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Press Release
www.jardines.com

To: Business Editor

3rd March 2015

For immediate release

Jardine Lloyd Thompson Group plc
Preliminary Results for the Year Ended 31st December 2014 (Unaudited)

The following announcement was issued today by the Company's 42%-owned associate, Jardine Lloyd Thompson Group plc.

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Incorporated in Bermuda with limited liability

3rd March 2015

Jardine Lloyd Thompson Group plc

Preliminary Results for the year ended 31st December 2014 (unaudited)

Jardine Lloyd Thompson Group plc ("JLT" or "the Group") announces its preliminary results for the year ended 31st December 2014.

Financial Highlights

- Total revenue up 13% to £1,104.1m
- Strong organic revenue growth of 6%
- Underlying PBT up 3% to £183.0m
- Reported PBT up 3% to £159.7m
- Underlying diluted EPS up 3% to 56.1p
- Reported diluted EPS up 3% to 47.8p
- Underlying profit margin down 110 basis points to 17.8%
- Increased total dividend of 28.9p up 6.3%

Operational and Strategic Highlights

- Established Specialty insurance brokerage in USA
    - £5.2m net expenses in year as expected
    - Underlying Group PBT up 6% excluding these expenses
- Ongoing investment to deliver sustainable long term earnings growth
    - 8 new acquisitions made for a total consideration of £63m, including Hayward Aviation for £27m
    - 950 new joiners take total employee numbers above 10,000
- Continued successful integration of JLT Re and Towers Watson Re
- Created one of the world's leading Specialty businesses through the merger of JLT Specialty and Lloyd & Partners
- Concluded Business Transformation Programme with higher than projected recurring savings of £16m for total one-off costs of £17m
- Sale of French associate Siaci St Honoré in 2015 expected to generate cash receipt of approximately £82m

Dominic Burke, Chief Executive, commented:

"We are pleased to deliver another strong set of results, building on the progress and momentum of recent years. During the year we took a series of actions and strategic decisions, including the establishment of a Specialty insurance broking business in the US and the merger of JLT Specialty and Lloyd & Partners, that we believe will prove to be pivotal in terms of shaping our long term growth prospects. Despite a challenging insurance rating environment, we are confident in JLT's revenue growth momentum and in our strategy of continuing to invest to deliver sustainable long term earnings growth."

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A presentation to investors and analysts will take place at 9.00am today at The St Botolph Building, 138 Houndsditch, London, EC3A 7AW. A live webcast of the presentation can be viewed on the Group's website www.jltgroup.com.

FULL RELEASE FOLLOWS

PRELIMINARY STATEMENT

JLT has delivered good results for 2014, building on the progress and momentum of recent years, with organic revenue growth of 6% (2013: 8.5%). This is a strong performance when set against the marked decline in both the insurance and reinsurance rating environment during the year.

The 2014 preliminary results are summarised in the tables below:

Year ended 31st December 2014

£m	Total Revenue				Trading Profit			Trading Margin		
	2014	Growth	CRE	Organic	2014	CRE	2013	2014	CRE	2013
Risk & Insurance	820.5	13%	19%	5%	154.3	164.2	149.9	19%	19%	21%
Employee Benefits	283.6	11%	14%	7%	65.0	66.2	55.8	23%	23%	22%
Central Costs	-	-	-	-	(22.5)	(22.5)	(20.3)	-	-	-
	1,104.1	**13%**	**18%**	**6%**	**196.8**	**207.9**	**185.4**	**17.8%**	**18.1%**	**18.9%**

£m	2014	2013
Underlying trading profit	**196.8**	185.4
Underlying share of associates	7.7	8.1
Net finance costs	(21.5)	(16.1)
Underlying profit before taxation	**183.0**	177.4
Exceptional items	(23.3)	(22.8)
Profit before taxation	**159.7**	154.6
Underlying tax expense	(47.2)	(46.8)
Tax on exceptional items	5.1	5.0
Non-controlling interests	(12.3)	(10.8)
Profit after taxation and non-controlling interests	**105.3**	102.0
Underlying profit after taxation and non-controlling interests	**123.5**	119.8
Diluted earnings per share	**47.8p**	46.4p
Underlying diluted earnings per share	**56.1p**	54.5p

Notes:

CRE: Constant rates of exchange.

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

Total revenue comprises fees, commissions and investment income.

Underlying results exclude exceptional items.

Total revenue increased by 13% to £1,104.1 million or 18% at constant rates of exchange (CRE), comprising 6% organic growth and 12% from acquisitions. Total revenue and underlying trading profit include investment income on fiduciary funds of £4.4 million (2013: £4.5 million).

Underlying trading profit increased by 6% to £196.8 million, or 12% at CRE. The underlying trading margin decreased from 18.9% to 17.8%, largely reflecting the impact of foreign exchange, which was an £11.1 million adverse movement in the year, and the investment being made to build a Specialty business in the US, which resulted in net expenses of £5.2 million in the year. Excluding these two factors, the underlying trading margin would have been 18.6%. This is despite an approximate 10% increase in our headcount during the year, demonstrating that we are maintaining tight control of our costs.

Underlying profit before tax was £183.0 million, 3% ahead of 2013, while reported profit before tax was £159.7 million compared to £154.6 million in the prior year, an increase of 3%. This is after charging net exceptional costs of £23.3 million, primarily relating to the Business Transformation Programme and costs relating to acquisitions, integration and the initial restructuring costs associated with the merger of JLT Specialty and Lloyd & Partners.

The tax charge was £42.1 million, or £47.2 million on an underlying basis. The underlying effective tax rate for 2014 was 26%, unchanged on 2013.

Profit after tax and non-controlling interests was £105.3 million (2013: £102.0 million) and reported diluted earnings per share was 47.8p (2013: 46.4p).

Underlying profit after tax and non-controlling interests increased by 3% to £123.5 million and underlying diluted earnings per share increased by 3% to 56.1p.

In 2014, some 56% of the Group's trading profit was generated in the first half of the year. For 2015 we are expecting the phasing of the Group's trading profit to be relatively even across the two halves of the year. This is for a combination of reasons, including the timings of recent acquisitions, our changing business mix, the phasing of a number of significant accounts and the impact of our investment in the US.

DIVIDENDS

Subject to shareholder approval, the final dividend will be increased to 18.3p per share for the year to 31st December 2014 (2013: 17.1p) and will be paid on 6th May 2015 to shareholders on the register at 4th April 2015. This brings the total dividend for the year to 28.9p per share, compared to 27.2p for the prior year, an increase of 6.3%.

OPERATIONAL REVIEW

The Group operates in two principal areas: Risk & Insurance and Employee Benefits. The results of each of these businesses are reported in more detail below:

Risk & Insurance

Total revenue in our Risk & Insurance division increased by 13% to £820.5 million. This represented a 19% increase at CRE and organic revenue growth of 5%. Trading profit grew by 3% to £154.3 million for the year, with a trading margin of 19%.

Year ended 31st December 2014

£m	Total Revenue				Trading Profit			Trading Margin		
	2014	Growth	CRE	Organic	2014	CRE	2013	2014	CRE	2013
JLT Specialty	255.4	5%	7%	6%	52.1	53.6	51.5	20%	21%	21%
JLT Re	159.6	108%	115%	7%	24.4	26.1	11.3	15%	16%	15%
JLT Australia and NZ	114.1	(8%)	2%	2%	32.3	36.1	37.1	28%	28%	30%
Lloyd & Partners	85.2	2%	3%	1%	18.4	18.6	18.3	22%	22%	22%
JLT Asia	71.8	7%	14%	9%	11.3	12.2	10.4	16%	16%	15%
JLT Latin America	60.7	9%	24%	22%	19.3	21.6	17.2	32%	31%	31%
Thistle UK	33.2	(5%)	(5%)	(5%)	2.7	2.7	2.4	8%	8%	7%
JLT Canada	20.5	(20%)	(11%)	(8%)	(1.1)	(1.4)	1.5	(6%)	(6%)	6%
JLT Middle East and Africa	11.3	-	-	14%	(0.3)	(0.3)	(0.4)	(3%)	(3%)	(9%)
JLT Insurance Management	7.4	(8%)	(4%)	(5%)	0.4	0.4	0.6	5%	5%	7%
JLT USA	1.3	-	-	-	(5.2)	(5.4)	-	-	-	-
	820.5	**13%**	**19%**	**5%**	**154.3**	**164.2**	**149.9**	**19%**	**19%**	**21%**

JLT Specialty delivered a strong performance with revenues of £255.4 million in 2014 and organic revenue growth of 6%. Trading profit increased to £52.1 million, an uplift of 1%, with a decrease in the trading margin from 21% to 20%. However, the trading margin remained unchanged at CRE.

We highlighted at the time of our interim results that we expected that the combination of the acceleration in the decline in insurance rates seen since the beginning of the second quarter of the year and the strength of sterling, would result in a broadly similar performance in this business to that delivered in the previous year. This has proven to be the case.

As the organic revenue growth number indicates, the underlying business is in good shape, maintaining our market leading positions in many of our Specialty areas, while we have continued to make progress in other key areas such as Financial Lines, M&A, Credit, Political Risk and Security. The business has also maintained its investment in high growth Specialties including Cyber, Entertainment and Renewables.

With the full strategic and operational benefits of the merger with Lloyd & Partners to be realised during 2015 and a strong new business pipeline, this business is now better positioned for future growth.

JLT Re delivered a solid performance in the year which included the first full year contribution from the Towers Watson reinsurance broking business which was acquired in November 2013.

Revenues were £159.6 million, an increase of 108% over the previous year and included organic revenue growth of 7%. This is a particularly strong performance when set against the sharp decline in the reinsurance rating environment experienced over the year, demonstrating how well positioned this business is to continue to win market share.

As anticipated, the trading margin for the business remained at 15%, reflecting our ongoing commitment to make significant investments in this business. Despite the difficult trading conditions, we believe that this business is capable of moving to a trading profit margin of 20% by the end of 2016. This belief is underpinned by the high levels of client retention being achieved, the continued ability of the business to attract and retain talent and the investments we are making to increase efficiency and effectiveness through improvements in the operating model, systems and processes.

We also remain very encouraged by the support we are receiving from cedants, as reflected by the business' strong performance during the January 2015 renewals season when we both won significant new accounts and achieved growth with existing clients. We therefore believe that JLT Re is well positioned for growth.

JLT Australia and New Zealand delivered revenue of £114.1 million, growth of 2% at CRE, all of which was organic. Actual revenues, however, reduced by 8% when compared to the previous year due to the fall in the value of the Australian dollar against sterling. The trading margin decreased to 28%, compared to 30% in 2013.

The underlying performance of the business remains pleasing when set against the continued fierce competition and decline in insurance rates experienced in the region. Its market leading Public Sector business continued its progress during the year. The investments made in attracting talent to the Group's core Specialties such as Energy, Mining and Construction are repositioning JLT to become one of the leading Specialty brokers for large corporate buyers in the region.

Lloyd & Partners, the Group's specialist wholesale broker, achieved revenue growth of 2%, or 3% at CRE, with organic revenue growth of 1%. Actual trading profit was broadly flat on the previous year, but increased by 1% at CRE. This was achieved despite increasingly competitive domestic insurance markets making the London, Bermuda and European markets less attractive to Lloyd & Partners' wholesale clients.

In August, we announced the bringing together of JLT Specialty and Lloyd & Partners to create a single Specialty business. This merger was effective from the beginning of 2015 and has progressed very smoothly. The enduring strength and importance of our wholesale relationships and the quality of the service and expertise we provide to our clients has come through in the months since the announcement of the merger, with the business delivering its best November and December trading performance for many years.

JLT Asia delivered revenue growth of 7% to £71.8 million, an increase of 14% at CRE, with organic revenue growth of 9%. Trading profit improved by 9% to £11.3 million, with the trading margin increasing to 16%.

This strong performance underlines the continued successful build out of the Group's Specialty capabilities across the region. The business is attracting new clients and winning market share in an expanding Specialty market place where demand continues to increase, driven by long term demographic and socio-economic factors.

JLT Latin America had an impressive year, achieving revenue growth of 9% to £60.7 million, an increase of 24% at CRE, with organic revenue growth of 22%. Trading profit increased to £19.3 million, an increase of 26% at CRE, with the trading margin increasing to 32%. The new start-up business in Argentina enjoyed a successful first year.

