

Registered number: 05129372

## **BLUU SOLUTIONS LIMITED**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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## **BLUU SOLUTIONS LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	R Howling (resigned 20 September 2018) S J Cresswell (resigned 26 September 2017) J F Duckworth (resigned 21 June 2017) R Simms-Davies (resigned 21 June 2017) N Wilson (resigned 22 June 2017) T Stringer (appointed 22 September 2017) E Wood (appointed 20 September 2018) S Asprey-Price (appointed 20 September 2018) B Tyler (appointed 20 September 2018)
<b>Company secretary</b>	RH Webster NG Taylor (resigned 20 September 2018) D Becker (appointed 20 September 2018)
<b>Registered number</b>	05129372
<b>Registered office</b>	30 Warwick Street London W1B 5NH
<b>Independent auditors</b>	KPMG LLP Statutory Auditors 15 Canada Square Canary Wharf London E14 5GL

# **BLUU SOLUTIONS LIMITED**

## **CONTENTS**

	Page
<b>Strategic Report</b>	<b>1</b>
<b>Directors' Report</b>	<b>2</b>
<b>Statement of Directors' Responsibilities</b>	<b>3</b>
<b>Independent Auditors' Report</b>	<b>4 - 5</b>
<b>Income Statement</b>	<b>6</b>
<b>Statement of Comprehensive Income</b>	<b>7</b>
<b>Statement of Financial Position</b>	<b>8</b>
<b>Statement of Changes in Equity</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10 - 21</b>

**BLUU SOLUTIONS LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**Business review**

The principal activity of bluu Solutions Limited throughout the period continued to be that of the delivery of interior fit out services including Design and Build, Detail and Traditional construction services.

During the period ended 31 December 2015, the controlling interest in the shareholding of bluu Solutions Limited was acquired by Jones Lang LaSalle Capital Investments Limited. From January 2016 all new contracts have been performed by Tetris Projects Limited (formerly Tetris-Bluu Limited), rather than bluu Solutions Limited. A royalty payment is receivable from Tetris Projects Limited in respect of the business transferred.

The Company is subject to investigation into conduct which may constitute a breach of English law.

**Principal risks and uncertainties**

From the perspective of the Company, the risks are integrated with the principal risks of the Jones Lang LaSalle group of Companies ("the group") and are managed in accordance with group guidelines.

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

**Liquidity risk**

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

**Operational risk**

There is an operational risk associated with managing construction projects. The Company manages operational risk through the establishment and consistent use of rigorous operating processes. Management reviews operational risk on an on-going basis.

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

**Financial key performance indicators**

The Directors announce a loss before tax of £1,437,162 (2016 - £7,674,366).

This report was approved by the board on 28<sup>th</sup> September 2018 and signed on its behalf.



**RH Webster**  
Secretary

## BLUU SOLUTIONS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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

#### Results and dividends

The loss for the year, after taxation, amounted to £1,437,162 (2016 - loss £7,674,366).

The Directors did not pay an interim dividend during the year (2016: £nil). The Directors do not recommend the payment of a final dividend (2016: £nil).

#### Directors

The Directors who served during the year were:

R Howling (resigned 20 September 2018)  
S J Cresswell (resigned 26 September 2017)  
J F Duckworth (resigned 21 June 2017)  
R Simms-Davies (resigned 21 June 2017)  
N Wilson (resigned 22 June 2017)  
T Stringer (appointed 22 September 2017)

#### Disclosure of information to auditors

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

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

#### Auditors

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

This report was approved by the board on 28<sup>th</sup> September 2018 and signed on its behalf.



**RH Webster**  
Secretary

## **BLUU SOLUTIONS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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

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

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **BLUU SOLUTIONS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLUU SOLUTIONS LIMITED**

#### **Opinion**

We have audited the financial statements of bluu Solutions Limited (the 'Company') for the year ended 31 December 2017, which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *'The Financial Reporting Standard applicable in the UK and Republic of Ireland'*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Going Concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

#### **Strategic Report and Directors' Report**

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

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

## BLUU SOLUTIONS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLUU SOLUTIONS LIMITED (CONTINUED)

#### Directors' Responsibilities

As explained more fully in their statement set out on page 3, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an Auditors' Report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### The purpose of our audit work and to whom we owe our responsibilities

