008. This was updated to 31st December 2010 by a qualified actuary employed by the Group.

The principal overseas schemes are:

a) The JLT (USA) Incentive Savings Plan which is a defined contribution scheme. Employees may contribute up to 50% of their salary subject to an IRS maximum each year – \$16,500 in 2010 – and the Group contributes at a rate of 100% of each 1% contributed by the employee up to a maximum employee contribution of 4%, up to a maximum of \$9,800. Employees aged over 50 may make "catch-up" contributions subject to an IRS maximum each year - \$5,500 in 2010.

b) The JLT (USA) Employee Retirement Plan which is a defined benefit scheme. The latest actuarial valuation was undertaken at 31st December 2008 by independent actuaries. With effect from 31st July 2005 the Plan was amended to eliminate future benefit accruals. Under the Plan as amended, a participant's normal retirement benefit will be determined based on their service and compensation prior to 31st July 2005. The average compensation and length of service will be determined as at 31st July 2005.

c) The Pension Plan for Employees of Jardine Lloyd Thompson Canada Inc. The JLT Canada Pension Plan has two sections; one providing defined benefits based primarily on the 2007 pensionable salary and the other providing benefits on a defined contribution basis. The JLT pension contribution for the defined contribution plan ranges from 3% to 15% based on an Age and Service factor where service has twice the weight of age. The last formal valuation of the JLT Canada Pension Plan was undertaken as of 31st December 2008 by a qualified third party actuary. The defined benefits section was amended to eliminate future benefit accruals with effect from 1st January 2009.

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14. Retirement benefit obligations cont'd

d) The Jardine Lloyd Thompson Ireland Limited Pension Fund which is a defined benefit pension scheme with assets held in a separately administered fund. The contributions are agreed between the Trustees and the Company based on advice by a qualified actuary. The most recent valuation for funding purposes was carried out by a qualified independent actuary as at 1st June 2008. With effect from 30th November 2008 the scheme closed to new entrants and future service accruals. The company also operates a defined contribution scheme namely The Jardine Lloyd Thompson 2004 Retirement Benefits Scheme which is held and administered by a separate trust.

e) The Jardine Matheson Executive Staff Retirement Plan (JMESRP), Jardine Matheson Resident Staff Retirement Plan (JMRSRP) and Menu Plan section B and C of the Jardine Matheson Group Retirement Plan (JMGRP). The JMRSRP and section C of the JMGRP provided benefits based on final salary, which were solely funded by the participating employer, while the JMESRP and section B of the JMGRP provided benefits based on final salary, which were funded by both the participating employer and the members.

With effect from 31st December 2009 the participation in the JMESRP, JMRSRP and JMGRP (collectively the plans) ceased and the schemes were closed.

The accrued rights of the members in the plans were transferred to the Hong Kong Mandatory Provident Fund (MPF) scheme on 1st January 2010. The MPF scheme provides benefits on a defined contribution basis. The scheme is funded by both the employer and the members. The employer contribution under the MPF scheme ranges from 5% to 15% of the member's monthly basic salary based on an age factor. The MPF scheme is held and administered by a separate trust, which is funded by both the participating employer and the members.

The principal actuarial assumptions used were as follows:

31st December 2010	UK Scheme	US Scheme	Canadian Scheme	Irish Scheme	Hong Kong Scheme
Rate of increase in salaries	n/a	n/a	4.00%	n/a	n/a
Rate of increase of pensions in payment (a)	3.35%	n/a	3.50%	3.00%	n/a
Discount rate	5.45%	5.15%	5.50%	5.10%	n/a
Inflation rate	3.1%-3.45%	3.00%	2.50%	2.00%	n/a
Revaluation rate for deferred pensioners	2.60%	n/a	n/a	2.00%	n/a
Expected return on plan assets (b)	6.51%	8.00%	7.00%	5.20%	n/a
Mortality - life expectancy at age 65 for male member: (c)					
Aged 65 at 31 December	23.6	18.9	19.5	21.4	n/a
31st December 2009	UK Scheme	US Scheme	Canadian Scheme	Irish Scheme	Hong Kong Scheme
Rate of increase in salaries	n/a	n/a	4.00%	n/a	5.00%
Rate of increase of pensions in payment (a)	3.50%	n/a	3.50%	3.00%	n/a
Discount rate	5.70%	5.50%	6.50%	5.10%	5.00%
Inflation rate	3.2%-3.5%	3.00%	2.50%	2.00%	n/a
Revaluation rate for deferred pensioners	3.20%	n/a	n/a	2.00%	n/a
Expected return on plan assets (b)	6.85%	8.00%	8.00%	5.50%	7.50%
Mortality - life expectancy at age 65 for male member: (c)					
Aged 65 at 31st December	23.6	18.1	19.5	21.4	n/a