Our Specialty businesses have continued to benefit from focus and investment in areas such as Construction, Surety, Energy, Aviation and Property, which are in turn aligned to the more dynamic industry sectors in what remains a high growth region.

In 2014 a regional Affinity business was established that had an immediate impact through the development of a bespoke technology platform that has helped differentiate the client offering.

JLT USA was formed in August when JLT announced its decision to enter the US market as a Specialty broker with a focus on Energy, Construction, Financial Lines, Credit, Political & Security and Aerospace.

This decision reflected the brand, reputation, scale, geographic reach and leadership that we have been able to build over recent years by following our Specialty-led strategy and the unique opportunity this gave us to create a dynamic platform for long term growth in the world's largest insurance market.

It also reflected the significant and growing demand from clients and leading industry talent for JLT to challenge the position of the other major brokers in the US and to deliver our unique proposition on a global scale, given our clients' increasing requirements for seamless worldwide coverage.

At that time we stated that this was expected to result in a net investment of approximately $80 million during the period 2015 to 2017, before moving into profit in 2018 and then generating an accelerated return thereafter. This figure takes account of the upfront costs of building out the business offset by revenues which are expected to build more slowly. Given the size of this investment, it is our intention to report the financial results of this new business area separately.

JLT USA has made a very encouraging start, resulting in the acceleration of its recruitment plans and the bringing forward of some expenditure into 2014. This was partially offset by revenues which, as expected, were minimal for the period. This produced net expenses in the period of £5.2 million. In 2015 it is anticipated that the business will generate revenues in the region of $50 million and a net trading loss of $35 million. This includes revenues and profits transferred from other parts of the Group and the Energy business acquired from Alliant in October 2014.

We have been very encouraged by the quality of the people we have been able to hire, the response of insurers and reinsurers who have been very supportive of the Group's plans and the early indications of traction with clients.

Employee Benefits

Total revenue in our Employee Benefits division increased by 11% to £283.6 million. This represented a 14% increase at CRE and organic revenue growth of 7%. Trading profit grew by 17% to £65.0 million for the year, with a trading margin of 23%.

Year ended 31st December 2014

£m	Total Revenue				Trading Profit			Trading Margin		
	2014	Growth	CRE	Organic	2014	CRE	2013	2014	CRE	2013
UK & Ireland	183.2	6%	6%	-	36.0	36.0	32.2	20%	20%	19%
Asia	69.3	25%	32%	28%	23.4	24.0	18.6	34%	33%	34%
Latin America	20.1	12%	26%	6%	4.2	4.7	4.3	21%	21%	24%
Australia and NZ	7.7	1%	13%	13%	2.0	2.2	1.1	26%	26%	14%
Canada	1.7	(10%)	1%	1%	(0.4)	(0.4)	-	(21%)	(21%)	(1%)
Middle East and Africa	1.6	-	-	-	(0.2)	(0.3)	(0.4)	(15%)	(15%)	-
	283.6	**11%**	**14%**	**7%**	**65.0**	**66.2**	**55.8**	**23%**	**23%**	**22%**

Our **UK & Ireland Employee Benefits business** increased revenues by 6% to £183.2 million, with good trading profit growth of 12% to £36.0 million and the trading margin increasing to 20% from the 19% achieved in 2013.

JLT's market position was further strengthened during the year by the acquisition of Ensign Pensions Administration in April. Following the acquisition, all of Ensign's clients were retained and several major new administration clients were won. As a result, JLT is today the largest administrator of private sector pensions in the UK.

The UK and Ireland pensions and savings landscape will continue to experience significant regulatory change over the years ahead and increasing demand for help and support from existing and new clients is generating new business opportunities.

Asia achieved strong revenue growth of 25% to £69.3 million, an increase of 32% at CRE, with impressive organic revenue growth of 28%. This growth was driven by our market leading life insurance broking business, which provides solutions to high-net-worth clients, working closely with most of the largest private banks in the region.

In Asia we have a strong and growing Employee Benefits business employing some 700 people which secured many new clients during the year. We are seeing growing demand for benefits advice, particularly around Group health insurance and we are developing our services to assist the management of these costs for clients. In early 2015, we invested in JLT Essential Healthcare Network which provides a strong platform to take advantage of healthcare opportunities in China.

In **LatAm**, our acquisition of SCK at the beginning of 2014 has broadened our overall client proposition in Brazil by extending our capabilities into broader risk management through wellness management and consulting. This has enabled us to secure good levels of new business, whilst clearly differentiating ourselves in the market place. Our other businesses have continued to perform well, benefitting from growing demand and our strong capabilities and market position.

In **Australia & New Zealand,** we are growing our Employee Benefits business by offering an integrated broking, occupational health and return-to-work service, assisting clients in managing the rising cost of mandatory worker's compensation and discretionary benefits.

We have this morning announced the acquisition of Recovre, one of the leading providers of workplace rehabilitation services in the Australian market. This acquisition greatly enhances JLT's scale and ability to deliver workplace rehabilitation services on behalf of corporate clients and insurers and positions JLT as one of the clear market leaders in this rapidly expanding sector.

Our Employee Benefits operations in Canada and Middle East & Africa continue to make progress.

ASSOCIATES

Year ended 31st December 2014

£m	Contribution After Tax			
	2014	CRE	2013	Growth
Underlying share of associates	**7.7**	**8.1**	**8.1**	**(5%)**

Our Associates' contribution in 2014 reduced marginally, reflecting the mixed trading conditions that have impacted our European Associates in particular, combined with adverse currency movements.

On 13th February 2015, the Group announced that the shareholders in Milestone, the holding company of Siaci St Honoré ("Siaci"), JLT's French Associate, had received an offer to sell their shares to a private equity investor to fund the next phase of the company's development. As part of this transaction, JLT would dispose of its 26.2% shareholding in the business for net cash proceeds of around £82 million, generating an approximate exceptional gain of £21 million in 2015.

Assuming this transaction completes as expected in May, this will reduce Siaci's contribution to JLT in 2015 to approximately £2 million, which compares to £5 million in 2014.

Siaci and JLT share a longstanding Specialty-focused trading relationship that goes back over twenty years. Siaci remains the exclusive partner of the JLT International Network in France.

The weighting of the contribution from Associates is towards the first half of the financial year and we expect this to continue.

EXCEPTIONAL ITEMS

In 2014 total net exceptional and non-recurring costs for the year were £23.3 million (2013: £22.8 million). These primarily comprised the costs of the Business Transformation Programme, which completed at the end of 2014 and is detailed below, acquisition and integration costs and the initial restructuring costs associated with the merger of JLT Specialty and Lloyd & Partners.

For 2015, exceptional and non-recurring items are expected to include acquisition and integration costs of £11 million and restructuring costs of £9 million, off-set by the exceptional gain of £21 million on the anticipated disposal of the 26.2% interest in Milestone, the holding company of the Group's French Associate, Siaci St Honoré.

OPERATING COSTS

In 2014, the Group's underlying operating cost ratio increased by 110 basis points to 82.2% of total revenue. This reflects the competitive trading environment, foreign exchange movements and the continued investment in the business, particularly the investment being made in establishing a Specialty insurance broking business in the US.

We remain focused on cost discipline, but have a track record in delivering market-leading levels of organic growth which gives us the confidence to make investments when we identify an opportunity to deliver sustainable long-term earnings growth. Clearly establishing a US Specialty insurance broking business is such an opportunity and our current expectation is that this investment will impact the Group's trading margin by approximately 200 basis points in 2015.

CASH FLOW AND BALANCE SHEET

The Group continues to be well funded. The increase in net debt during the year largely reflects the cost of acquisitions and capital expenditure in 2014. In addition the increase reflects the retranslation of $500 million of the Group's Private Placement Loan Notes, the impact of which is hedged in the balance sheet. Net debt at 31st December 2014 was £474 million. At that date the Group had committed long term unsecured bank facilities of £350 million and drawn Private Placement Loan Notes equivalent to £393 million, resulting in total committed debt facilities equivalent to £743 million, with maturities between 2015 and 2029. Gross borrowings as at 31st December 2014 were £612 million, which includes £593 million of borrowings under the Group's committed facilities, leaving un-utilised committed facilities headroom of £150 million.

In February 2015 the Group completed the renewal of its core unsecured revolving credit facility. This £450 million committed facility is for a term of 5 years. Taken together with an existing bilateral facility of £50 million, the Group has total bank facilities of £500 million. Had this renewed revolving credit facility been in place at 31 December 2014, the Group's committed headroom would have been £300 million. The Group now has medium and long term debt facilities equivalent to approximately £893 million.

The Group expects to receive some £82 million during May 2015, representing the proceeds of the disposal of its shareholding in its French Associate Siaci, which will be used to repay borrowings drawn under the Group's revolving credit facility, further increasing the available headroom.

FOREIGN EXCHANGE

The Group's major currency transaction exposure arises in those businesses that earn US dollar denominated revenue but which have a sterling cost base. The Group continues to operate a US dollar hedging programme to smooth the volatility caused by exchange rate movements. In 2014, the Group achieved an average rate after hedging of US$1.56 compared to an average market rate of US$1.65.

As at 27th February 2015, some 63% of anticipated dollar revenues for 2015 (approximately US$355 million) are hedged at an average rate of US$1.55. For 2016, some 43% of expected dollar revenues are hedged at an average rate of US$1.57 and some 10% are hedged for 2017 at an average rate of US$1.59.

As a guide, each one cent movement in the achieved rate currently translates to a change of approximately £1.5 million in revenue and a corresponding impact on trading profit equal to approximately 65% of the revenue change.

In addition to the transactional foreign exchange exposure which is managed through the Group's hedging programmes, JLT is also exposed to translational foreign exchange movements in overseas earnings which are not hedged. Given the relative size and profitability of the Group's Australian business, the most material such exposure is to the Australian dollar which continues to be weak versus sterling.

BUSINESS TRANSFORMATION PROGRAMME

The Group's two year Business Transformation Programme successfully completed in 2014. The previously projected total one-off costs and recurring annualised savings for the programme had been £18 million and £12 million respectively. The final outcome however exceeded these expectations, with a final total cost of £17 million and recurring savings of £16 million.

BOARD AND SENIOR MANAGEMENT DEVELOPMENTS

On 30th January 2015, the Group announced several senior management appointments within its UK Employee Benefits business and JLT Asia. These appointments are subject to obtaining the appropriate regulatory approvals, where required.

Mark Wood is retiring from his role as the CEO of JLT's UK Employee Benefits business and will be leaving the Group at the end of May 2015.

Duncan Howorth is returning to the UK after two successful years as CEO of JLT Asia to take up the position of CEO of JLT's UK Employee Benefits business, effective from 1st June 2015. Duncan will continue in his role as the International Chairman of Employee Benefits.

Dominic Samengo-Turner is being appointed CEO of JLT Asia, with effect from 1st May 2015. Dominic previously spent over 20 years at Willis, most recently as Co-Chief Executive of Global Specialities and a Director of Willis Limited.

OUTLOOK

Despite a challenging insurance rating environment, we are confident in JLT's revenue growth momentum and in our strategy of continuing to invest to deliver sustainable long term earnings growth.

Results follow

Jardine Lloyd Thompson Group plc
Consolidated Income Statement
Unaudited Preliminary Results for the year ended 31st December 2014

	Notes	**2014 £'000**	2013 £'000
Fees and commissions	3	**1,099,728**	974,623
Investment income	3	**4,398**	4,529
Total revenue	3	**1,104,126**	979,152
Salaries and associated expenses		**(671,758)**	(580,968)
Premises		**(57,927)**	(53,638)
Other operating costs		**(172,426)**	(157,386)
Depreciation, amortisation and impairment charges	4	**(28,139)**	(24,667)
Operating profit	2,3,4	**173,876**	162,493
Analysed as:			
Operating profit before exceptional items	3	**196,830**	185,365
Acquisition and integration costs	4	**(13,271)**	(9,020)
Business Transformation Programme	4	**(7,753)**	(9,521)
Restructuring costs	4	**(2,482)**	-
Premises consolidation costs	4	**-**	(5,022)
Other exceptional items	4	**552**	691
Operating profit	2,3,4	**173,876**	162,493
Finance costs	5	**(22,972)**	(17,476)
Finance income	5	**1,526**	1,441
Finance costs – net	3,5	**(21,446)**	(16,035)
Share of results of associates	3	**7,306**	8,106
Profit before taxation	2,3	**159,736**	154,564
Income tax expense	3,6	**(42,072)**	(41,789)
Profit for the year		**117,664**	112,775
Profit attributable to:			
Owners of the parent	3	**105,291**	101,960
Non-controlling interests	3	**12,373**	10,815
		117,664	112,775
Earnings per share attributable to the owners of the parent during the year (expressed in pence per share)	7		
Basic earnings per share		**47.9p**	46.6p
Diluted earnings per share		**47.8p**	46.4p

The notes on pages 19 to 52 form an integral part of these condensed consolidated financial statements.