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



Peter Crabb (Senior Statutory Auditor)

for and on behalf of  
**KPMG LLP**

Statutory Auditors

15 Canada Square  
Canary Wharf  
London  
E14 5GL

Date: 28 September 2018



BLUU SOLUTIONS LIMITED

INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover	3	1,519,965	9,439,050
Cost of sales		(3,023,353)	(14,261,645)
<b>Gross loss</b>		<b>(1,503,388)</b>	<b>(4,822,595)</b>
Administrative expenses	o	(66,906)	(2,832,174)
Royalty income	4	168,100	-
<b>Operating loss</b>	5	<b>(1,402,194)</b>	<b>(7,654,769)</b>
Interest receivable and similar income	9	39	7,320
Interest payable and similar expenses	10	(35,007)	(26,917)
<b>Loss before tax</b>		<b>(1,437,162)</b>	<b>(7,674,366)</b>
<b>Loss for the financial year</b>		<b>(1,437,162)</b>	<b>(7,674,366)</b>

The notes on pages 10 to 21 form part of these financial statements.

**BLUU SOLUTIONS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Loss for the financial year		(1,437,162)	(7,674,366)
Other comprehensive income			
<b>Total comprehensive income for the year</b>		<b>(1,437,162)</b>	<b>(7,674,366)</b>

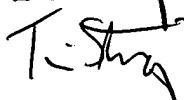
The notes on pages 10 to 21 form part of these financial statements.

**BLUU SOLUTIONS LIMITED**  
**REGISTERED NUMBER: 05129372**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Current assets</b>			
Stocks	12	-	14,892
Debtors: amounts falling due within one year	13	5,920,433	6,735,740
Cash at bank and in hand	14	55,599	455,322
		<u>5,976,032</u>	<u>7,205,954</u>
Creditors: amounts falling due within one year	15	(24,631,485)	(18,777,425)
<b>Net current liabilities</b>		<u>(18,655,453)</u>	<u>(11,571,471)</u>
<b>Total assets less current liabilities</b>		<u>(18,655,453)</u>	<u>(11,571,471)</u>
<b>Provisions for liabilities</b>			
Other provisions	18	(216,250)	(6,047,570)
		<u>(216,250)</u>	<u>(6,047,570)</u>
<b>Net liabilities</b>		<u><u>(18,871,703)</u></u>	<u><u>(17,619,041)</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	425,000	425,000
Other reserves	20	184,500	-
Profit and loss account	20	(19,481,203)	(18,044,041)
		<u><u>(18,871,703)</u></u>	<u><u>(17,619,041)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on ~~28 September 2018~~



**T Stringer**  
Director

The notes on pages 10 to 21 form part of these financial statements.

**BLUU SOLUTIONS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	425,000	-	(18,044,041)	(17,619,041)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(1,437,162)	(1,437,162)
<b>Total comprehensive income for the year</b>	-	-	(1,437,162)	(1,437,162)
Capital contribution	-	184,500	-	184,500
<b>Total transactions with owners</b>	-	184,500	-	184,500
<b>At 31 December 2017</b>	<b>425,000</b>	<b>184,500</b>	<b>(19,481,203)</b>	<b>(18,871,703)</b>

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	425,000	(10,369,675)	(9,944,675)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(7,674,366)	(7,674,366)
<b>Total comprehensive income for the year</b>	-	(7,674,366)	(7,674,366)
<b>Total transactions with owners</b>	-	-	-
<b>At 31 December 2016</b>	<b>425,000</b>	<b>(18,044,041)</b>	<b>(17,619,041)</b>

The notes on pages 10 to 21 form part of these financial statements.

## **BLUU SOLUTIONS LIMITED**

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

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

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

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

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

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

The following principal accounting policies have been applied:

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

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

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

This information is included in the consolidated financial statements of Jones Lang LaSalle Incorporated as at 31 December 2017 and these financial statements may be obtained from 200 East Randolph Drive, Chicago, Illinois, USA.

## **BLUU SOLUTIONS LIMITED**

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

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

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

From 11 January 2016, any new contracts undertaken have been performed by Tetris Projects Limited (formerly Tetris-bluu Limited), a Company under the control of the JLL Group. bluu Solutions Limited was responsible for the completion of projects in progress up to that date.

The Company is dependent for its working capital on funds previously provided to it by Jones Lang LaSalle Incorporated, the ultimate parent Company. Jones Lang LaSalle Incorporated has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company.