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14. Retirement benefit obligations cont'd

- (a) Provision has been made for alternative pension increase guarantees where appropriate. In respect of the UK scheme, retail prices are limited to 5% per annum.
- (b) The expected return on scheme assets assumption was determined as the average of the expected returns on the intended long term asset strategy or the actual assets held by the schemes on 31st December of the previous period.
- (c) Mortality assumptions for the UK scheme are based on 100% PN*A00yobLC0.5%U for pensioners and 105% PN*A00yobLC0.5%U for deferreds.

Mortality assumptions for the US scheme are based on the RP-2000 Mortality Table projected to 2010 by Scale AA.

Mortality assumptions for the Canadian scheme are based on the 1994 Uninsured Pensioner Mortality Table projected generationally using Scale AA for all members.

Mortality assumptions for the Irish scheme, in respect of both active and deferred pensioners, assume that deaths before retirement will be in accordance with standard mortality table AM92 for males and AF92 for females, and deaths after retirement will be in accordance with standard mortality tables 62% PNML00 for males and 70% PNFL00 for females.

	UK Scheme		Overseas Schemes		Total	
	2010	2009	2010	2009	2010	2009
	£'000	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation						
Present value of funded obligations	(492,911)	(480,701)	(59,425)	(54,379)	(552,336)	(535,080)
Fair value of plan assets	435,498	409,075	44,003	38,112	479,501	447,187
Net liability recognised in the balance sheet	(57,413)	(71,626)	(15,422)	(16,267)	(72,835)	(87,893)

	UK Scheme		Overseas Schemes		Total	
	2010	2009	2010	2009	2010	2009
	£'000	£'000	£'000	£'000	£'000	£'000
Reconciliation of defined benefit liability						
Opening defined benefit liability	(71,626)	(10,946)	(16,267)	(18,345)	(87,893)	(29,291)
Exchange differences	-	-	(395)	1,566	(395)	1,566
Pension (expense)/income	(836)	(115)	(326)	1,328	(1,162)	1,213
Employer contributions	-	10,765	3,655	2,139	3,655	12,904
Total gain/(loss) recognised in reserves	15,049	(71,330)	(2,089)	(1,987)	12,960	(73,317)
Refund of surplus to Group	-	-	-	(968)	-	(968)
Net liability recognised in the balance sheet	(57,413)	(71,626)	(15,422)	(16,267)	(72,835)	(87,893)

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14. Retirement benefit obligations cont'd

	UK Scheme		Overseas Schemes		Total	
	2010	2009	2010	2009	2010	2009
Reconciliation of defined benefit obligation	£'000	£'000	£'000	£'000	£'000	£'000
Opening defined benefit obligation	(480,701)	(376,859)	(54,379)	(67,006)	(535,080)	(443,865)
Exchange differences	-	-	(1,490)	5,365	(1,490)	5,365
Service cost	-	-	-	(392)	-	(392)
Interest cost	(26,920)	(24,005)	(2,982)	(3,220)	(29,902)	(27,225)
Employee contributions	-	(22)	-	(93)	-	(115)
Loss on defined benefit obligation	(2,362)	(95,186)	(3,133)	(4,905)	(5,495)	(100,091)
Actual benefit payments	17,072	15,371	2,559	8,031	19,631	23,402
Settlement amount	-	-	-	5,946	-	5,946
Curtailment gain	-	-	-	1,895	-	1,895
Closing defined benefit obligation	(492,911)	(480,701)	(59,425)	(54,379)	(552,336)	(535,080)