Jardine Lloyd Thompson Group plc
Consolidated Statement of Comprehensive Income
Unaudited Preliminary Results for the year ended 31st December 2014

	Notes	**2014 £'000**	2013 £'000
Profit for the year		**117,664**	112,775
Other comprehensive expense			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations	23	**(51,394)**	(9,370)
Taxation thereon		**9,907**	1,364
Total items that will not be reclassified to profit or loss		**(41,487)**	(8,006)
Items that may be reclassified subsequently to profit or loss			
Fair value gains/(losses) net of tax			
- available-for-sale		**203**	48
- available-for-sale reclassified to the income statement		**(204)**	-
- cash flow hedges		**(17,457)**	1,720
Currency translation differences		**(3,238)**	(24,332)
Total items that may be reclassified subsequently to profit or loss		**(20,696)**	(22,564)
Other comprehensive expense net of tax		**(62,183)**	(30,570)
Total comprehensive income for the year		**55,481**	82,205
Attributable to:			
Owners of the parent		**43,312**	72,830
Non-controlling interests		**12,169**	9,375
		55,481	82,205

The notes on pages 19 to 52 form an integral part of these condensed consolidated financial statements.

Jardine Lloyd Thompson Group plc
Consolidated Balance Sheet
Unaudited Preliminary Results as at 31st December 2014

	Notes	**2014 £'000**	2013 £'000
NET OPERATING ASSETS			
Non-current assets			
Goodwill	9	**475,697**	429,450
Other intangible assets		**86,495**	69,092
Property, plant and equipment		**61,405**	59,715
Investments in associates		**100,650**	101,445
Available-for-sale financial assets	10,15	**9,004**	22,346
Derivative financial instruments	11,15	**18,514**	16,906
Retirement benefit surpluses	23	**572**	1,249
Deferred tax assets		**64,818**	51,809
		817,155	752,012
Current assets			
Trade and other receivables	12	**493,647**	411,428
Derivative financial instruments	11,15	**3,101**	9,826
Available-for-sale financial assets	10,15	**5,384**	1,421
Cash and cash equivalents	13,15	**871,246**	753,164
		1,373,378	1,175,839
Current liabilities			
Borrowings	15,16	**(168,586)**	(12,995)
Trade and other payables	14	**(1,037,544)**	(909,595)
Derivative financial instruments	11,15	**(2,491)**	(2,344)
Current tax liabilities		**(8,743)**	(5,201)
Provisions for liabilities and charges	17	**(7,588)**	(10,158)
		(1,224,952)	(940,293)
Net current assets		**148,426**	235,546
Non-current liabilities			
Borrowings	15,16	**(443,651)**	(447,188)
Derivative financial instruments	11,15	**(15,859)**	(30,543)
Deferred tax liabilities		**(16,687)**	(12,542)
Retirement benefit obligations	23	**(179,607)**	(131,876)
Provisions for liabilities and charges	17	**(3,225)**	(4,952)
		(659,029)	(627,101)
		306,552	360,457
TOTAL EQUITY			
Capital and reserves attributable to the owners of the parent			
Ordinary shares		**11,006**	11,003
Share premium	18	**103,941**	103,739
Fair value and hedging reserves	18	**(234)**	17,224
Exchange reserves	18	**(5,033)**	(1,999)
Retained earnings		**178,932**	211,009
Shareholders' equity		**288,612**	340,976
Non-controlling interests		**17,940**	19,481
		306,552	360,457

The notes on pages 19 to 52 form an integral part of these condensed consolidated financial statements.

Jardine Lloyd Thompson Group plc
Consolidated Statement of Changes in Equity
Unaudited Preliminary Results for the year ended 31st December 2014

		For the year ended 31st December 2014					
	Notes	**Ordinary shares**	**Other reserves**	**Retained earnings**	**Shareholders' equity**	**Non-controlling interests**	**Total equity**
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 1st January 2014		**11,003**	**118,964**	**211,009**	**340,976**	**19,481**	**360,457**
Profit for the year		-	-	105,291	**105,291**	12,373	**117,664**
Other comprehensive expense for the year		-	(20,492)	(41,487)	**(61,979)**	(204)	**(62,183)**
Total comprehensive (expense)/income for the year		**-**	**(20,492)**	**63,804**	**43,312**	**12,169**	**55,481**
Dividends	8	-	-	(60,610)	**(60,610)**	(8,324)	**(68,934)**
Amounts in respect of share based payments:							
- reversal of amortisation net of tax		-	-	18,646	**18,646**	-	**18,646**
- shares acquired		-	-	(32,698)	**(32,698)**	-	**(32,698)**
Acquisitions	21	-	-	-	**-**	(5,170)	**(5,170)**
Disposals		-	-	-	**-**	(216)	**(216)**
Change in non-controlling interests	21	-	-	(21,219)	**(21,219)**	-	**(21,219)**
Issue of share capital		3	202	-	**205**	-	**205**
Balance at 31st December 2014		**11,006**	**98,674**	**178,932**	**288,612**	**17,940**	**306,552**

		For the year ended 31st December 2013					
	Notes	Ordinary shares	Other reserves	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
		£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1st January 2013		10,997	139,537	182,775	333,309	14,909	348,218
Profit for the year		-	-	101,960	101,960	10,815	112,775
Other comprehensive expense for the year		-	(21,124)	(8,006)	(29,130)	(1,440)	(30,570)
Total comprehensive (expense)/income for the year		-	(21,124)	93,954	72,830	9,375	82,205
Dividends	8	-	-	(57,092)	(57,092)	(5,475)	(62,567)
Amounts in respect of share based payments:							
- reversal of amortisation net of tax		-	-	18,306	18,306	-	18,306
- shares acquired		-	-	(21,704)	(21,704)	-	(21,704)
Acquisitions		-	-	-	-	685	685
Disposals		-	-	-	-	(48)	(48)
Additions		-	-	-	-	35	35
Change in non-controlling interests		-	-	(5,230)	(5,230)	-	(5,230)
Issue of share capital		6	551	-	557	-	557
Balance at 31st December 2013		11,003	118,964	211,009	340,976	19,481	360,457

The notes on pages 19 to 52 form an integral part of these condensed consolidated financial statements.

Jardine Lloyd Thompson Group plc
Consolidated Statement of Cash Flows
Unaudited Preliminary Results for the year ended 31st December 2014

	Notes	**2014 £'000**	2013 £'000
Cash flows from operating activities			
Cash generated from operations	20	**159,299**	163,430
Interest paid		**(16,484)**	(8,772)
Interest received		**6,000**	5,538
Taxation paid		**(36,560)**	(41,380)
Increase in net insurance broking payables		**77,268**	106,203
		189,523	225,019
Dividend received from associates		**2,287**	1,732
Net cash generated from operating activities		**191,810**	226,751
Cash flows from investing activities			
Purchase of property, plant and equipment		**(13,371)**	(44,788)
Purchase of other intangible assets		**(36,931)**	(27,354)
Proceeds from disposal of property, plant and equipment		**1,041**	596
Acquisition of businesses, net of cash acquired	21	**(58,205)**	(150,874)
Acquisition of associates		**(686)**	(230)
Proceeds from disposal of businesses, net of cash disposed	22	**703**	(2,089)
Purchase of available-for-sale other investments		**-**	(3,264)
Proceeds from disposal of available-for-sale other investments		**1,008**	1,317
Net cash used in investing activities		**(106,441)**	(226,686)
Cash flows from financing activities			
Dividends paid to owners of the parent		**(60,327)**	(57,582)
Purchase of available-for-sale financial assets		**(5)**	(6,439)
Proceeds from disposal of available-for-sale financial assets		**7,991**	269
Purchase of shares		**(32,698)**	(21,704)
Proceeds from issuance of ordinary shares		**205**	557
Proceeds from borrowings		**208,514**	230,403
Repayments of borrowings		**(84,450)**	(4,711)
Dividends paid to non-controlling interests		**(8,324)**	(5,475)
Net cash generated from financing activities		**30,906**	135,318
Net increase in cash and cash equivalents		**116,275**	135,383
Cash and cash equivalents at beginning of the year		**753,164**	624,321
Exchange gains/(losses) on cash and cash equivalents		**1,807**	(6,540)
Cash and cash equivalents at end of the year		**871,246**	753,164

The notes on pages 19 to 52 form an integral part of these condensed consolidated financial statements.

Jardine Lloyd Thompson Group plc
Notes to the Unaudited Preliminary Results
For the year ended 31st December 2014

1. Basis of accounting

The consolidated preliminary results of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to Companies reporting under IFRSs. The consolidated preliminary results have been prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of available-for-sale assets and financial assets and liabilities (including derivative financial instruments) at fair value through profit and loss.

The accounting policies are consistent with those of the Annual Report for the year ended 31st December 2013 except as described below.

Standards, amendments and interpretations effective in 2014

The principal standards adopted by the Group for the first time for the financial year beginning on or after 1st January 2014 are:

IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the Parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

IFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted.

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.

The preliminary results for the year ended 31st December 2014 are unaudited.

2. Alternative income statement

The format of the consolidated income statement on page 14 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. The statement provides a reconciliation between the underlying results used by the Group to assess performance and the IFRS income statement.

	Year ended 31st December 2014		
	Underlying profit £'000	**Exceptional items £'000**	**Total £'000**
Fees and commissions	1,099,728	-	**1,099,728**
Investment income	4,398	-	**4,398**
Salaries and associated expenses	(656,323)	(15,435)	**(671,758)**
Premises	(55,576)	(2,351)	**(57,927)**
Other operating costs	(167,258)	(5,168)	**(172,426)**
Depreciation, amortisation and impairment charges	(28,139)	-	**(28,139)**
Trading profit	**196,830**	**(22,954)**	**173,876**
Finance costs – net	(21,446)	-	**(21,446)**
Share of results of associates	7,660	(354)	**7,306**
Profit before taxation	**183,044**	**(23,308)**	**159,736**

	Year ended 31st December 2013		
	Underlying profit £'000	Exceptional items £'000	Total £'000
Fees and commissions	974,623	-	974,623
Investment income	4,529	-	4,529
Salaries and associated expenses	(569,716)	(11,252)	(580,968)
Premises	(48,229)	(5,409)	(53,638)
Other operating costs	(151,175)	(6,211)	(157,386)
Depreciation, amortisation and impairment charges	(24,667)	-	(24,667)
Trading profit	185,365	(22,872)	162,493
Finance costs – net	(16,035)	-	(16,035)
Share of results of associates	8,106	-	8,106
Profit before taxation	177,436	(22,872)	154,564

3. Segment information

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

Business segment analysis

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

The Risk & Insurance segment comprises JLT's global specialist, wholesale, reinsurance broking, personal lines and SME activities. The Employee Benefits segment consists of pension administration, outsourcing and employee benefits consultancy, healthcare and wealth management activities. Certain Risk & Insurance and Employee Benefits operating segments have been disclosed within the reporting segments given their individual size. The Head Office & Other segment consists mainly of holding companies, central administration functions, the Group's captive insurance companies and the Group's investments in associates.

JLT Re and JLT Asia are now disclosed as reportable segments to meet the quantitative thresholds required by IFRS 8. During the year, the Group has reclassified the Middle East and North Africa business which was reported previously in JLT Specialty to the Middle East and Africa segment (included in Other Risk & Insurance).

Segment results

Management assesses the performance of the operating segments based upon a measure of underlying trading profit. 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 Group's own funds and finance costs are excluded since the trading activities of the Group's primary segments are not of a financial nature. Income tax expense and the charge in respect of non-controlling interests are excluded from the segmental allocation.

Segment assets and liabilities

Assets and liabilities are not allocated to individual segments and are therefore all reported within Head Office & Other.