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

From 2017 bluu Solutions Limited is receiving a royalty payment from Tetris Projects Limited, and as such, the accounts continue to be prepared in accordance with the going concern assertion.

Although the Company is in a net liability position, the ultimate parent company, Jones Lang LaSalle Inc., has indicated its willingness to continue to support bluu Solutions Limited.

##### **1.4 Revenue**

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

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

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

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

Turnover from the provision of full turnkey office refurbishment and fit out services is recognised with reference to the stage of completion.

Other operating income comprises royalties from a fellow Group company.

##### **1.5 Stocks and work in progress**

Work in progress consists of costs incurred on open contracts which have yet to be billed to the customer.

## **BLUU SOLUTIONS LIMITED**

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

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

##### **1.6 Debtors**

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

##### **1.7 Cash and cash equivalents**

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

##### **1.8 Financial instruments**

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

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **1.9 Creditors**

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

## **BLUU SOLUTIONS LIMITED**

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

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

##### **1.10 Finance costs**

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

##### **1.11 Pensions**

###### **Defined contribution pension plan**

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

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

##### **1.12 Interest income**

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

##### **1.13 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income Statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

##### **1.14 Taxation**

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

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



# BLUU SOLUTIONS LIMITED

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

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

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

Given the operations of the Company, the recognition of income is a key area of management judgement. Revenues from full turnkey office refurbishment and fit out services are measured on the stage of completion. Stage of completion is based on the value of the work delivered to the client as a percentage of full life forecast.

### 3. Turnover

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

	2017 £	2016 £
Rendering of services	1,519,965	9,439,050
	<u>1,519,965</u>	<u>9,439,050</u>

All turnover arose within the United Kingdom.

### 4. Royalty income

	2017 £	2016 £
Royalty receivable from a fellow group Company	168,100	-
	<u>168,100</u>	<u>-</u>

### 5. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Exchange differences	-	273
Defined contribution pension cost	-	30,664
	<u>-</u>	<u>30,664</u>

# BLUU SOLUTIONS LIMITED

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

### 6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>8,500</u>	<u>5,000</u>

The audit fee has been borne by Jones Lang LaSalle Limited, a fellow group Company, in both 2017 and 2016.

### 7. Employees

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	-	1,448,887
Social security costs	-	130,543
Cost of defined contribution scheme	-	30,664
	<u>-</u>	<u>1,610,094</u>

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

	2017 No.	2016 No.
Other departments	<u>-</u>	<u>11</u>

In October 2015 employee contracts were transferred under TUPE to a sister Company, Jones Lang LaSalle Limited. Costs were then recharged from that Company going forward.

### 8. Directors' remuneration

The Directors did not receive any remuneration in the year ended 31 December 2017 for qualifying services, as a Director of this entity, from the Company (2016 - £nil).

### 9. Interest receivable

	2017 £	2016 £
Interest income on bank deposits	<u>39</u>	<u>7,320</u>
	<u>39</u>	<u>7,320</u>

# BLUU SOLUTIONS LIMITED

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

### 10. Interest payable and similar charges

	2017 £	2016 £
Interest expense on other finance liabilities	35,007	26,917
	<u>35,007</u>	<u>26,917</u>

### 11. Taxation

	2017 £	2016 £
Total current tax	-	-

#### Factors affecting tax charge for the year

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

	2017 £	2016 £
Loss on ordinary activities before tax	(1,437,162)	(7,674,366)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(276,654)	(1,534,873)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	44,667
Group relief	276,654	1,490,206
Total tax charge for the year	-	-

#### Factors that may affect future tax charges

The main rate of UK corporation tax for 2017 is 19.25%; it was reduced from 20% to 19% effective from 1 April 2017 (2016: 20%). Finance Act 2016 has set the UK corporation tax rate for the Financial Year 2020 as 17%.

**BLUU SOLUTIONS LIMITED**

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

**12. Stocks**

	2017 £	2016 £
Long term contract balances	-	14,892
	<u>-</u>	<u>14,892</u>
	<u>-</u>	<u>14,892</u>

Stock recognised in cost of sales during the year as an expense was £3,157,944 (2016 - £13,777,214).

