

**RED BLUE FUND MANAGEMENT LTD**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2012**



**CONTENTS**

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	<b>PAGE</b>
<b>OFFICERS AND PROFESSIONAL ADVISERS</b>	<b>1</b>
<b>DIRECTORS' REPORT</b>	<b>2</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>4</b>
<b>PROFIT AND LOSS ACCOUNT</b>	<b>6</b>
<b>BALANCE SHEET</b>	<b>7</b>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>8</b>

**OFFICERS AND PROFESSIONAL ADVISERS**

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**Directors**

P B Marsden  
J Martin

**Company secretary**

A J Bruce

**Registered office**

30 Warwick Street  
LONDON  
W1B 5NH

**Bankers**

Bank of Scotland  
11 Earl Grey Street  
EDINBURGH  
EH3 9BN

**Independent auditor**

KPMG Audit Plc, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

**DIRECTORS' REPORT****For the year ended 31 December 2012**

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The Directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2012. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

**Principal activities, business review and future developments**

The Company provides management services to the subsidiaries of Red Blue (France) SA, a company incorporated in Luxembourg. The Directors consider that all turnover derives from a single class of business.

The Directors consider the results for the year, which are set out in the profit and loss account on page 5, to be in line with expectations and that the Company will trade profitably into the coming year. The Directors do not recommend the payment of a dividend (31 December 2011: £nil).

On 31 May 2011 the Company was sold by the King Sturge International LLP Group to the Jones Lang LaSalle Inc Group of companies.

**Directors**

The Directors of the Company during the period and up to the date of signing the accounts were as shown below:

P B Marsden  
J Martin

**Going concern**

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

- The directors assessed the company's financial position, and they have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future,
- There are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

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

**Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**DIRECTORS' REPORT**

**For the year ended 31 December 2012**

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for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

**Disclosure of information to auditor**

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

**Auditor**

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

**Directors' liability insurance**

As permitted by the Companies Act 2006, the Company has purchased insurance cover in respect of Directors' and officers' liabilities which was in force throughout the period and at the date of approval of the financial statements

By order of the board



A J Bruce  
**Company Secretary**  
30 Warwick Street  
London W1B 5NH

26<sup>th</sup> September 2013

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RED BLUE FUND MANAGEMENT LTD**

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We have audited the financial statements of Red Blue Fund Management Limited for the year ended 31 December 2012 set out on pages 6 to 11

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

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

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the period then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RED BLUE FUND MANAGEMENT LTD**

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

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

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



Sean McCallion, Senior Statutory Auditor  
For and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

26<sup>th</sup> September 2013

**PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2012**

	Note	Year ended 31 December 2012 £	Year ended 31 December 2011 £
<b>Turnover</b>	1	<b>301,416</b>	211,431
Administrative expenses		(280,257)	(199,889)
<b>Operating profit</b>	2	<b>21,159</b>	11,542
Interest receivable and similar income		232	98
<b>Profit on ordinary activities before taxation</b>		<b>21,391</b>	11,640
Tax on profit on ordinary activities	4	-	(3,259)
<b>Profit for the financial period</b>	9	<b>21,391</b>	8,381

All results derive from continuing operations

The Company has no recognised gains and losses for the current and prior financial periods other than those as stated in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented

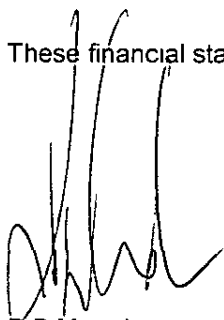
There are no material differences between the profit on ordinary activities before taxation and the profit for the financial period stated above and their historical cost equivalents



**BALANCE SHEET****As at 31 December 2012**

	Note	31 December 2012 £	31 December 2011 £
<b>Fixed assets</b>			
Investments	5	14,340	14,340
<b>Current assets</b>			
Debtors	6	177,619	97,586
Cash at bank and in hand		25,373	143,032
		<b>202,992</b>	<b>240,618</b>
<b>Creditors: amounts falling due within one year</b>	7	<b>(106,377)</b>	<b>(165,394)</b>
<b>Net current assets</b>		<b>96,615</b>	<b>75,224</b>
<b>Net assets</b>		<b>110,955</b>	<b>89,564</b>
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Profit and loss account	9	110,954	89,563
<b>Total shareholders' funds</b>	10	<b>110,955</b>	<b>89,564</b>

These financial statements on pages 6 to 11 were approved by the board of directors and signed on its behalf by



P B Marsden

**Director**

Red Blue Fund Management Limited

Registered number 5633038

26<sup>th</sup> September 2013

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2012**

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**1 Accounting policies**

The following accounting policies have been applied consistently throughout the period in dealing with items which are considered material in relation to the Company's accounts

**a) Basis of preparation**

The accounts have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

**b) Going concern**

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

- The directors assessed the company's financial position, and they have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future,
- There are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern

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

**c) Turnover**

Turnover represents fees and commissions receivable excluding value added tax

Where the substance of a contract is that the Company's contractual obligations are performed gradually over time, revenue is recognised as the contract activity progresses to reflect the Company's partial performance of its contractual obligations. The amount of revenue reflects the accrual of the right to consideration as contract activity progresses by reference to value of the work performed. Amounts unbilled at the balance sheet date are included within prepayments and accrued income.