Investments in associates

The Group owns the following stakes in its principal associates: 26% in Milestone, the holding company of Siaci Saint Honoré, which operates principally in France; 20% of GrECo, which operates mainly in Austria and Eastern Europe; 25% of MAG-JLT, which operates mainly in Italy and 25% of March-JLT, which operates mainly in Spain. On the 2nd of July 2014, the Group acquired a 26% shareholding in JLT Independent Insurance Brokers Private Ltd which operates in India. The investment and the Group's share of the net profit of these associates are included in the Head Office & Other segment, together with the investment and results of the Group's other associates, Sterling Re Intermediaro de Reaseguro SA de CV, JLT Insurance Management Malta and JLT Energy (France) SAS.

Other segment items

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

3. Segment information cont'd

	Year ended 31st December 2014									
	Risk & Insurance						Employee Benefits			
	JLT Specialty £'000	JLT Re £'000	JLT Australia & New Zealand £'000	Lloyd & Partners £'000	JLT Asia £'000	Other Risk & Insurance £'000	UK & Ireland £'000	Other Employee Benefits £'000	Head Office & Other £'000	Total £'000
Fees and commissions	254,561	159,240	111,767	85,094	71,587	133,929	183,167	100,383	-	**1,099,728**
Investment income	801	377	2,353	143	167	494	1	62	-	**4,398**
Total revenue	**255,362**	**159,617**	**114,120**	**85,237**	**71,754**	**134,423**	**183,168**	**100,445**	**-**	**1,104,126**
Underlying trading profit	**52,149**	**24,453**	**32,269**	**18,372**	**11,299**	**15,723**	**36,002**	**29,030**	**(22,467)**	**196,830**
Operating profit	48,631	14,045	32,269	16,279	9,094	14,600	34,228	28,642	(23,912)	**173,876**
Finance costs - net	-	-	-	-	-	-	-	-	(21,446)	**(21,446)**
Share of results of associates	-	-	-	-	-	-	-	-	7,306	**7,306**
Profit before taxation	**48,631**	**14,045**	**32,269**	**16,279**	**9,094**	**14,600**	**34,228**	**28,642**	**(38,052)**	**159,736**
Income tax expense	-	-	-	-	-	-	-	-	(42,072)	**(42,072)**
Non-controlling interests	-	-	-	-	-	-	-	-	(12,373)	**(12,373)**
Net profit attributable to the owners of the parent	**48,631**	**14,045**	**32,269**	**16,279**	**9,094**	**14,600**	**34,228**	**28,642**	**(92,497)**	**105,291**
Segment assets									2,089,883	**2,089,883**
Investments in associates									100,650	**100,650**
Total assets									**2,190,533**	**2,190,533**
Segment liabilities									(1,883,981)	**(1,883,981)**
Total liabilities									**(1,883,981)**	**(1,883,981)**
Other segment items:										
Capital expenditure	6,733	2,859	2,370	9,493	3,125	7,567	7,592	1,419	9,144	**50,302**
Depreciation, amortisation and impairment charges	(3,793)	(1,687)	(2,916)	(2,732)	(2,372)	(4,064)	(6,023)	(1,107)	(11,297)	**(35,991)**

3. Segment information cont'd

	Year ended 31st December 2013									
	Risk & Insurance						Employee Benefits			
	JLT Specialty £'000	JLT Re £'000	JLT Australia & New Zealand £'000	Lloyd & Partners £'000	JLT Asia £'000	Other Risk & Insurance £'000	UK & Ireland £'000	Other Employee Benefits £'000	Head Office & Other £'000	Total £'000
Fees and commissions	241,930	76,686	121,829	83,507	66,961	128,485	172,101	83,124	-	974,623
Investment income	815	140	2,640	142	146	600	1	45	-	4,529
Total revenue	242,745	76,826	124,469	83,649	67,107	129,085	172,102	83,169	-	979,152
Underlying trading profit	51,544	11,303	37,073	18,344	10,374	21,252	32,200	23,608	(20,333)	185,365
Operating profit	48,191	6,574	35,933	18,344	8,034	20,406	27,008	22,795	(24,792)	162,493
Finance costs - net	-	-	-	-	-	-	-	-	(16,035)	(16,035)
Share of results of associates	-	-	-	-	-	-	-	-	8,106	8,106
Profit before taxation	48,191	6,574	35,933	18,344	8,034	20,406	27,008	22,795	(32,721)	154,564
Income tax expense	-	-	-	-	-	-	-	-	(41,789)	(41,789)
Non-controlling interests	-	-	-	-	-	-	-	-	(10,815)	(10,815)
Net profit attributable to the owners of the parent	48,191	6,574	35,933	18,344	8,034	20,406	27,008	22,795	(85,325)	101,960
Segment assets									1,826,406	1,826,406
Investments in associates									101,445	101,445
Total assets									1,927,851	1,927,851
Segment liabilities									(1,567,394)	(1,567,394)
Total liabilities									(1,567,394)	(1,567,394)
Other segment items:										
Capital expenditure	2,143	1,752	7,873	872	4,214	4,154	10,255	782	40,097	72,142
Depreciation, amortisation and impairment charges	(4,145)	(1,219)	(2,624)	(1,152)	(1,893)	(4,059)	(4,794)	(728)	(10,807)	(31,421)

3. Segment information cont'd

Geographical segment analysis

Although the Group's two 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 Risk & Insurance segment operates in the United Kingdom, the Group's home country. In the Americas, the Risk & Insurance segment operates in Argentina, Bermuda, the Caribbean, Brazil, Canada, Colombia, Peru, Chile and the United States. The Australasian segment includes operations in Australia and New Zealand. In Europe, it operates in Republic of Ireland, Sweden, Finland, Norway, Denmark, Germany, Guernsey, France, The Netherlands, Spain, Switzerland and Russia. The Asian segment includes operations in Singapore, Hong Kong, Taiwan, Indonesia, Japan, Thailand, South Korea, Philippines, Malaysia, China, Vietnam, Dubai, Qatar and Bahrain. In Africa, it operates in South Africa.

The Employee Benefits segment operates in the United Kingdom. In the Americas, the Employee Benefits segment operates in Brazil, Canada, Colombia and Peru. The Australasian segment includes operations in Australia and New Zealand. In Europe, it operates in the Republic of Ireland and Switzerland. The Asian segment includes operations in Singapore, Hong Kong, Taiwan, Indonesia, Japan, Thailand, South Korea, Philippines, Malaysia, China and Vietnam. In Africa, it operates in South Africa.

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

Fees and commissions are disclosed 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. Interest bearing assets (e.g. cash and cash equivalents and investments & deposits) relating to the Group's own funds and deferred tax assets are excluded from segment assets. Interest bearing liabilities (e.g. borrowings) and income and deferred tax liabilities are excluded from segment liabilities. Items excluded from segmental allocation are referred to as "unallocated".

	Year ended 31st December 2014				
	Fees and commissions (1) £'000	**Fees and commissions (2) £'000**	**Segment non-current assets £'000**	**Segment assets £'000**	**Segment liabilities £'000**
UK	591,002	360,415	378,995	1,192,734	(830,555)
Americas	199,696	320,918	157,286	329,087	(158,945)
Australasia	121,728	131,071	25,705	118,270	(79,983)
Asia	156,054	166,364	41,398	183,580	(134,305)
Europe	26,974	86,856	15,926	52,560	(33,527)
Rest of the World	4,274	34,104	4,287	5,213	(3,326)
	1,099,728	**1,099,728**	**623,597**	**1,881,444**	**(1,240,641)**
Investment in associates				100,650	-
Unallocated assets/(liabilities)				208,439	(643,340)
Total assets/(liabilities)				**2,190,533**	**(1,883,981)**

	Year ended 31st December 2013				
	Fees and commissions (1) £'000	Fees and commissions (2) £'000	Segment non-current assets £'000	Segment assets £'000	Segment liabilities £'000
UK	540,951	337,587	336,194	1,048,684	(742,449)
Americas	149,637	247,146	138,947	299,806	(131,006)
Australasia	130,591	141,835	27,250	115,233	(81,203)
Asia	126,414	145,918	34,170	141,598	(102,839)
Europe	24,066	78,786	17,361	43,669	(24,636)
Rest of the World	2,964	23,351	4,335	4,360	(2,184)
	974,623	974,623	558,257	1,653,350	(1,084,317)
Investment in associates				101,445	-
Unallocated assets/(liabilities)				173,056	(483,077)
Total assets/(liabilities)				1,927,851	(1,567,394)

4. Operating profit

	2014 £'000	2013 £'000
The following items have been (credited)/charged in arriving at operating profit:		
Foreign exchange (gains)/losses:		
- fees and commissions	**(8,705)**	(2,687)
- other operating costs	**(894)**	902
	(9,599)	(1,785)
Amortisation of other intangible assets:		
- software costs	**15,362**	12,240
- other intangible assets	**1,530**	1,093
Depreciation on property, plant and equipment:		
- owned assets	**10,963**	11,243
- leased assets under finance leases	**284**	91
Total depreciation and amortisation charges	**28,139**	24,667
Amortisation of other intangible assets:		
- employment contract payments (included in salaries and associated expenses)	**7,852**	6,754
Losses/(gains) on disposal of property, plant and equipment	**53**	(22)
Operating lease rentals payable:		
- minimum lease payments		
- land and buildings	**35,422**	30,817
- furniture, equipment and motor vehicles	**735**	770
- computer equipment and software	**329**	284
- sub-lease receipts		
- land and buildings	**(1,904)**	(1,668)
	34,582	30,203
Available-for-sale financial assets:		
- fair value gains	**(16)**	(2)
- gain on sale	**(332)**	(348)
	(348)	(350)
Exceptional items:		
Acquisition and integration costs of which:		
- included in salaries and associated expenses	**7,347**	2,562
- included in premises costs	**1,873**	387
- included in other operating costs	**4,051**	6,071
	13,271	9,020
Business Transformation Programme of which:		
- included in salaries and associated expenses	**5,753**	8,690
- included in other operating costs	**2,000**	831
	7,753	9,521
Restructuring costs of which:		
- included in salaries and associated expenses	**2,335**	-
- included in premises costs	**142**	-
- included in other operating costs	**5**	-
	2,482	-
Net gain on restructuring of businesses in Canada of which:		
- included in premises costs	**336**	-
- included in other operating costs	**(683)**	-
	(347)	-
Release of contingent considerations	**(205)**	-
London premises consolidation costs	**-**	5,022
Loss on disposal of JLT Re Spain branch	**-**	372
Profit on partial disposal of JLT Energy (France) SAS	**-**	(715)
Profit on sale of premises in Colombia	**-**	(348)
Total exceptional items included within operating profit	**22,954**	22,872
Siaci restructuring costs – included in share of results of associates	**354**	-
Total exceptional items	**23,308**	22,872

5. Finance income and costs

	2014 £'000	2013 £'000
Interest receivable - own funds	**1,500**	1,441
Investment income on available-for-sale financial assets	**26**	-
Interest expense:		
- bank and other borrowings	**(16,803)**	(11,658)
- finance leases	**(48)**	(24)
- interest in respect of liability discounting	**(291)**	(114)
Pension financing:		
- expected return on post-employment scheme assets	**23,151**	22,940
- interest on post-employment scheme liabilities	**(28,981)**	(28,620)
Net pension financing expense	**(5,830)**	(5,680)
Finance costs - net	**(21,446)**	(16,035)
Finance costs	**(22,972)**	(17,476)
Finance income	**1,526**	1,441
Finance costs - net	**(21,446)**	(16,035)

6. Income tax expense

	2014 £'000	2013 £'000
Current tax expense		
Current year	**43,637**	41,510
Adjustments in respect of prior years	**1,430**	918
	45,067	42,428
Deferred tax credit		
Origination and reversal of temporary differences	**(3,348)**	(514)
Reduction in tax rate	**18**	1,610
Adjustments in respect of prior years	**335**	(1,735)
	(2,995)	(639)
Total income tax expense	**42,072**	41,789

The total income tax expense in the income statement of £42,072,000 (2013: £41,789,000) includes a tax credit on exceptional items of £5,128,000 (2013: £5,012,000). There were no non-recurring tax credits in the year.

The UK Government has announced various measures in relation to UK corporation tax including a 2% reduction in the headline rate of corporation tax from April 2014 and a further reduction of 1% in 2015. These reductions reduce the UK tax rate from 23% to 20%. As at 31st December 2014 the 2% rate reduction to 21% is already in force and the subsequent 1% rate reduction has been enacted. The impact of the 1% reduction has therefore been incorporated into the income tax charge for the year ended 31st December 2014.