	UK Scheme		Overseas Schemes		Total	
	2010	2009	2010	2009	2010	2009
Reconciliation of fair value of assets	£'000	£'000	£'000	£'000	£'000	£'000
Opening value of assets	409,075	365,913	38,112	48,661	447,187	414,574
Exchange differences	-	-	1,095	(3,799)	1,095	(3,799)
Expected return on assets	26,084	23,890	2,656	3,045	28,740	26,935
Gain on assets	17,411	23,856	1,044	2,918	18,455	26,774
Employer contributions	-	10,765	3,655	2,139	3,655	12,904
Employee contributions	-	22	-	93	-	115
Refund of surplus to Group	-	-	-	(968)	-	(968)
Actual benefit payments	(17,072)	(15,371)	(2,559)	(8,031)	(19,631)	(23,402)
Settlement/curtailment	-	-	-	(5,946)	-	(5,946)
Closing value of assets	435,498	409,075	44,003	38,112	479,501	447,187

The analysis of the fair value of the scheme assets is as follows:

	UK Scheme			Overseas schemes		
	Long-term rate of return	Value £'000	Value %	Long-term rate of return	Value £'000	Value %
At 31st December 2010						
Equities	8.01%	152,473	35%	8.57%	30,270	69%
Bonds	5.66%	268,307	61%	6.32%	9,820	22%
Other assets	8.01%	11,489	3%	4.00%	2,464	6%
Cash	5.66%	3,229	1%	2.30%	1,449	3%
Total market value	6.51%	435,498	100%	7.19%	44,003	100%

	UK Scheme			Overseas schemes		
	Long-term rate of return	Value £'000	Value %	Long-term rate of return	Value £'000	Value %
At 31 December 2009						
Equities	7.35%	110,459	27%	9.16%	22,372	59%
Bonds	6.70%	280,546	68%	5.93%	10,393	27%
Other assets	7.35%	15,362	4%	5.58%	2,617	7%
Cash	6.70%	2,708	1%	2.70%	2,730	7%
Total market value	6.85%	409,075	100%	7.49%	38,112	100%

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14. Retirement benefit obligations cont'd

Other assets include hedge funds and property. The scheme does not hold cash as a strategic investment. Cash balances at 31st December represent working balances.

The long-term rates of return on scheme assets at 31st December 2010 have been derived considering market conditions at 31st December 2009.

	UK Scheme		Overseas Schemes		Total	
	2010	2009	2010	2009	2010	2009
Reconciliation of return on assets	£'000	£'000	£'000	£'000	£'000	£'000
Expected return on assets	26,084	23,890	2,656	3,045	28,740	26,935
Gain on assets	17,411	23,856	1,044	2,918	18,455	26,774
Actual return on assets	43,495	47,746	3,700	5,963	47,195	53,709

The amounts recognised in the consolidated income statement are as follows:

	UK Scheme		Overseas Schemes		Total	
	2010	2009	2010	2009	2010	2009
	£'000	£'000	£'000	£'000	£'000	£'000
Service cost	-	-	-	(392)	-	(392)
Settlement/curtailment	-	-	-	1,895	-	1,895
Total (included within salaries and associated expenses)	-	-	-	1,503	-	1,503
Interest cost	(26,920)	(24,005)	(2,982)	(3,220)	(29,902)	(27,225)
Expected return on assets	26,084	23,890	2,656	3,045	28,740	26,935
Total (included within finance costs)	(836)	(115)	(326)	(175)	(1,162)	(290)
Loss before taxation	(836)	(115)	(326)	1,328	(1,162)	(1,213)

The amounts included in the consolidated statement of comprehensive income are as follows:

