

**CLSH MANAGEMENT LIMITED**  
**ANNUAL REPORT**  
**FROM THE DATE OF INCORPORATION TO**  
**31 DECEMBER 1994**

**COOPERS & LYBRAND**  
*Chartered Accountants and*  
*Registered Auditors*  
1 Embankment Place  
London  
WC2N 6NN



Company No. 2879688

**CLSH MANAGEMENT LIMITED**

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**FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 1994**

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# **CLSH MANAGEMENT LIMITED**

## **REPORT OF THE DIRECTORS FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 1994**

The directors are pleased to present their report together with the audited accounts for the period ended 31 December 1994.

### **1 PRINCIPAL ACTIVITY**

The principal activity of the company is property management. On the 31 December 1993 the company acquired its principal business from a fellow subsidiary.

### **2 REVIEW OF THE BUSINESS**

The company was incorporated on 10 December 1993 and the results for the period are shown on page four of the accounts.

### **3 DIVIDENDS**

The directors do not recommend payment of any dividends for the period ended 31 December 1994.

### **4 FIXED ASSETS**

Information relating to tangible fixed assets is given in note 9 to the accounts.

### **5 DIRECTORS**

The directors of the company during the period were as follows:

Mr B F Mörtstedt	(Appointed 10 December 1993)
Mr H O T Lundqvist	(Appointed 10 December 1993)
Mr A Young	(Appointed 27 January 1994)
Mr H Lamplough	(Appointed 27 January 1994)
Mr D M Baverstam	(Appointed 27 January 1994)
Mr S A Mörtstedt	(Appointed 16 March 1994)
Mr S C Sandberg	(Appointed 16 March 1994, resigned 31 December 1994)
Mr T J Thomson	(Appointed 16 March 1994, resigned 31 December 1994)
L & A Registrars Ltd	(Appointed 10 December 1993, resigned 10 December 1993)

The directors had no interests in the shares of the company at any time during the period.

### **6 AUDITORS**

The directors appointed Coopers & Lybrand as auditors to the company, a resolution to ratify and reappoint Coopers & Lybrand will be proposed at the forthcoming annual general meeting.

### **BY ORDER OF THE BOARD**

  
T J THOMSON  
Secretary

1 May 1995

### **REGISTERED OFFICE:**

6 Spring Gardens  
Citadel Place  
Tinworth Street  
London  
SE11 5EH

## **CLSH MANAGEMENT LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that period. In preparing those accounts, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**CLSH MANAGEMENT LIMITED**

**REPORT OF THE AUDITORS TO THE MEMBERS OF CLSH MANAGEMENT LIMITED**

We have audited the accounts on pages 4 to 10.

**Respective Responsibilities of Directors and Auditors**

As described on page 2, the Company's Directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

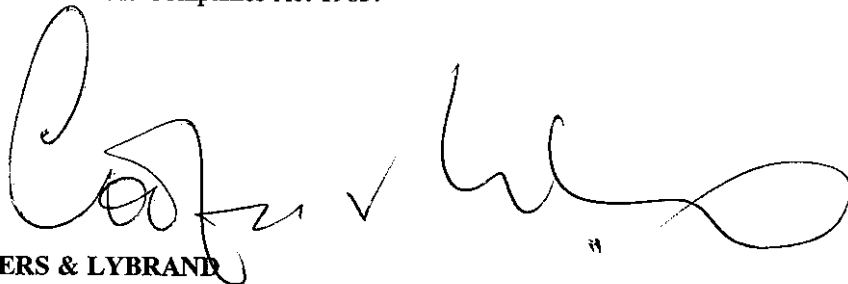
**Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the preparation of information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31 December 1994 and of its loss for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.



**COOPERS & LYBRAND**

*Chartered Accountants and  
Registered Auditors*  
LONDON

1 May 1995

**CLSH MANAGEMENT LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE PERIOD ENDED 31 DECEMBER 1994**

	NOTES	13 months to 31 December 1994 £
Turnover	(2)	781,649
Administrative expenses		(1,522,846)
Exceptional administrative expenses	(8)	(155,520)
<b>Operating loss</b>		<hr/> (896,717)
Interest receivable and financial income		138,154
Interest payable and related charges	(4)	(1,966)
<b>Loss on ordinary activities before taxation</b>	(3)	<hr/> (760,529)
Tax on profit on ordinary activities	(7)	-
<b>Retained loss for the period</b>	(15)	<hr/> <hr/> (760,529)

The company has no other recognised gains or losses other than those reported in the above profit and loss account.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above, and their historical cost equivalents.

All items included in the above profit and loss account are part of continuing operations.

**CLSH MANAGEMENT LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 1994**

	NOTES	1994 £
<b>FIXED ASSETS</b>		
Tangible assets	(9)	150,160
Investments	(10)	40,877
		<hr/>
		191,037
<b>CURRENT ASSETS</b>		
Debtors	(11)	26,790,727
Cash at bank and in hand		3,311,379
		<hr/>
		30,102,106
<b>CREDITORS: amounts falling due within one year</b>	(12)	(31,051,672)
		<hr/>
<b>NET CURRENT LIABILITIES</b>		(949,566)
		<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(758,529)
		<hr/>
<b>CREDITORS: amounts falling due after more than one year</b>		-
<b>CAPITAL AND RESERVES</b>		
Called up share capital	(14)	2,000
Profit and loss account	(15)	(760,529)
		<hr/>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		(758,529)
		<hr/>
		(758,529)
		<hr/>

These accounts were approved by the Board of Directors on 1 May 1995 and signed on its behalf by:


 \_\_\_\_\_ DIRECTOR  
 Mr B F Mörtstedt

# CLSH MANAGEMENT LIMITED

## NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 1994

### 1 PRINCIPAL ACCOUNTING POLICIES

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

#### 1.1 *Basis of preparation*

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. The company has taken advantage of the exemption in Financial Reporting Standard No 1 as a cash flow statement has been prepared for the group.