6. Income tax expense cont'd

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:

	2014 £'000	2013 £'000
Profit before taxation	**159,736**	154,564
Tax calculated at UK Corporation Tax rate of 21.5% (2013: 23.25%)	**34,343**	35,936
Non-deductible expenses*	**4,584**	4,783
Tax losses not previously recognised	**-**	(102)
Adjustments in respect of prior years	**1,783**	(817)
Effect of UK and non-UK tax rate differences	**2,894**	2,284
Effect of reduction in UK tax rate	**-**	1,590
Tax on associates	**(1,532)**	(1,885)
Total income tax expense	**42,072**	41,789

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

7. Earnings per share

Basic earnings per share is 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 and the Qualifying Employee Share Ownership Trust.

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

Additionally 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.

	2014 No. of shares	2013 No. of shares
Weighted average number of ordinary shares in issue	**219,713,827**	218,951,874
Effect of outstanding share options	**475,892**	899,435
Adjusted weighted average number of ordinary shares for diluted earnings per share	**220,189,719**	219,851,309

	2014			2013		
	£'000	**Basic pence per share**	**Diluted pence per share**	£'000	Basic pence per share	Diluted pence per share
Earnings reconciliation						
Underlying profit after taxation and non-controlling interests	**123,471**	**56.2**	**56.1**	119,820	54.7	54.5
Exceptional items before tax	**(23,308)**			(22,872)		
Taxation thereon	**5,128**			5,012		
	(18,180)	**(8.3)**	**(8.3)**	(17,860)	(8.1)	(8.1)
Profit attributable to the owners of the parent	**105,291**	**47.9**	**47.8**	101,960	46.6	46.4

8. Dividends

	2014 £'000	2013 £'000
Final dividend in respect of 2013 of 17.1p per share (2012: 15.9p)	**37,216**	34,976
Less: adjustment *	**(18)**	(111)
	37,198	34,865
Interim dividend in respect of 2014 of 10.6p per share (2013: 10.1p)	**23,412**	22,227
	60,610	57,092

* *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 2014 of 18.3p per share (2013: 17.1p) amounting to a total of £40,076,000 (2013: £37,438,000) is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the Annual General Meeting on 1st May 2015.

9. Goodwill

	Gross amount £'000	**Impairment losses £'000**	**Net carrying amount £'000**
At 31st December 2014			
Opening net book amount	434,026	(4,576)	**429,450**
Exchange differences	2,315	97	**2,412**
Acquisitions	43,835	-	**43,835**
Closing net book amount	**480,176**	**(4,479)**	**475,697**
At 31st December 2013			
Opening net book amount	280,975	(4,587)	276,388
Exchange differences	(13,219)	11	(13,208)
Acquisitions	166,270	-	166,270
Closing net book amount	434,026	(4,576)	429,450

Goodwill is allocated to the Group's cash generating units (CGUs) identified according to country of operation and business segment. A summary of the goodwill allocation is presented below.

	Risk & Insurance £'000	**Employee Benefits £'000**	**Total £'000**
At 31st December 2014			
Australasia	17,022	-	**17,022**
Asia	24,097	4,998	**29,095**
UK and Europe	208,718	73,053	**281,771**
Americas	140,394	4,297	**144,691**
Africa	-	3,118	**3,118**
	390,231	**85,466**	**475,697**
At 31st December 2013			
Australasia	17,419	-	17,419
Asia	19,632	4,528	24,160
UK and Europe	187,384	67,961	255,345
Americas	127,725	740	128,465
Africa	-	4,061	4,061
	352,160	77,290	429,450

10. Available-for-sale financial assets

Available-for-sale financial assets are categorised into one of two categories:

1) Investments and deposits consist mainly of fixed term deposits, bonds and certificates of deposits. These investments are held at fair value and are classified between current and non-current assets according to the maturity date.

2) Other investments 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 and deposits £'000**	**Total £'000**
At 1st January 2014	**5,948**	**17,819**	**23,767**
Exchange differences	173	(255)	**(82)**
Additions	-	5	**5**
Companies acquired	31	-	**31**
Disposals/maturities	(1,538)	(7,916)	**(9,454)**
Revaluation gain (included within equity)	265	(11)	**254**
Amounts to be written off	(133)	-	**(133)**
At 31st December 2014	**4,746**	**9,642**	**14,388**
Analysis of available-for-sale financial assets			
Current	-	5,384	**5,384**
Non-current	4,746	4,258	**9,004**
At 31st December 2014	**4,746**	**9,642**	**14,388**
Analysis of available-for-sale investments and deposits			
Fiduciary funds		9,518	
Own funds		124	
At 31st December 2014		**9,642**	

	Other investments £'000	Investments and deposits £'000	Total £'000
At 1st January 2013	3,104	14,546	17,650
Exchange differences	(202)	(2,897)	(3,099)
Additions	3,264	6,439	9,703
Companies acquired	1,003	-	1,003
Disposals/maturities	(969)	(269)	(1,238)
Revaluation gain (included within equity)	55	-	55
Amounts to be written off	(307)	-	(307)
At 31st December 2013	5,948	17,819	23,767
Analysis of available-for-sale financial assets			
Current	-	1,421	1,421
Non-current	5,948	16,398	22,346
At 31st December 2013	5,948	17,819	23,767
Analysis of available-for-sale investments and deposits			
Fiduciary funds		16,283	
Own funds		1,536	
At 31st December 2013		17,819	

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

The credit quality of available-for-sale investments and deposits is assessed by reference to external credit ratings, where available and other current and historical credit data including counterparty default rates. This is summarised as follows:

	2014 £'000	2013 £'000
AA	**9,637**	16,398
AA/A	**-**	-
A	**5**	4
BBB	**-**	1,417
Total	**9,642**	17,819

11. Derivative financial instruments

	As at 31st December 2014		As at 31st December 2013	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Interest rate swaps – fair value hedges	**10,099**	**(11,453)**	2,990	(14,382)
Forward foreign exchange contracts – cash flow hedges	**11,516**	**(6,897)**	23,742	(18,505)
Total	**21,615**	**(18,350)**	26,732	(32,887)
Current	**3,101**	**(2,491)**	9,826	(2,344)
Non-current	**18,514**	**(15,859)**	16,906	(30,543)
Total	**21,615**	**(18,350)**	26,732	(32,887)

The credit quality of counterparties with whom derivative financial assets are held is assessed by reference to external credit ratings, where available, and other current and historical credit data including counterparty default rates. This is summarised as follows:

	2014 £'000	2013 £'000
AA	**5,609**	1,721
AA/A	**2,370**	13,304
A	**-**	11,707
BBB	**13,636**	-
Total	**21,615**	26,732

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 flow.

	Less than 1 year £'000	**Greater than 1 year £'000**
At 31st December 2014		
Forward foreign exchange contracts		
Outflow	**(268,743)**	**(508,000)**
Inflow	**271,866**	**501,809**
At 31st December 2013		
Forward foreign exchange contracts		
Outflow	(243,457)	(474,231)
Inflow	256,158	502,150

11. Derivative financial instruments cont'd

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 counterparties and financial instruments to manage these. The treasury department is subject to periodic review by internal 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 is applied. The Group anticipates that hedge accounting requirements 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 income statement.

The fair value of financial derivatives based upon market values as at 31st December 2014 and designated as effective cash flow hedges was a net asset of £4.6 million and has been deferred in equity (2013: net assets of £5.2 million). Gains and losses arising on derivative instruments outstanding as at 31st December 2014 will be released to the income statement at various dates up to:

a) 36 months in respect of cash flow hedges on currency denominated UK earnings.

b) 15 years in respect of specific hedges on USD denominated long term debt drawn under the Group's USD private placement programme.

c) 12 years in respect of interest rate hedges on sterling denominated long term debt drawn under the Group's private placement programme.

No material amounts were transferred to the income statement during the year 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 2014 the Group had outstanding foreign exchange contracts, principally in USD, amounting to a principal value of £773,675,000 (2013: £758,308,000).

b) Interest rate swaps

The Group uses interest rate hedges, principally interest rate swaps, to mitigate the impact of changes in interest rates. The notional principal amounts of outstanding cross currency interest rate swaps as at 31st December 2014 was USD500,000,000 and £75,000,000 (2013: USD375,000,000 and £nil). A net loss of £1.4 million (2013: net loss £11.4m) on these instruments was offset by a fair value gain of £1.4 million (2013: gain £11.4m) on the private placement loans, both of which were recognised in the income statement in the year.

c) Price risk

The Group does not have a material exposure to commodity price risk.

The maximum exposure to credit risk at the reporting date is the fair value of the derivatives in the balance sheet.

12. Trade and other receivables

	2014 £'000	2013 £'000
Trade receivables	**343,343**	284,748
Less: provision for impairment of trade receivables	**(10,724)**	(11,375)
Trade receivables – net	**332,619**	273,373
Other receivables	**144,305**	125,090
Prepayments	**16,723**	12,965
	493,647	411,428

13. Cash and cash equivalents

	2014 £'000	2013 £'000
Cash at bank and in hand	**438,179**	371,435
Short-term bank deposits	**433,067**	381,729
	871,246	753,164
Fiduciary funds	**732,974**	639,392
Own funds	**138,272**	113,772
	871,246	753,164

Fiduciary funds represent client money held in the form of premiums due to underwriters, claims paid by insurers and due to policyholders, and funds held to defray commissions and other income. Fiduciary funds are not available for general corporate purposes.

The effective interest rate in respect of short-term deposits was 0.53% (2013: 0.50%). These deposits have an average maturity of 15 days (2013: 29 days).

14. Trade and other payables

	2014 £'000	2013 £'000
Insurance payables	**742,492**	655,675
Social security and other taxes	**17,234**	17,460
Other payables	**134,377**	125,755
Accruals and deferred income	**124,058**	97,657
Deferred and contingent consideration	**19,383**	13,048
	1,037,544	909,595

15. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	As at 31st December 2014			
	Loans and receivables £'000	**Derivatives used for hedging £'000**	**Available-for-sale £'000**	**Total £'000**
Assets per balance sheet				
Available-for-sale financial assets	-	-	14,388	**14,388**
Derivative financial instruments	-	21,615	-	**21,615**
Trade and other receivables (a)	476,924	-	-	**476,924**
Cash and cash equivalents	871,246	-	-	**871,246**
Total	**1,348,170**	**21,615**	**14,388**	**1,384,173**

	Derivatives used for hedging £'000	**Other financial liabilities £'000**	**Total £'000**
Liabilities per balance sheet			
Borrowings	-	(612,237)	**(612,237)**
Trade and other payables (b)	-	(913,486)	**(913,486)**
Derivative financial instruments	(18,350)	-	**(18,350)**
Total	**(18,350)**	**(1,525,723)**	**(1,544,073)**

	As at 31st December 2013			
	Loans and receivables £'000	Derivatives used for hedging £'000	Available-for-sale £'000	Total £'000
Assets per balance sheet				
Available-for-sale financial assets	-	-	23,767	23,767
Derivative financial instruments	-	26,732	-	26,732
Trade and other receivables (a)	398,463	-	-	398,463
Cash and cash equivalents	753,164	-	-	753,164
Total	1,151,627	26,732	23,767	1,202,126

	Derivatives used for hedging £'000	Other financial liabilities £'000	Total £'000
Liabilities per balance sheet			
Borrowings	-	(460,183)	(460,183)
Trade and other payables (b)	-	(811,938)	(811,938)
Derivative financial instruments	(32,887)	-	(32,887)
Total	(32,887)	(1,272,121)	(1,305,008)

(a) Prepayments are excluded from the trade and other receivables balance, as this analysis is required only for financial instruments.

(b) Non-financial liabilities are excluded from the trade and other payables balance, as this analysis is required only for financial instruments.

15. Financial instruments by category cont'd

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2014.