	UK Scheme		Overseas Schemes		Total	
	2010	2009	2010	2009	2010	2009
	£'000	£'000	£'000	£'000	£'000	£'000
Loss on defined benefit obligation	(2,362)	(95,186)	(3,133)	(4,905)	(5,495)	(100,091)
Gain on plan assets	17,411	23,856	1,044	2,918	18,455	26,774
Total actuarial gains/(losses) recognised	15,049	(71,330)	(2,089)	(1,987)	12,960	(73,317)
Cumulative actuarial losses recognised	(129,016)	(144,065)	(26,084)	(23,995)	(155,100)	(168,060)

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14. Retirement benefit obligations cont'd

The five year history of experience adjustments is as follows:

	UK Scheme				
	2010	2009	2008	2007	2006
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation at end of year	(492,911)	(480,701)	(376,859)	(442,751)	(473,916)
Fair value of plan assets	435,498	409,075	365,913	415,499	380,271
Deficit in the scheme	(57,413)	(71,626)	(10,946)	(27,252)	(93,645)

Difference between the expected and actual return on plan assets

- amount (£'000)	17,411	23,856	(59,326)	(6,295)	7,173
- expressed as a percentage of the plan assets	4.00%	5.83%	(16.21%)	(1.52%)	1.89%

Experience losses/(gains) on plan liabilities

- amount (£'000)	1,902	(4,639)	(6,450)	(2,227)	2,063
- expressed as percentage of the present value of the plan liabilities	(0.39%)	0.97%	1.71%	0.50%	(0.44%)

Overseas Schemes

	Overseas Schemes				
	2010	2009	2008	2007	2006
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation at end of year	(59,425)	(54,379)	(67,006)	(50,106)	(26,902)
Fair value of plan assets	44,003	38,112	48,661	49,966	20,732
Deficit in the scheme	(15,422)	(16,267)	(18,345)	(140)	(6,170)

Difference between the expected and actual return on plan assets

- amount (£'000)	1,044	2,918	(17,765)	(58)	(114)
- expressed as a percentage of the plan assets	2.37%	7.66%	(36.51%)	(0.26%)	(0.55%)

Experience losses/(gains) on plan liabilities

- amount (£'000)	453	(3,060)	2,012	482	(1,291)
- expressed as a percentage of the present value of the plan liabilities	(0.76%)	5.63%	(3.00%)	(1.79%)	4.80%

During 2007 the schemes in Canada, Ireland and Hong Kong were recognised on the Group balance sheet for the first time. The 2007 amounts are expressed as percentages of the overseas schemes excluding the additional overseas schemes recognised in 2007, to allow comparability.

The expected employer contributions for the year ending 31st December 2011 are as follows:

	Defined benefit	Defined contribution	Total
	£'000	£'000	£'000
UK Scheme	-	10,500	10,500
USA Scheme	2,067	330	2,397
Canadian Scheme	642	930	1,572
Irish Scheme	801	365	1,166
Total expected contributions	3,510	12,125	15,635

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15. Provisions

	Property related provisions £'000	Litigation provisions £'000	Deferred consideration £'000	Acquisition integration provisions £'000	Other £'000	Total £'000
At 1st January 2010	7,474	20,418	10,291	-	380	38,563
Exchange adjustment	2	135	145	-	-	282
Adjustment to gross basis	-	1,900	-	-	-	1,900
Reclassification from current assets/liabilities	-	-	-	-	756	756
Utilised in the year	(980)	(22,193)	(5,359)	-	(220)	(28,752)
Charged to the Income statement	184	10,031	-	-	-	10,215
Interest charge	122	-	507	-	-	629
Companies acquired	-	25	2,614	-	-	2,639
At 31st December 2010	6,802	10,316	8,198	-	916	26,232
	Property related provisions £'000	Litigation provisions £'000	Deferred consideration £'000	Acquisition integration provisions £'000	Other £'000	Total £'000
At 1st January 2009	8,556	17,364	7,870	428	-	34,218
Exchange adjustment	(18)	(16)	45	-	-	11
Adjustment to gross basis	-	(5)	-	-	-	(5)
Reclassification from current assets/liabilities	320	-	-	-	-	320
Utilised in the year (Credited)/charged to the Income statement	(1,558)	(5,291)	(5,563)	(375)	3	(12,784)
Interest charge	(526)	8,104	(36)	(66)	66	7,542
Interest charge	130	-	11	13	-	154
Companies acquired	570	262	7,964	-	311	9,107
At 31st December 2009	7,474	20,418	10,291	-	380	38,563
					2010	2009
					£'000	£'000
Analysis of total provisions:						
Non-current					11,611	16,735
Current					14,621	21,828
					26,232	38,563