Long term contract balances consist of:

	2017 £	2016 £
Costs to date less provision for losses	-	14,892
	<u>-</u>	<u>14,892</u>
	<u>-</u>	<u>14,892</u>

**13. Debtors**

	2017 £	2016 £
Trade debtors	915,859	1,164,436
Amounts owed by group undertakings	4,480,482	3,616,301
Other debtors	129,318	220,064
Prepayments and accrued income	394,774	1,734,939
	<u>5,920,433</u>	<u>6,735,740</u>
	<u>5,920,433</u>	<u>6,735,740</u>

Trade debtors are stated after provisions for impairment of £115,080 (2016 - £182,519).

The total impairment on debtors recognised in the current year is (£67,439) (2016 - £99,656).

**14. Cash and cash equivalents**

	2017 £	2016 £
Cash at bank and in hand	55,599	455,322
	<u>55,599</u>	<u>455,322</u>
	<u>55,599</u>	<u>455,322</u>

**BLUU SOLUTIONS LIMITED**

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

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

	2017 £	2016 £
Payments received on account	969,860	1,565,125
Trade creditors	279,028	946,533
Amounts owed to group undertakings	20,048,094	12,144,022
Other taxation and social security	29,541	-
Obligations under finance lease and hire purchase contracts	150,348	238,348
Other creditors	472,244	1,049,219
Accruals and deferred income	2,682,370	2,834,178
	<u>24,631,485</u>	<u>18,777,425</u>

The amounts shown as finance lease liabilities are secured against assets held in a group undertaking.

**16. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	150,348	238,348
	<u>150,348</u>	<u>238,348</u>

**BLUU SOLUTIONS LIMITED**

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

**17. Financial instruments**

	2017 £	2016 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	5,920,432	6,713,703
	<u>5,920,432</u>	<u>6,713,703</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(21,302,314)	(14,378,121)
	<u>(21,302,314)</u>	<u>(14,378,121)</u>

Financial assets that are debt instruments measured at amortised cost comprise amounts owed by group undertakings, and trade and other debtors.

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

**18. Provisions**

	Onerous contracts £
At 1 January 2017	6,047,570
Charged to profit or loss	216,250
Utilised in year	(6,047,570)
<b>At 31 December 2017</b>	<u><u>216,250</u></u>

The accounts include a provision in respect of several onerous contracts totalling £216,250 (2016 - £6,047,570). The increased cost attributable to these contracts have been included in cost of sales.

**19. Share capital**

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
425,000 Ordinary shares of £1 each	<u>425,000</u>	<u>425,000</u>

## BLUU SOLUTIONS LIMITED

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

#### 20. Reserves

##### Other reserves

Capital contributions made by the parent company, bluuco Limited.

##### Profit and loss account

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

#### 21. Contingent liabilities

The Company is currently subject to investigation into conduct which may constitute a breach of English law. At this stage of the investigation the Directors are unable to estimate what, if any, liability may arise from any fines, sanctions or penalties. Accordingly, such significant uncertainties in relation to if or when any cash outflow may arise means it is impracticable to quantify an amount.

#### 22. Pension commitments

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and is disclosed in note 6.

There were no contributions payable to the scheme at the end of the period (2016 - £nil).

#### 23. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	-	311,633
Later than 1 year and not later than 5 years	-	1,118,900
Later than 5 years	-	112,406
	<u>-</u>	<u>1,542,939</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £nil (2016 - 179,340).

At the start of the year, the leases were transferred to a fellow group company.

## **BLUU SOLUTIONS LIMITED**

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

#### **24. Related party transactions**

During the year, £25,000 (2016 - £38,607) was paid by a fellow group company, Jones Lang LaSalle Limited, to Dingo DX Limited, a company in which R Howling is also a director.

These payments were made on an arms-length basis. There were no amounts outstanding to or from the companies at the year end.

The company has taken the exemption available under section 33 paragraph 1A of FRS 102 in respect of disclosure of transactions with fellow group undertakings, where the group has 100% control.

#### **25. Post balance sheet events**

In September 2018 it was assessed that several of the existing contracts had become loss making. The accounts include a provision in respect of these onerous contracts totalling £216,250 (2016 - £6,047,570). The increased cost attributable to these contracts have been included in cost of sales.

#### **26. Controlling party**

The Company's immediate parent company during the year was bluuco Limited, a company incorporated in England and Wales, registered office at 30 Warwick Street, London, W1B 5NH. The ultimate parent company is Jones Lang LaSalle Incorporated, a company incorporated in Maryland, USA.

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