#### 1.2 *Turnover*

Turnover comprises the total value of property related services provided during the year and the total value of rents receivable during the year, excluding VAT. Rents received in advance are shown as deferred income in the balance sheet.

#### 1.3 *Depreciation*

Depreciation is provided on fixed tangible assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold premium	25 %
Leasehold improvements	20 %
Office equipment	20 %
Motor vehicles	25 %
Fixtures and fittings	20 %

#### 1.4 *Deferred taxation*

Deferred taxation is provided on the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced. It is calculated at the rate at which it is estimated that tax will be payable.

### 2 TURNOVER

13 months to  
31 December 1994  
£

Property related services	695,283
Rental income	39,341
Other income	47,025
	<hr/>
	781,649
	<hr/>

### 3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

13 months to  
31 December 1994  
£

This is stated after charging:

Depreciation	118,405
Auditors' remuneration	15,000
	<hr/>



**CLSH MANAGEMENT LIMITED**

**NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 1994 (CONTINUED)**

<b>4</b>	<b>INTEREST PAYABLE AND RELATED CHARGES</b>	<b>13 months to 31 December 1994 £</b>
	Other interest	1,966
		<hr/>
<b>5</b>	<b>EMPLOYEE INFORMATION</b>	
5.1	The average number of employees during this period was as follows:	<b>13 months to 31 December 1994</b>
	Administration	19
5.2	Employment costs of all employees:	<hr/>
		<b>13 months to 31 December 1994 £</b>
	Wages and salaries	545,937
	Social security costs	65,742
	Other pension costs	23,605
		<hr/>
		635,284
		<hr/>
<b>6</b>	<b>DIRECTORS' REMUNERATION</b>	<b>13 months to 31 December 1994 £</b>
	Emoluments for management services	253,322
	Pension	20,102
		<hr/>
		273,424
		<hr/>
	The emoluments (excluding pension contributions) of:	
	The Chairman	39,923
	The highest paid Director	62,928
		<hr/>
	The emoluments (excluding pension contributions) of ALL directors fell within the following ranges:	
	Nil - £5,000	4
	£35,001 - £40,000	1
	£40,001 - £45,000	1
	£45,001 - £50,000	1
	£55,001 - £60,000	1
	£60,001 - £65,000	1
		<hr/>

**CLSH MANAGEMENT LIMITED**

**NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 1994 (CONTINUED)**

**7 CORPORATION TAX**

UK corporation tax at 33%

No provision for Corporation Tax has been made for the period due to the loss arising.

**8 EXCEPTIONAL ADMINISTRATIVE EXPENSES**

**13 months to  
31 December 1994  
£**

Exceptional bonus payments	155,520
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**9 TANGIBLE FIXED ASSETS**

	Leasehold Improvements	Office Equipment	Motor Vehicles	Fixture & Fittings	Total
	£	£	£	£	£
(a) On acquisition of business	6,763	119,131	43,698	33,279	202,871
Additions	-	36,700	30,000	3,179	69,879
Disposals	-	(6,333)	(120,435)	-	(126,768)
At 31 December 1994	6,763	149,498	(46,737)	36,458	145,982
Charge for the period	1,779	66,529	25,915	25,960	120,183
Disposals	-	(3,926)	(120,435)	-	(124,361)
At 31 December 1994	1,779	62,603	(94,520)	25,960	(4,178)
Net book value at 31/12/94	4,984	86,895	47,783	10,498	150,160

(a) The assets were acquired on 31 December 1993 when the company acquired its principal business from a fellow subsidiary.

**CLSH MANAGEMENT LIMITED**

**NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 1994 (CONTINUED)**

**10 INVESTMENTS**

**Book Value  
1994  
£**

Works of art	40,877
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**11 DEBTORS**

**1994  
£**

Amounts due from fellow subsidiary undertakings	26,707,478
Other debtors	34,352
Taxation and social security	7,049
Prepayments and accrued income	41,848
	<hr/>
	26,790,727
	<hr/>

**12 CREDITORS: amounts falling due within one year**

**1994  
£**

Bank loans and overdrafts	179,314
Trade creditors	50,816
Amounts due to parent and fellow subsidiary undertakings	30,711,582
Other creditors	29,049
Accruals and deferred income	80,911
	<hr/>
	31,051,672
	<hr/>

**13 DEFERRED TAXATION**

**1994**

	<b>Provision £</b>	<b>Amount Unprovided £</b>
Capital allowances in excess of depreciation	(548)	(548)
Other short term timing differences	548	548
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

**CLSH MANAGEMENT LIMITED****NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 1994 (CONTINUED)****14 CALLED UP SHARE CAPITAL****1994****£**

Authorised, allotted, called up and fully paid:

Ordinary shares of £1 each

2,000

**15 RECONCILIATION OF MOVEMENT IN  
SHAREHOLDERS' FUNDS**

	Share Capital £	Profit & Loss Account £	Total £
Loss for the period	-	(760,529)	(760,529)
Issued during period	2,000	-	2,000
Balance at 31 December	2,000	(760,529)	(758,529)

**16 PARENT UNDERTAKING**

The directors consider that the immediate and ultimate parent undertaking is CLS Holdings plc which is registered in England and Wales. Copies of the parent's consolidated financial statements may be obtained from The Secretary, CLS Holdings plc, 6 Spring Gardens, Citadel Place, Tinworth Street, London, SE11 5EH.