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15. Provisions cont'd

Property related provisions

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract. Provision is made for the future rental cost of vacant property. In calculating the provision required, account is taken of the duration of the lease and any recovery of cost achievable from subletting. Property provisions occur principally in the USA and UK and relate to a variety of lease commitments. The longest lease terms for each country are to 2014 and 2016 respectively.

Litigation provisions

At any point in time the Group can be involved in a variety of litigation issues. A provision is established in respect of such issues when it is probable that the liability has been incurred and the amount of the liability can be reasonably estimated. The Group analyses its litigation exposures based on available information, including external legal consultation where appropriate, to assess its potential liability. Where appropriate the Group also provides for the cost of defending or initiating such matters.

Where a litigation provision has been made it is stated gross of any third party recovery, all such recoveries are included as "other debtors" within trade and other receivables. At 31st December 2010, in connection with certain litigation matters, the Group's litigation provisions include an amount of £1.9 million (2009: £0.1 million) to reflect this gross basis and the corresponding insurance recovery has been included within trade and other receivables. This presentation has had no effect on the Consolidated Income Statement for the year ended 31st December 2010 (2009 nil).

Deferred consideration

A provision is made in respect of additional consideration payable following the initial completion of an acquisition. The value of the deferred consideration may be revised from time to time prior to final settlement.

Acquisition integration provisions

These represent costs expected to be incurred as a result of combining and restructuring operations following an acquisition. These costs are not associated with the ongoing activities of the Group.

In accordance with the requirements of IAS 37 the Group has discounted certain provisions to their present value. The discount rate applied to each provision is appropriate to the nature of the provision and the location in which the liability occurs. The interest charge represents the unwinding of the provision discounting, and has been included as part of "Finance costs" within the Consolidated Income Statement.

Other

Other provisions include provisions for clawback of commission which arises on certain types of Employee Benefit contracts.

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16 Other reserves

	Share premium £'000	Fair value & hedging reserves £'000	Exchange reserves £'000	Total other reserves £'000
Balance at 1st January 2010	84,640	7,890	29,836	122,366
Fair value losses net of tax				
- available-for-sale	-	(114)	-	(114)
- cashflow hedges	-	(10,661)	-	(10,661)
Currency translation differences	-	-	8,191	8,191
Net (losses)/gains recognised directly in equity	-	(10,775)	8,191	(2,584)
Issue of share capital	8,937	-	-	8,937
Balance at 31st December 2010	93,577	(2,885)	38,027	128,719
	Share premium £'000	Fair value & hedging reserves £'000	Exchange reserves £'000	Total other reserves £'000
Balance at 1st January 2009	77,338	(24,702)	37,398	90,034
Fair value (losses)/gains net of tax				
- available-for-sale	-	(192)	-	(192)
- cashflow hedges	-	32,784	-	32,784
Currency translation differences	-	-	(7,562)	(7,562)
Net gains/(losses) recognised directly in equity	-	32,592	(7,562)	25,030
Issue of share capital	7,302	-	-	7,302
Balance at 31st December 2009	84,640	7,890	29,836	122,366

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17. Cash generated from operations

	2010	2009
	£'000	£'000
Profit before taxation	119,369	102,011
Investment income receivable	(9,433)	(7,188)
Interest payable on bank loans and finance leases	4,508	2,904
Fair value gains on financial instruments	128	2
Pension financing net income	1,162	290
Unwinding of provision discounting	629	154
Depreciation	10,006	9,188
Amortisation of intangible assets	11,686	5,925
Amortisation of share based payments	12,579	11,079
Amortisation of employee benefit trust	24	258
Share of results of associates undertakings	(3,772)	(3,785)
Non cash exceptional items	916	(1,335)
Profit on disposal of businesses	(1,800)	-
Pension curtailment gain	-	(1,895)
(Gain)/loss on disposal of property, plant and equipment	(26)	112
Profit on disposal of fixed asset investments	(86)	(6)
Profit on disposal of current asset investments	(2)	(22)
Increase in trade and other receivables	(35,453)	(7,649)
Increase/(decrease) in trade and other payables - excluding insurance broking balances	8,264	(7,811)
Decrease in provisions for liabilities and charges	(18,537)	(4,693)
Decrease in retirement benefit obligation	(3,655)	(11,544)
Net cash inflow from operations	96,507	85,995