	As at 31st December 2014			
	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total**
Assets				
Derivatives used for hedging	-	21,615	-	**21,615**
Available-for-sale financial assets				
- equity securities	402	-	4,088	**4,490**
- debt investments	256	-	-	**256**
- fixed deposits	9,642	-	-	**9,642**
Total	**10,300**	**21,615**	**4,088**	**36,003**
Liabilities				
Deferred and contingent consideration	-	-	(19,383)	**(19,383)**
Derivatives used for hedging	-	(18,350)	-	**(18,350)**
Total	**-**	**(18,350)**	**(19,383)**	**(37,733)**

	As at 31st December 2013			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total
Assets				
Derivatives used for hedging	-	26,732	-	26,732
Available-for-sale financial assets				
- equity securities	1,659	-	4,029	5,688
- debt investments	260	-	-	260
- fixed deposits	17,819	-	-	17,819
Total	19,738	26,732	4,029	50,499
Liabilities				
Deferred and contingent consideration	-	-	(13,048)	(13,048)
Derivatives used for hedging	-	(32,887)	-	(32,887)
Total	-	(32,887)	(13,048)	(45,935)

Apart from where disclosed, there are no differences between the fair value and the carrying value of financial assets and liabilities.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using internal and external models. These models maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

During the year there were no transfers between level 1 and level 2.

There were no changes in valuation techniques during the year.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

In respect of deferred and contingent consideration, unobservable inputs include management's assessment of the expected future performance of relevant acquired businesses.

15. Financial instruments by category cont'd

A reconciliation of the movements in level 3 is provided below:

	Assets Level 3 £'000	**Liabilities Level 3 £'000**
At 1st January 2014	**4,029**	**(13,048)**
Exchange differences	161	(230)
Companies acquired	31	(10,876)
Utilised in the year	-	4,198
(Charged)/credited to income statement	(133)	573
At 31st December 2014	**4,088**	**(19,383)**

16. Borrowings

	2014 £'000	2013 £'000
Current		
Bank overdraft	**18,145**	12,508
Bank borrowings	**150,216**	399
Finance lease liabilities	**225**	88
	168,586	12,995
Non-current		
Unsecured loan notes	**393,203**	214,006
Bank borrowings	**49,916**	232,656
Finance lease liabilities	**532**	526
	443,651	447,188
Total borrowings	**612,237**	460,183

The borrowings include secured liabilities (leases) of £757,000 (2013: £614,000).

The carrying amounts and fair value of borrowings are as follows:

	As at 31st December 2014		As at 31st December 2013	
	Carrying amount £'000	**Fair value £'000**	Carrying amount £'000	Fair value £'000
Current				
Bank overdraft	**18,145**	**18,145**	12,508	12,508
Bank borrowings	**150,216**	**150,216**	399	399
Finance lease liabilities	**225**	**225**	88	88
	168,586	**168,586**	12,995	12,995
Non-current				
Unsecured loan notes	**393,203**	**393,203**	214,006	214,006
Bank borrowings	**49,916**	**49,916**	232,656	232,656
Finance lease liabilities	**532**	**532**	526	526
	443,651	**443,651**	447,188	447,188
Total borrowings	**612,237**	**612,237**	460,183	460,183

17. Provisions for liabilities and charges

	Property related provisions £'000	**Litigation provisions £'000**	**Other £'000**	**Total £'000**
At 1st January 2014	**8,049**	**6,354**	**707**	**15,110**
Exchange differences	1	25	-	**26**
Utilised in the year	(3,844)	(1,559)	-	**(5,403)**
Charged/(credited) to the income statement	1,292	750	(345)	**1,697**
Interest charge	10	-	-	**10**
Companies acquired	(627)	-	-	**(627)**
At 31st December 2014	**4,881**	**5,570**	**362**	**10,813**

	Property related provisions £'000	Litigation provisions £'000	Other £'000	Total £'000
At 1st January 2013	6,863	8,308	959	16,130
Exchange differences	-	(17)	-	(17)
Reclassification from current assets/liabilities	24	-	-	24
Utilised in the year	(1,404)	(5,435)	(41)	(6,880)
Charged/(credited) to the income statement	1,392	3,498	(211)	4,679
Interest charge	32	-	-	32
Companies acquired	1,142	-	-	1,142
At 31st December 2013	8,049	6,354	707	15,110

	2014 £'000	2013 £'000
Analysis of total provisions:		
Current – to be utilised within one year	**7,588**	10,158
Non-current – to be utilised in more than one year	**3,225**	4,952
	10,813	15,110

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 US and UK and relate to a variety of lease commitments. The longest lease term expires in 2022.

Litigation provisions

At any point in time the Group can be involved in a variety of litigation and dispute 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 receivables" within trade and other receivables. At 31st December 2014, in connection with certain litigation matters, the Group's litigation provisions include an amount of £0.1 million (2013: £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 2014 (2013: nil).

Other

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

18. Other reserves

	Share premium £'000	Fair value and hedging reserves £'000	Exchange reserves £'000	Total £'000
At 1st January 2014	**103,739**	**17,224**	**(1,999)**	**118,964**
Fair value gains/(losses) net of tax				
- available-for-sale	-	203	-	**203**
- available-for-sale reclassified to the income statement	-	(204)	-	**(204)**
- cash flow hedges	-	(17,457)	-	**(17,457)**
Currency translation differences	-	-	(3,034)	**(3,034)**
Net losses recognised directly in equity	**-**	**(17,458)**	**(3,034)**	**(20,492)**
Issue of share capital	202	-	-	**202**
At 31st December 2014	**103,941**	**(234)**	**(5,033)**	**98,674**

	Share premium £'000	Fair value and hedging reserves £'000	Exchange reserves £'000	Total £'000
At 1st January 2013	103,188	15,456	20,893	139,537
Fair value gains net of tax				
- available-for-sale	-	48	-	48
- cash flow hedges	-	1,720	-	1,720
Currency translation differences	-	-	(22,892)	(22,892)
Net gains/(losses) recognised directly in equity	-	1,768	(22,892)	(21,124)
Issue of share capital	551	-	-	551
At 31st December 2013	103,739	17,224	(1,999)	118,964

19. Qualifying Employee Share Ownership Trust

During the year, the Qualifying Employee Share Ownership Trust (QUEST) allocated nil ordinary shares to employees in satisfaction of options that have been exercised under the Sharesave schemes (2013: 601,341).

20. Cash generated from operations

	2014 £'000	2013 £'000
Profit before taxation	**159,736**	154,564
Investment and finance income	**(5,924)**	(5,970)
Interest payable on bank loans and finance leases	**16,851**	11,682
Fair value gains on financial instruments	**(16)**	(2)
Net pension financing expenses	**5,830**	5,680
Unwinding of liability discounting	**291**	114
Depreciation	**11,247**	11,334
Amortisation of other intangible assets	**24,744**	20,087
Amortisation of share based payments	**18,837**	15,815
Amount written off the Employee Benefit Trust	**-**	66
Share of results of associates' undertakings	**(7,306)**	(8,106)
Non-cash exceptional items	**3,176**	1,786
Gains on disposal of businesses	**(359)**	(343)
Losses/(gains) on disposal of property, plant and equipment	**53**	(22)
Gains on disposal of fixed asset investments	**(332)**	(348)
Increase in trade and other receivables	**(72,947)**	(39,627)
Increase in trade and other payables – excluding insurance broking balances	**18,406**	15,240
Decrease in provisions for liabilities and charges	**(3,706)**	(2,177)
Decrease in retirement benefit obligation	**(9,282)**	(16,343)
Net cash inflow from operations	**159,299**	163,430

21. Business combinations

2013 acquisitions

During the year, the process of finalising the provisional fair values in respect of acquisitions carried out during 2013 has been completed.

	Revised fair value acquired £'000	Provisional fair value reported at 31st Dec 2013 £'000	Change in fair value £'000
Towers Watson Reinsurance Group	31,731	31,907	(176)
Others	2,600	1,819	781
	34,331	**33,726**	**605**

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

	Revised fair value acquired £'000	Provisional fair value reported at 31st Dec 2013 £'000	Change in fair value £'000
Property, plant and equipment	791	786	5
Other intangible assets	7,585	6,759	826
Available-for-sale financial assets	1,003	1,003	-
Trade and other receivables	24,455	23,662	793
Cash and cash equivalents			
- own cash	23,283	23,920	(637)
- fiduciary cash	22,205	21,606	599
Insurance payables	(22,205)	(21,606)	(599)
Trade and other payables	(17,971)	(16,431)	(1,540)
Current taxation	9	104	(95)
Deferred taxation	(3,245)	(3,226)	(19)
Bank overdraft	(360)	(360)	-
Provisions for liabilities and charges	(528)	(1,155)	627
Non-controlling interests	(691)	(1,336)	645
	34,331	**33,726**	**605**

Goodwill calculation	As at 31st Dec 2014 £'000	As at 31st Dec 2013 £'000	Change £'000
Purchase consideration			
- cash paid	189,615	189,281	334
- contingent consideration	4,826	4,826	-
- deferred consideration	1,939	3,149	(1,210)
Total purchase consideration	**196,380**	**197,256**	**(876)**
Less fair value of net assets acquired	34,331	33,726	605
Goodwill	**162,049**	**163,530**	**(1,481)**

	As at 31st Dec 2014 £'000	As at 31st Dec 2013 £'000	Change £'000
Purchase consideration settled in cash	189,615	189,281	334
Cash and cash equivalents – own cash in subsidiaries acquired	(23,283)	(23,920)	637
	166,332	**165,361**	**971**
Cash and cash equivalents – fiduciary cash in subsidiaries acquired	(22,205)	(21,606)	(599)
Cash outflow on acquisition	**144,127**	**143,755**	**372**

21. Business combinations cont'd

Current year acquisitions

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

	Notes	Acquisition date	Percentage voting rights acquired	Cost £'000
Lambert Brothers Holdings Limited	i	Jan 2014	100%	6,028
SCK Corretora e Administradora de Seguros Ltda	ii	Jan 2014	75%	6,852
Ensign Pensions Administration Limited	iii	Apr 2014	100%	9,799
Alliant Insurance Services, Inc. (Energy Division)	iv	Oct 2014	100%	7,563
The Hayward Holding Group Limited	v	Dec 2014	100%	27,472
Acquisition of other new businesses completed during the year	vi	Jan – Dec 2014	-	4,304
Additional investment in existing businesses	vi	Jan – Dec 2014	-	23,145
				85,163

i) Acquisition of Lambert Brothers Holdings Limited (Lambert)

On 14th January 2014, the Group acquired Lambert Brothers Holdings Limited in Hong Kong, a mid-market insurance broker with broking operations in Marine Hull, Construction, Employee Benefits, Corporate and SME schemes. The acquired business contributed revenue of £3,100,000 and a net profit of £762,000 to the Group for the period since acquisition. If the acquisition had taken place on 1st January 2014 the contribution to Group revenue and net profit would have been £3,299,000 and £863,000 respectively.

Goodwill calculation	**£'000**
Purchase consideration	
- cash paid	4,933
- contingent consideration	940
- deferred consideration	155
Total purchase consideration	**6,028**
Less fair value of net assets acquired	2,498
Goodwill	**3,530**

The assets and liabilities arising from the acquisition were as follows:

	Acquiree's carrying amount £'000	Fair value £'000
Property, plant and equipment	172	172
Other intangible assets	28	93
Available-for-sale financial assets	31	31
Trade and other receivables	885	885
Cash and cash equivalents		
- own cash	1,725	1,725
- fiduciary cash	2,361	2,361
Insurance payables	(2,361)	(2,361)
Trade and other payables	(380)	(380)
Current taxation	(22)	(22)
Deferred taxation	(6)	(6)
	2,433	**2,498**

	£'000
Purchase consideration settled in cash	4,933
Cash and cash equivalents – own cash in subsidiary acquired	(1,725)
	3,208
Cash and cash equivalents – fiduciary cash in subsidiary acquired	(2,361)
Cash outflow on acquisition	**847**

21. Business combinations cont'd

As at 31st December 2014, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

The deferred consideration of £155,000 is based upon the net assets shown on the completion accounts. The amount recognised is based on the provisional amount of assets acquired as stated above.

The contingent consideration of £940,000 is based on the expected turnover of 2014. The maximum amount of contingent consideration payable has been provided for.

None of the goodwill recognised is expected to be deductible for income tax purposes.

ii) Acquisition of SCK Corretora e Administradora de Seguros Ltda (SCK)

On 29th January 2014, the Group acquired SCK Corretora e Administradora de Seguros Ltda, a Brazil based Employee Benefits and Insurance Broking operations mainly in Property & Casualty and Affinity. The acquired business contributed revenue of £4,031,000 and a net profit of £241,000 to the Group for the period since acquisition. If the acquisition had taken place on 1st January 2014 the contribution to Group revenue and net profit would have been £4,237,000 and £249,000 respectively.