Where the substance of the contract is that a right to consideration does not arise until the occurrence of a critical event, revenue is not recognised until that event occurs.

**d) Investments**

Investments are stated at cost less any provision for impairment. Impairment reviews are carried out by management when there is an indication of impairment.

**e) Taxation**

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

## f) Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate ruling at the date that the transaction occurred. Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at 31 December. Exchange differences are taken to the profit and loss account. The investment is stated in accordance with SSAP 20.

## g) Cash flow statement

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

## 2 Operating profit

Operating profit is stated after charging

	31 December 2012 £	31 December 2011 £
Foreign exchange losses	9,522	7,799
Auditor's remuneration – audit	4,500	3,000
Auditor's remuneration – taxation services	-	800

## 3 Directors and other employees

Directors received no emoluments for their services as directors during the year (31 December 2011: £nil).

## 4 Tax on profit on ordinary activities

	31 December 2012 £	31 December 2011 £
<b>Current tax:</b>		
UK corporation tax on profits for the year	-	3,259

## Current tax reconciliation

The tax assessed for the period is the same as (2011: same as) the standard rate of corporation tax in the UK applied to the Company of 24.5% (2011: 26%). The differences are explained below.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

	31 December 2012 £	31 December 2011 £
<b>Profit on ordinary activities before taxation</b>	<b>21,391</b>	11,640
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.5% (2011: 26%)	<b>5,241</b>	3,026
Effects of		
Other timing differences	-	233
Group relief	<b>(5,241)</b>	-
<b>Current tax charge for the year</b>	<b>-</b>	3,259

There are no material recognised or unrecognised deferred tax assets or liabilities

The Budget of the Chancellor of the Exchequer, dated 21 March 2012 announced a phased reduction in the main UK corporation tax rate from 26% to 22% by April 2014, with a 2% reduction taking effect from 1 April 2012 (substantively enacted on 26 March 2012), followed by a subsequent reduction to 23% from 1 April 2013 (substantively enacted on 3 July 2012) and a further reduction to 22% from 1 April 2014. The Autumn Statement of the Chancellor of the Exchequer, dated 5 December 2012 announced the intention to reduce the corporation tax rate in the UK for large companies to 21% by April 2014. The Budget of the Chancellor of the Exchequer, dated 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 1 April 2015.

## 5 Investments

	Shares in associated undertakings £
<b>Cost and net book value</b>	
At 31 December 2011 and 31 December 2012	14,340

Red Blue Fund Management Ltd has an investment of €21,000 in Red Blue (France) S.A., a Luxembourg company, which holds subsidiaries which invest in French commercial property. The investment represents a 15.9% holding in Red Blue (France) S.A.

The Directors believe that the book value of investments is supported by the underlying net assets

## 6 Debtors

	31 December 2012 £	31 December 2011 £
Trade debtors	1,279	-
Other tax and social security	26,340	20,140
Prepayments and accrued income	150,000	77,446
	<b>177,619</b>	97,586

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

7 Creditors: amounts falling due within one year

	31 December 2012 £	31 December 2011 £
Trade creditors	-	86
Amounts owed to group undertakings	89,420	144,930
Corporation tax	-	7,921
Accruals and deferred income	16,957	12,457
	<b>106,377</b>	<b>165,394</b>

Amounts owed to group undertakings relate to short term trading balances and are interest free and repayable on demand

8 Called up share capital

	31 December 2012 £	31 December 2011 £
Allotted, issued and fully paid 1 ordinary share of £1	<b>1</b>	<b>1</b>

9 Profit and loss reserve account

	£
At 1 January 2012	89,563
Profit for the financial period	21,391
At 31 December 2012	<b>110,954</b>

10 Reconciliation of movements in shareholders' funds

	31 December 2012 £	31 December 2011 £
Profit for the financial period	<b>21,391</b>	8,381
Opening shareholders' funds	<b>89,564</b>	81,183
Closing shareholders' funds	<b>110,955</b>	89,564

## NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2012

## 11 Related parties

The Company has taken the exemption available under paragraph 3(c) from the provisions of FRS 8, Related Party Disclosures, on the grounds that it is a wholly owned subsidiary of a group headed by Jones Lang LaSalle Incorporated whose accounts are publicly available

The following information is provided in accordance with FRS 8 as being transactions with related parties for the period

Name of related party	Relationship	Type of transaction	Transactions for the year ended 31 December 2012	Balance at 31 December 2012	Transactions for the period ended 31 December 2011	Balance at 31 December 2011
			£	£	£	£
Red Blue (France) Properties SARL	Subsidiary of Red Blue (France) S A , an investment of Red Blue Fund Management Limited	Management services provided	301,416	-	211,431	-

## 12 Ultimate parent undertaking

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

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