18. Business combinations

Adjustments in respect of prior year acquisitions

During the year, the deferred consideration booked in respect of acquisitions completed in previous years has been revised following the final settlement of amounts due or the revision of estimates based on performance conditions.

	Year of original transaction	Deferred consideration at 31st Dec 09	Deferred consideration at 31st Dec 10	Change in estimated deferred consideration
		£'000	£'000	£'000
Core Risks Ltd. LLC	2008	-	1,204	1,204
AWD Chase De Vere Consulting Limited	2008	130	-	(130)
				1,074

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18. Business combinations cont'd

During the year, the process of finalising the provisional fair values in respect of acquisitions carried out during 2009 has been completed. Where appropriate the consideration booked in 2009 has been revised.

	Revised Fair value Acquired £'000	Provisional fair value reported at 31st Dec 2009 £'000	Change in fair value £'000
HSBC Actuaries and Consultants Limited (HACL)	17,908	17,653	255
Ingham Holdings Ltd	1,040	1,040	-
	18,948	18,693	255

These changes in fair value affected the following balance sheet classes:

	Revised Fair value acquired £'000	Provisional fair value reported at 31st Dec 2009 £'000	Change in fair value £'000
Property plant and equipment	1,157	1,157	-
Intangible assets	1,633	1,633	-
Trade and other receivables	11,812	12,007	(195)
Cash and cash equivalents			
- own cash	15,723	15,723	-
- fiduciary cash	1,590	1,590	-
Insurance creditors	(1,590)	(1,590)	-
Trade and other payables	(11,337)	(11,220)	(117)
Current taxation	489	(6)	495
Deferred taxation	639	542	97
Provisions for liabilities and charges	(1,168)	(1,143)	(25)
	18,948	18,693	255

	Consideration reported at 31st Dec 2010 £'000	Consideration reported at 31st Dec 2009 £'000	Change in consideration £'000
HSBC Actuaries and Consultants Limited (HACL)	30,930	31,333	(403)
Ingham Holdings Ltd	13,823	13,563	260
	44,753	44,896	(143)

Goodwill calculation

	At 31st Dec 2010 £'000	At 31st Dec 2009 £'000	Change £'000
Purchase consideration			
- cash paid	37,654	37,410	244
- deferred consideration	7,099	7,486	(387)
Total purchase consideration	44,753	44,896	(143)
Less fair value of net assets acquired	18,948	18,693	255
Goodwill	25,805	26,203	(398)

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18. Business combinations cont'd

	At 31st Dec 2010 £'000	At 31st Dec 2009 £'000	Change £'000
Purchase consideration settled in cash	37,654	37,410	244
Cash and cash equivalents - own cash in subsidiary acquired	(15,723)	(15,723)	-
	21,931	21,687	244
Cash inflow on acquisitions - fiduciary cash in subsidiary acquired	(1,590)	(1,590)	-
Cash inflow on acquisition	20,341	20,097	244

Current year acquisitions

During the year the following new business acquisitions and additional investments were completed:

	Acquisition date	Percentage voting rights acquired	Cost £'000
iimia Wealth Management	Jan 2010	100%	9,510
Tripol AS	Dec 2010	100%	3,758
Additional investments in existing businesses	Jan-Dec 2010		3,813
			17,081

Acquisition of iimia Wealth Management

On 25th January 2010 the Group announced the acquisition of iimia Wealth Management, a leading private clients consultancy and discretionary portfolio management business. The acquired business contributed revenue of £6,220,000 and a net profit of £654,000 to the Group for the period since acquisition. If the acquisition had taken place on 1st January 2010 the contribution to Group revenue and net profit would have been £6,689,000 and £844,000 respectively.