Goodwill calculation	**£'000**
Purchase consideration	
- cash paid	3,897
- contingent consideration	2,955
Total purchase consideration	**6,852**
Less fair value of net assets acquired	49
Less equity movement on transactions with non-controlling interest	2,955
Goodwill	**3,848**

The assets and liabilities arising from the acquisition were as follows:

	Acquiree's carrying amount £'000	**Fair value £'000**
Property, plant and equipment	56	56
Other intangible assets	1	86
Trade and other receivables	650	650
Cash and cash equivalents		
- own cash	48	48
Trade and other payables	(790)	(790)
Non-controlling interests	(1)	(1)
	(36)	**49**

	£'000
Purchase consideration settled in cash	3,897
Cash and cash equivalents – own cash in subsidiary acquired	(48)
Cash outflow on acquisition	**3,849**

As at 31st December 2014, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

The contingent consideration of £2,955,000 is related to a put option on the 25% shareholding remaining with the non-controlling interests. The consideration is payable in two tranches based on the average expected profit of the fourth and fifth years following the year of completion for the first tranche and the ninth and tenth years for the second tranche. The contingent consideration is capped at £25,000,000.

None of the goodwill recognised is expected to be deductible for income tax purposes.

21. Business combinations cont'd

iii) Acquisition of Ensign Pensions Administration Limited (Ensign)

On 30th April 2014, the Group acquired Ensign Pensions Administration Limited, a UK based Employee Benefits consultant and administrator. The acquired business contributed revenue of £10,713,000 and a net profit of £1,489,000 to the Group for the period since acquisition. If the acquisition had taken place on 1st January 2014 the contribution to Group revenue and net profit would have been £15,775,000 and £1,708,000 respectively.

Goodwill calculation	**£'000**
Purchase consideration	
- cash paid	9,699
- deferred consideration	100
Total purchase consideration	**9,799**
Less fair value of net assets acquired	4,707
Goodwill	**5,092**

The assets and liabilities arising from the acquisition were as follows:

	Acquiree's carrying amount £'000	**Fair value £'000**
Property, plant and equipment	645	645
Other intangible assets	12	643
Trade and other receivables	3,424	3,424
Cash and cash equivalents		
- own cash	3,546	3,546
Trade and other payables	(3,474)	(3,474)
Current taxation	(201)	(201)
Deferred taxation	124	124
	4,076	**4,707**

	£'000
Purchase consideration settled in cash	9,699
Cash and cash equivalents – own cash in subsidiary acquired	(3,546)
Cash outflow on acquisition	**6,153**

As at 31st December 2014, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

The deferred consideration of £100,000 is based upon the net assets shown on the completion accounts. The amount recognised is based on the provisional amount of assets acquired as stated above.

None of the goodwill recognised is expected to be deductible for income tax purposes.

21. Business combinations cont'd

iv) Acquisition of the Energy business of Alliant Insurance Services, Inc.

On 31st October 2014, the Group acquired part of the energy business of Alliant Insurance Services, Inc. The acquired business contributed revenue of £971,000 and a net profit of £98,000 to the Group for the period since acquisition. If the acquisition had taken place on 1st January 2014 the contribution to Group revenue and net profit would have been £5,707,000 and £1,008,000 respectively.

Goodwill calculation	**£'000**
Purchase consideration	
- cash paid	1,012
- deferred consideration	6,551
Total purchase consideration	**7,563**
Less fair value of net liabilities acquired	(592)
Goodwill	**8,155**

The assets and liabilities arising from the acquisition were as follows:

	Acquiree's carrying amount £'000	**Fair value £'000**
Trade and other payables	-	(592)
	-	**(592)**

	£'000
Purchase consideration settled in cash	1,012
Cash outflow on acquisition	**1,012**

As at 31st December 2014, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

The deferred consideration of £6,551,000 is payable in seven equal instalments until 2021.

The goodwill of £8,155,000 is expected to be deductible for income tax purposes.

21. Business combinations cont'd

v) Acquisition of The Hayward Holding Group Limited

On 23rd December 2014, the Group acquired The Hayward Holding Group Limited, a leading international specialist general aviation insurance broker. If the acquisition had taken place on 1st January 2014 the contribution to Group revenue and net profit would have been £11,372,000 and £1,988,000 respectively.

Goodwill calculation	**£'000**
Purchase consideration	
- cash paid	27,000
- deferred consideration	472
Total purchase consideration	**27,472**
Less fair value of net assets acquired	7,257
Goodwill	**20,215**

The assets and liabilities arising from the acquisition were as follows:

	Acquiree's carrying amount £'000	**Fair value £'000**
Property, plant and equipment	26	26
Other intangible assets	-	3,249
Available-for-sale financial assets	47	-
Trade and other receivables	3,769	3,269
Cash and cash equivalents		
- own cash	972	972
- fiduciary cash	6,589	6,589
Insurance payables	(6,589)	(6,589)
Trade and other payables	(355)	(355)
Current taxation	(39)	(39)
Deferred taxation	30	135
	4,450	**7,257**

	£'000
Purchase consideration settled in cash	27,000
Cash and cash equivalents – own cash in subsidiary acquired	(972)
	26,028
Cash and cash equivalents – fiduciary cash in subsidiary acquired	(6,589)
Cash outflow on acquisition	**19,439**

As at 31st December 2014, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

The deferred consideration of £472,000 is based upon the net assets shown on the completion accounts. The amount recognised is based on the provisional amount of assets acquired as stated above.

None of the goodwill recognised is expected to be deductible for income tax purposes.

21. Business combinations cont'd

vi) Other acquisitions and additional investments

Goodwill calculation	**£'000**
Purchase consideration	
- cash paid	26,554
- contingent consideration	466
- cancellation of loans	429
Total purchase consideration	**27,449**
Less fair value of net assets acquired	4,709
Less equity movement on transactions with non-controlling interests	18,264
Goodwill	**4,476**

The assets and liabilities arising from acquisitions were as follows:

	Acquiree's carrying amount £'000	**Fair value £'000**
Property, plant and equipment	8	8
Other intangible assets	-	191
Trade and other receivables	5	5
Cash and cash equivalents		
- own cash	21	21
Trade and other payables	(42)	(42)
Non-controlling interests	4,526	4,526
	4,518	**4,709**

	£'000
Purchase consideration settled in cash	26,554
Cash and cash equivalents – own cash in subsidiary acquired	(21)
Cash outflow on acquisition	**26,533**

As at 31st December 2014, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

Goodwill of £2,750,000 is expected to be deductible for income tax purposes, the remaining goodwill is not expected to be deductible.

Group summary of the net assets acquired and goodwill

	Lambert £'000	SCK £'000	Ensign £'000	Alliant £'000	Hayward £'000	Others £'000	Total £'000
Purchase consideration							
- cash paid	4,933	3,897	9,699	1,012	27,000	26,554	**73,095**
- contingent consideration	940	2,955	-	-	-	466	**4,361**
- deferred consideration	155	-	100	6,551	472	-	**7,278**
- cancellation of loans	-	-	-	-	-	429	**429**
Total purchase consideration	**6,028**	**6,852**	**9,799**	**7,563**	**27,472**	**27,449**	**85,163**
Less fair value of net assets acquired	2,498	49	4,707	(592)	7,257	4,709	**18,628**
Less equity movement on transactions with non-controlling interests	-	2,955	-	-	-	18,264	**21,219**
Goodwill on acquisitions occurring during the year	**3,530**	**3,848**	**5,092**	**8,155**	**20,215**	**4,476**	**45,316**
Impact of revision to fair value adjustment in relation to acquisitions completed in 2013							(1,481)
Net increase in goodwill							**43,835**
Impact of additional investments							21,219
Net decrease in equity							**21,219**

Group summary of cash flows

	Lambert £'000	SCK £'000	Ensign £'000	Alliant £'000	Hayward £'000	Others £'000	Total £'000
Purchase consideration settled in cash	4,933	3,897	9,699	1,012	27,000	26,554	**73,095**
Cash and cash equivalents – own cash in subsidiaries acquired	(1,725)	(48)	(3,546)	-	(972)	(21)	**(6,312)**
	3,208	**3,849**	**6,153**	**1,012**	**26,028**	**26,533**	**66,783**
Cash and cash equivalents – fiduciary cash in subsidiaries acquired	(2,361)	-	-	-	(6,589)	-	**(8,950)**
Cash outflow on acquisition during the year	**847**	**3,849**	**6,153**	**1,012**	**19,439**	**26,533**	**57,833**
Impact of revision to fair value adjustment on cash in relation to acquisitions completed in 2013							372
Net cash outflow on acquisition during the year							**58,205**

22. Business disposals

On 29th December 2014, the Group disposed of 100% of its shareholding in Invcol Limited. This resulted in a gain of £12,000.

On 9th May 2014, the Group disposed of 100% of its shareholding in ForVision Risk Services Ltd for a consideration of £155,000, which equalled the value of the net assets disposed. The transaction took place after the transfer of its business to another Group company. The transaction resulted in a net cash inflow of £8,000.

During the year, the Group disposed of certain books of business in Canada for a total consideration of £695,000 and costs on disposal of £348,000. This resulted in a gain of £347,000. The transaction resulted in a cash inflow of £695,000.

Group summary of cash flows

	Total £'000
Disposal consideration settled in cash	**850**
Cash and cash equivalents – own cash in subsidiaries disposed	**(147)**
Cash inflow on disposal during the year	**703**

23. 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 UK Pension Scheme, the JLT (USA) Incentive Savings Plan, the JLT (USA) Employee Retirement Plan, the JLT (USA) Stable Value Plan, the Pension Plan for Employees of Jardine Lloyd Thompson Canada Inc and the Jardine Lloyd Thompson Ireland Limited Pension Fund.

The pension costs accrued for the year are comprised as follows:

	UK Scheme		Overseas Schemes		Total	
	2014	2013	**2014**	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Defined benefit schemes	**-**	-	**2,813**	-	**2,813**	-
Defined contribution schemes	**19,258**	16,926	**14,373**	13,516	**33,631**	30,442
	19,258	16,926	**17,186**	13,516	**36,444**	30,442

The Jardine Lloyd Thompson UK Pension Scheme has two sections; one providing defined benefits 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 defined benefit section of the Scheme was amended to cease future benefits 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 latest finalised triennial actuarial funding valuation of the Jardine Lloyd Thompson Pension UK Scheme was at 31st March 2011. An updated actuarial funding valuation as at 31st March 2014 is currently being finalised with the scheme trustees. This valuation was updated to 31st December 2014 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 – USD17,500 in 2014 – 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 USD10,400. Employees aged over 50 may make "catch-up" contributions subject to an IRS maximum each year - USD5,500 in 2014.

b) The JLT (USA) Employee Retirement Plan which is a defined benefit scheme. The latest actuarial valuation was undertaken at 1st January 2014 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 JLT (USA) Stable Value Plan. This plan is closed to new participants, but still accrues a benefit for current participants. The latest actuarial valuation was undertaken at 1st January 2014 by independent actuaries. The actual contributions made in 2014 and the minimum funding requirement for the 2014 plan year has been fully satisfied. The plan is not subject to a quarterly contribution requirement in 2015 so there are no required contributions in calendar 2015. Each Plan Year, a participant is credited with an amount equal to 15% of Compensation for the year up to the Taxable Wage base, plus 20% of Compensation in excess of the Taxable Wage Base. This pay credit is calculated on an annual basis and added to the prior year’s balance.

d) 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 13% based on age and service. The last formal valuation of the JLT Canada Pension Plan was undertaken as of 31st December 2013 by a qualified third party actuary. The defined benefits section was amended to eliminate future benefit accruals with effect from 1st January 2009.

e) 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 triennial actuarial valuation for funding purposes was carried out by a qualified independent actuary as at 1st January 2014. With effect from 30th November 2008 the scheme was closed to new entrants and future service accrual. 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.