	£'000
Goodwill calculation	
Purchase consideration	
- cash paid	8,724
- deferred consideration	786
Total purchase consideration	9,510
Less fair value of net assets acquired	4,108
Goodwill	5,402

	Acquiree's carrying amount £'000	Fair value £'000
The assets and liabilities arising from the acquisition were as follows:		
Goodwill	1,527	-
Property, plant and equipment	436	436
Intangible assets	11	809
Trade and other receivables	1,395	1,383
Cash and cash equivalents		
- own cash	1,494	1,494
Trade and other payables	(314)	(550)
Current taxation	536	536
	5,085	4,108
		£'000
Purchase consideration settled in cash		8,724
Cash and cash equivalents - own cash in subsidiary acquired		(1,494)
Cash outflow on acquisition		7,230

As at the 31st December 2010, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

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18. Business combinations cont'd

Acquisition of Tripol

On 22nd December 2010, the Group acquired Tripol AS, an Oslo based broker specialising in the Real Estate and Construction business. The company made no contribution to Group revenue and net profit during the period of ownership in 2010. If the acquisition had taken place on 1st January 2010 the contribution to Group revenue and net profit would have been £1,868,000 and £317,000 respectively.

Goodwill calculation	<u>£'000</u>
Purchase consideration	
- cash paid	2,616
- deferred consideration	1,141
Total purchase consideration	<u>3,757</u>
Less fair value of net assets acquired	<u>1,175</u>
Goodwill	<u>2,582</u>

	Acquiree's carrying amount £'000	Fair value £'000
The assets and liabilities arising from the acquisition were as follows:		
Intangible assets	-	640
Trade and other receivables	1,054	1,054
Cash and cash equivalents		
- own cash	269	269
Trade and other payables	(672)	(672)
Current taxation	(123)	(123)
Deferred taxation	7	7
	<u>535</u>	<u>1,175</u>

	<u>£'000</u>
Purchase consideration settled in cash	2,616
Cash and cash equivalents - own cash in subsidiary acquired	<u>(269)</u>
Cash outflow on acquisition	<u>2,347</u>

As at 31st December 2010, the process of reviewing the fair values of assets acquired had not been completed, and consequently the fair values stated above are provisional.

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18. Business combinations cont'd

Other additional investments

Goodwill calculation	<u>£'000</u>
Purchase consideration	
- cash paid	3,045
- fair value of shares	545
- cancellation of loans	224
Total purchase consideration	<u>3,814</u>
Less fair value of net assets acquired	1,405
Less equity movement on transactions with non-controlling interests	2,344
Goodwill	<u>65</u>

	Acquiree's carrying amount £'000	Fair value £'000
The assets and liabilities arising from the acquisition were as follows:		
Non-controlling interests	1,405	1,405
	<u>1,405</u>	<u>1,405</u>
		<u>£'000</u>
Purchase consideration settled in cash		3,045
Cash outflow on acquisition		<u>3,045</u>

As at 31st December 2010, the process of reviewing the fair values of assets acquired had not been completed, and consequently the fair values stated above are provisional.

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18. Business combinations cont'd

Group summary of the net assets acquired and goodwill

	iimia £'000	Tripol £'000	Other £'000	Total £'000
Purchase consideration:				
- cash paid	8,724	2,616	3,045	14,385
- deferred consideration	786	1,141	-	1,927
- fair value of shares	-	-	545	545
- cancellation of loans	-	-	224	224
Total purchase consideration	9,510	3,757	3,814	17,081
Less fair value of net assets on acquisitions occurring during the period	4,108	1,175	1,405	6,688
Less equity movement on transactions with non-controlling interest	-	-	2,344	2,344
Goodwill on acquisitions occurring during the year	5,402	2,582	65	8,049
Impact of revisions to deferred consideration				1,074
Impact of revisions to fair value adjustment in relation to acquisitions completed in 2009				(398)
Net increase in goodwill				8,725
	iimia £'000	Tripol £'000	Other £'000	Total £'000
Purchase consideration settled in cash	8,724	2,616	3,045	14,385
Cash and cash equivalents				
- own cash in subsidiary acquired	(1,494)	(269)	-	(1,763)
Cash outflow on acquisitions during the year	7,230	2,347	3,045	12,622
Impact on cash of revision to fair value adjustment in relation to acquisitions completed in 2009				244
Cash outflow in the year				12,866

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19. Business disposals

During the year, the final deferred consideration in respect of the 2006 sale of US businesses was received.

	Total
	£'000
Gain on disposal	1,616
Cash inflow on disposal	<u>1,616</u>

On 13th October 2010 the Group disposed of 100% of its shareholding in JLT-SIACI Sp. z.o.o. (Poland).

	Total
	£'000
Net assets disposed of	
Property, plant and equipment	45
Intangible assets	1
Trade and other receivables	303
Cash and cash equivalents	
- own cash	229
- fiduciary cash	122
Insurance creditors	(122)
Trade and other payables	(14)
Current taxation	(36)
Deferred taxation	(19)
Net assets at disposal	<u>509</u>
Exchange gains recycled from exchange reserves	(51)
Gain on disposal	109
Proceeds on disposal	<u>567</u>
Disposal of consideration settled in cash	567
Cash and cash equivalents - own cash in subsidiary sold	(229)
	<u>338</u>
Cash and cash equivalents - fiduciary cash in subsidiary sold	(122)
Cash inflow on disposal	<u>216</u>

Jardine Lloyd Thompson Group plc
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19. Business disposals cont'd

Other disposals

During the year the Group completed other disposals, none of which were individually significant

Net assets disposed of	Total £'000
Property, plant and equipment	1
Intangible assets	6
Trade and other receivables	48
Cash and cash equivalents	
- own cash	49
Trade and other payables	(90)
Current taxation	(3)
Non-controlling interests	484
Net assets at disposal	495
Equity movement on transactions with non-controlling interest	1,063
Exchange gains recycled from exchange reserves	(15)
Gain on disposal	75
	1,618
Fair value of shares	545
Investment in associates	66
Deferred proceeds	1,007
	1,618
Cash and cash equivalents - own cash in subsidiary sold	(49)
Cash outflow on disposal	(49)

Group summary of the received consideration

	Sale of US businesses £'000	JLT-SIACI Sp. z.o.o. (Poland) £'000	Other £'000	Total £'000
Disposal consideration settled in cash	1,616	567	-	2,183
Cash and cash equivalents				
- own cash in subsidiary sold	-	(229)	(49)	(278)
- fiduciary cash in subsidiary sold	-	(122)	-	(122)
Cash inflow/(outflow) on disposal during the year	1,616	216	(49)	1,783

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20. Principal risks

As with all businesses, the Group is exposed to a range of financial and operational risks, not wholly within its control, which could have a material impact on the Group's financial performance.

The principal risks to which the Group is exposed are discussed on pages 32 to 34 of the Annual Report & Financial Statements for 2009. The Annual Report & Financial Statements for 2010 will contain an updated discussion on these risks and will be posted to shareholders no later than 31st March 2011.

- 21.** The financial information contained in this preliminary announcement does not constitute statutory accounts within the meaning of the Companies Act 2006. The results for the year ended 31st December 2010 are unaudited and statutory accounts have not yet been delivered to the Registrar of Companies.
- 22.** Statutory accounts for the year ended 31st December 2010 will be posted to shareholders no later than 31st March 2011 and delivered to the Registrar of Companies following the Annual General Meeting on 28th April 2011.
- 23.** The shareholders entered in the Register of Members at 4.00pm on 8th April 2011 will be entitled to the proposed final dividend of 13.7p per share which will, subject to approval at the Annual General Meeting to be held on 28th April 2011, be payable on 4th May 2011.
- 24.** Copies of the preliminary press release (and statutory accounts when available) may be obtained from the Company Secretary, Jardine Lloyd Thompson Group plc, 6 Crutched Friars, London EC3N 2PH.