23. Retirement benefit obligations cont'd

f) 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:

At 31st December 2014	**UK Scheme**	**US Scheme**	**Canadian Scheme**	**Irish Scheme**	**US Stable Value Plan**
Rate of increase in salaries	**n/a**	**n/a**	**2.50%**	**n/a**	**3.0%**
Rate of increase of pensions in payment (a)	**3.11%**	**n/a**	**3.25%**	**3.00%**	**n/a**
Discount rate (b)	**3.59%**	**3.80%**	**4.10%**	**2.30%**	**3.25-3.35%**
Inflation rate	**2.78-3.21%**	**2.00%**	**2.25%**	**2.00%**	**2.00%**
Revaluation rate for deferred pensioners	**1.78%**	**n/a**	**n/a**	**2.00%**	**n/a**
Mortality - life expectancy at age 65 for male member: Aged 65 at 31st December (c)	**22.0**	**22.1**	**19.7**	**21.7**	**22.1**

At 31st December 2013	UK Scheme	US Scheme	Canadian Scheme	Irish Scheme	US Stable Value Plan
Rate of increase in salaries	n/a	n/a	3.00%	n/a	n/a
Rate of increase of pensions in payment (a)	3.42%	n/a	3.50%	3.00%	n/a
Discount rate (b)	4.60%	4.70%	4.80%	4.00%	n/a
Inflation rate	3.25-3.52%	3.00%	2.25%	2.00%	n/a
Revaluation rate for deferred pensioners	2.25%	n/a	n/a	2.00%	n/a
Mortality - life expectancy at age 65 for male member: Aged 65 at 31st December (c)	22.8	19.7	19.7	21.7	n/a

(a) In respect of the UK scheme, where there are inflation linked benefits the inflation increases are limited to a maximum of 5% per annum (some are limited to 3% per annum).

(b) In line with IAS 19 (Revised) the expected return on scheme assets assumption is the same as the discount rate assumed for the liabilities.

(c) Mortality assumptions for the UK scheme are based on 105% of the S2PxA tables, with improvements based on CMI 2013 tables with a 1.25% p.a. long-term rate of improvement.

Mortality assumptions for the US scheme and US Stable Value Plan are based on the RP2014 Mortality Table with MP2014 Projections.

Mortality assumptions for the Canadian scheme are based on the CPM-2014 Private Table with generational projection using scale CPM-B1D2014.

Mortality assumptions for the Irish scheme, in respect of both deferred pensioners and pensioners, assume that deaths after retirement will be in accordance with standard mortality tables 62% PNML00 for males and 70% PNFL00 for females with an increase to the annuity value of:

- 0.50% (male with no spouse's pension)
- 0.38% (female with no spouse's pension)
- 0.39% (male or female with spouse's pension)

This is per annum compound for each year between 2008 and the year in which normal pension date falls. Pre-retirement mortality has been assumed as nil.

23. Retirement benefit obligations cont'd

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation	
	Change in assumptions	**Change to obligation**
Discount rate	**decrease of 0.1%**	**increase of 2.0%**
Inflation rate	**increase of 0.1%**	**increase of 2.0%**
Life expectancy	**increase of 1 year**	**increase of 4.0%**

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position. Note this sensitivity is for defined benefit obligations only and does not consider the impact that changes in assumptions may have on the assets, in particular the assets held in respect of the insured pensioners.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

	UK Scheme		Overseas Schemes		Total	
Defined benefit obligation	**2014**	2013	**2014**	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Present value of funded obligations	**(641,759)**	(583,745)	**(78,044)**	(60,566)	**(719,803)**	(644,311)
Fair value of plan assets	**479,139**	458,727	**61,629**	54,957	**540,768**	513,684
Net liability recognised in the balance sheet	**(162,620)**	(125,018)	**(16,415)**	(5,609)	**(179,035)**	(130,627)

	UK Scheme		Overseas Schemes		Total	
Reconciliation of defined benefit liability	**2014**	2013	**2014**	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Opening defined benefit liability	**(125,018)**	(110,739)	**(5,609)**	(20,652)	**(130,627)**	(131,391)
Exchange differences	**-**	-	**(466)**	(529)	**(466)**	(529)
Pension expense	**(6,154)**	(4,942)	**(3,315)**	(994)	**(9,469)**	(5,936)
Employer contributions	**8,795**	13,018	**4,126**	3,581	**12,921**	16,599
Total (loss)/gain recognised in reserves	**(40,243)**	(22,355)	**(11,151)**	12,985	**(51,394)**	(9,370)
Net liability recognised in the balance sheet	**(162,620)**	(125,018)	**(16,415)**	(5,609)	**(179,035)**	(130,627)

	UK Scheme		Overseas Schemes		Total	
Reconciliation of defined benefit obligation	**2014**	2013	**2014**	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Opening defined benefit obligation	**(583,745)**	(574,360)	**(60,566)**	(68,937)	**(644,311)**	(643,297)
Exchange differences	**-**	-	**(1,579)**	601	**(1,579)**	601
Service cost	**-**	-	**(2,813)**	-	**(2,813)**	-
Interest cost	**(26,283)**	(26,039)	**(2,698)**	(2,581)	**(28,981)**	(28,620)
(Loss)/gain on defined benefit obligation	**(56,680)**	(138)	**(13,601)**	6,122	**(70,281)**	5,984
Actual benefit payments	**24,949**	16,792	**3,213**	4,229	**28,162**	21,021
Closing defined benefit obligation	**(641,759)**	(583,745)	**(78,044)**	(60,566)	**(719,803)**	(644,311)

	UK Scheme		Overseas Schemes		Total	
Reconciliation of fair value of assets	**2014**	2013	**2014**	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Opening value of assets	**458,727**	463,621	**54,957**	48,285	**513,684**	511,906
Exchange differences	**-**	-	**1,113**	(1,130)	**1,113**	(1,130)
Expected return on assets	**20,709**	21,097	**2,442**	1,843	**23,151**	22,940
Actuarial gains/(losses)	**16,437**	(22,217)	**2,450**	6,863	**18,887**	(15,354)
Employer contributions	**8,795**	13,018	**4,126**	3,581	**12,921**	16,599
Actual benefit payments	**(24,949)**	(16,792)	**(3,213)**	(4,229)	**(28,162)**	(21,021)
Expenses	**(580)**	-	**(246)**	(256)	**(826)**	(256)
Closing value of assets	**479,139**	458,727	**61,629**	54,957	**540,768**	513,684

23. Retirement benefit obligations cont'd

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

	UK Scheme		**Overseas Schemes**	
At 31st December 2014	**Value £'000**	**Value %**	**Value £'000**	**Value %**
Equities	**182,369**	**38%**	**40,584**	**66%**
Bonds	**-**	**-**	**15,064**	**24%**
Investment funds	**105,944**	**22%**	**-**	**-**
Qualifying insurance policies	**188,889**	**40%**	**-**	**-**
Other assets	**-**	**-**	**2,374**	**4%**
Cash	**1,937**	**-**	**3,607**	**6%**
Total market value	**479,139**	**100%**	**61,629**	**100%**

	UK Scheme		Overseas Schemes	
At 31st December 2013	Value £'000	Value %	Value £'000	Value %
Equities	169,056	37%	37,434	69%
Bonds	47,023	10%	11,800	21%
Investment funds	100,989	22%	-	-
Qualifying insurance policies	179,358	39%	-	-
Deferred buy-in premium	(40,343)	(9%)	-	-
Other assets	-	-	1,110	2%
Cash	2,644	1%	4,613	8%
Total market value	458,727	100%	54,957	100%

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

The long-term rates of return on scheme assets at 31st December 2014 have been derived considering market conditions at 31st December 2014.

	UK Scheme		**Overseas Schemes**		**Total**	
Reconciliation of return on assets	**2014 £'000**	2013 £'000	**2014 £'000**	2013 £'000	**2014 £'000**	2013 £'000
Expected return on assets	**20,709**	21,097	**2,442**	1,843	**23,151**	22,940
Actuarial gains/(losses)	**16,437**	(22,217)	**2,450**	6,863	**18,887**	(15,354)
Actual return on assets	**37,146**	(1,120)	**4,892**	8,706	**42,038**	7,586

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

	UK Scheme		**Overseas Schemes**		**Total**	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000	**2014 £'000**	2013 £'000
Service cost	**-**	-	**(2,813)**	-	**(2,813)**	-
Expenses	**(580)**	-	**(246)**	(256)	**(826)**	(256)
Total (included within salaries and associated expense)	**(580)**	-	**(3,059)**	(256)	**(3,639)**	(256)
Interest cost	**(26,283)**	(26,039)	**(2,698)**	(2,581)	**(28,981)**	(28,620)
Expected return on assets	**20,709**	21,097	**2,442**	1,843	**23,151**	22,940
Total (included within finance costs)	**(5,574)**	(4,942)	**(256)**	(738)	**(5,830)**	(5,680)
Expense before taxation	**(6,154)**	(4,942)	**(3,315)**	(994)	**(9,469)**	(5,936)

23. Retirement benefit obligations cont'd

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

	UK Scheme		Overseas Schemes		Total	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000	**2014 £'000**	2013 £'000
(Losses)/gains on defined benefit obligation	**(56,680)**	(138)	**(13,601)**	6,122	**(70,281)**	5,984
Actuarial gains/(losses)	**16,437**	(22,217)	**2,450**	6,863	**18,887**	(15,354)
Total actuarial (losses)/gains recognised	**(40,243)**	(22,355)	**(11,151)**	12,985	**(51,394)**	(9,370)
Cumulative actuarial losses recognised	**(243,897)**	(203,654)	**(37,528)**	(26,377)	**(281,425)**	(230,031)

The five year history of experience adjustments is as follows:

	UK Scheme				
	2014 £'000	2013 £'000	2012 £'000 restated	2011 £'000 restated	2010 £'000 restated
Defined benefit obligation at end of year	**(641,759)**	(583,745)	(574,360)	(523,846)	(492,911)
Fair value of plan assets	**479,139**	458,727	463,621	424,624	435,498
Deficit in the scheme	**(162,620)**	(125,018)	(110,739)	(99,222)	(57,413)
Difference between the actual and expected return on plan assets					
- amount (£'000)	**16,437**	(22,217)	32,889	(17,930)	20,658
- expressed as a percentage of the plan assets	**3.43%**	(4.84%)	7.09%	(4.22%)	4.74%
Experience losses on plan liabilities					
- amount (£'000)	**1,592**	1,364	11,890	903	1,902
- expressed as percentage of the present value of the plan liabilities	**(0.25%)**	(0.23%)	(2.07%)	(0.17%)	(0.39%)

	Overseas Schemes				
	2014 £'000	2013 £'000	2012 £'000 restated	2011 £'000 restated	2010 £'000 restated
Defined benefit obligation at end of year	**(78,044)**	(60,566)	(68,937)	(66,407)	(59,425)
Fair value of plan assets	**61,629**	54,957	48,285	44,630	44,003
Deficit in the schemes	**(16,415)**	(5,609)	(20,652)	(21,777)	(15,422)
Difference between the actual and expected return on plan assets					
- amount (£'000)	**2,450**	6,863	3,034	(2,665)	1,787
- expressed as a percentage of the plan assets	**3.98%**	12.49%	6.28%	(5.97%)	4.06%
Experience losses/(gains) on plan liabilities					
- amount (£'000)	**1,265**	377	(3,925)	308	453
- expressed as percentage of the present value of the plan liabilities	**(1.62%)**	(0.62%)	5.69%	(0.46%)	(0.76%)

The expected employer contributions for the year ending 31st December 2015 are as follows:

	Defined benefit £'000
UK Scheme	7,000
US Scheme	1,408
US Stable Value Plan	1,903
Canadian Scheme	-
Irish Scheme	780
Total expected contributions	**11,091**

24. Principal risks

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

The Group takes a holistic approach to risk management and the control environment with the responsibility and accountability shared across all the Group companies, and the ultimate responsibility resting with the Board.

The principal risks to which the Group will be exposed in the second half of the financial year are substantially the same as those discussed on pages 41 and 42 of the Group's Annual Report for 2013. The Annual Report for 2014 will contain an updated discussion on these risks.

25. Forward-looking statements

Certain statements in this preliminary report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

The Group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

26.

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 2014 are unaudited and statutory accounts have not yet been delivered to the Registrar of Companies.

27.

The Annual Report for the year ended 31st December 2014 will be posted to shareholders no later than 23rd March 2015 and delivered to the Registrar of Companies following the Annual General Meeting on 1st May 2015.

28.

The shareholders entered in the Register of Members at 4.00pm on 7th April 2015 will be entitled to the proposed final dividend of 18.3p per share which will, subject to approval at the Annual General Meeting to be held on 1st May 2015, be payable on 6th May 2015.

29.

Copies of the preliminary press release (and statutory accounts when available) may be obtained from the Company Secretary, Jardine Lloyd Thompson Group plc, The St Botolph Building, 138 Houndsditch, London, EC3A 7AW.