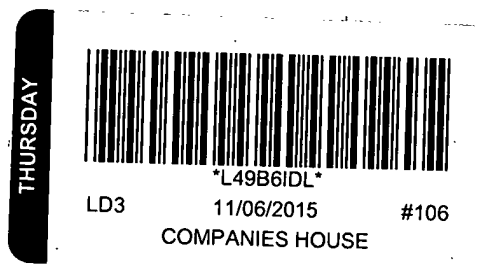


Company Registration No. 2991340

Mirenwest Limited

Report and Financial Statements

31 December 2014



Mirenwest Limited

Report and financial statements 2014

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Mirenwest Limited

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2014.

This Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 415a of the Companies Act 2006.

The Company has also taken advantage of the small companies' exemption from preparing a Strategic Report.

Principal Activities

The principal activity of the Company is to invest in shares, fixed interest and other forms of investments and to earn income therefrom.

Review of the business

The results for the year are shown on page 6. The Directors expect the principal activity of the Company to remain unchanged for the foreseeable future.

The financial statements have been prepared on a going concern basis as described in note 1.2.

Dividends

The Company did not pay any dividends in the year ended 31 December 2014 (2013: £nil).

Directors

The Directors of the Company during the year and subsequent changes were as follows:

Mr E H Klotz
Mr A G P Millet
Mr J H Whiteley
Mr R J S Tice (resigned 14 February 2014)
Mr S L Wigzell (appointed 14 February 2014)
Mr F Widlund (appointed 6 November 2014)

Qualifying third-party indemnity provisions (as defined in section 234 of the companies Act 2006) are in force for the benefit of the Directors who held office in 2014.

Mirenwest Limited

Directors' Report (continued)

Auditor

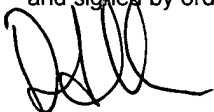
Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Pursuant to section 386 Companies Act 1985, an Elective Resolution was passed on 9 October 2002 dispensing with the requirement to appoint an auditor annually. In accordance with that Elective Resolution and paragraph 45(2), Schedule 3 of the Companies Act 2006 (Commencement No. 3 Consequential Amendments, Transitional Provisions and Savings) Order 2007, Deloitte LLP is deemed to continue as auditor of the Company.

Approved by the Board of Directors
and signed by order of the Board



Mr D F Fuller
Company Secretary
10 June 2015

Registered office:

86 Bondway
London
SW8 1SF

Mirenwest Limited

Directors' Responsibilities Statement

The Directors are responsible for preparing the annual 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 the Directors have elected to prepare 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 estimates that are reasonable and prudent; and
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Independent Auditor's Report to the members of Mirenwest Limited

We have audited the financial statements of Mirenwest Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom 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 year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the members of Mirenwest Limited (continued)

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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.



Mark Beddy FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
10 June 2015

Mirenwest Limited

Profit and Loss Account Year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	2	7,116	125,084
Administrative expenses		(16,479)	(19,012)
Operating (loss)/profit		(9,363)	106,072
(Loss)/profit on sale of fixed asset investments	8	(150,844)	102,524
Interest receivable and similar income	3	5,273	1,505
Interest payable and similar charges	4	(29,646)	(68,123)
(Loss)/profit on ordinary activities before taxation	6	(184,580)	141,978
Tax on (loss)/profit on ordinary activities	7	7,303	(7,096)
(Loss)/profit for the financial year	13	(177,277)	134,882

There is no material difference between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial year stated above, and their historical cost equivalents.

All items included in the above Profit and Loss Account are part of continuing operations.

Mirenwest Limited

Statement of Total Recognised Gains and Losses Year ended 31 December 2014

	2014 £	2013 £
(Loss)/profit for the financial year	(177,277)	134,882
Fair value gain/(loss) on investments	<u>108,099</u>	<u>(46,725)</u>
Total recognised (losses)/gains for the year	<u><u>(69,178)</u></u>	<u><u>88,157</u></u>

Mirenwest Limited

Balance Sheet 31 December 2014

	Notes	2014 £	2013 £
Fixed assets			
Investments	8	<u>184,952</u>	<u>517,954</u>
Current assets			
Debtors: due within one year	9	2,169	78
Cash at bank and in hand		<u>2,019</u>	<u>77,881</u>
		4,188	77,959
Creditors: amounts falling due within one year	10	<u>(116,080)</u>	<u>(76,761)</u>
Net current (liabilities)/assets		<u>(111,892)</u>	<u>1,198</u>
Total assets less current liabilities		73,060	519,152
Creditors: amounts falling due after more than one year	11	<u>(812,104)</u>	<u>(1,189,018)</u>
Net liabilities		<u>(739,044)</u>	<u>(669,866)</u>
Capital and reserves			
Called up share capital	12	8,250,000	8,250,000
Other reserves	13	(89,183)	(197,282)
Profit and loss account	13	<u>(8,899,861)</u>	<u>(8,722,584)</u>
Shareholders' deficit		<u>(739,044)</u>	<u>(669,866)</u>

The financial statements of Mirenwest Limited (registered number 2991340) were approved by the Board of Directors on 10 June 2015.

Signed on behalf of the Board of Directors



Mr J H Whiteley
Director

Mirenwest Limited

Notes to the Financial Statements 31 December 2014

1. Significant accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, except for investments which are held at fair value, and in accordance with applicable UK accounting standards.

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 not to prepare a cash flow statement as one has been prepared for the Group.

The Company is a wholly-owned subsidiary of CLS Holdings plc and has taken advantage of the exemption in Financial Reporting Standard No. 8 not to detail transactions with fellow Group undertakings as the financial statements of CLS Holdings plc are publicly available.

The Company has taken advantage of the exemption in Financial Reporting Standard No. 29 not to provide disclosures to enable users of the financial statements to evaluate the significance of the Company's financial instruments to the financial position and performance of the Company, and the nature and extent of risks arising from the Company's financial instruments, as equivalent disclosure is made in the Group accounts of CLS Holdings plc which are publicly available.

1.2 Going concern

The Company's business activities and review of the business are set out in the Directors' report.

At 31 December 2014 the Company has a significant equity deficit. However, the Directors are in receipt of an unequivocal letter of support from the ultimate parent company confirming that sufficient funds will be available to ensure all liabilities are met as they fall due for a period of 12 months from the date of approval of the financial statements, so long as the Company is a wholly owned direct or indirect subsidiary of its current ultimate parent company (note 14). The Directors do not expect that the ownership of the Company will change in the foreseeable future and as such have adopted the going concern basis in preparing the annual report and financial statements.

1.3 Investments

Equity investments are designated as available-for-sale in accordance with Financial Reporting Standard 26. Movements in fair value are taken directly to reserves, except where the diminution in value is deemed to be permanent, when the impairment loss is recognised in the Profit and Loss Account. Dividends received from available-for-sale investments are included within turnover.

Corporate bond investments and government gilts are designated as fixed asset investments and are held at cost, less provisions for impairment, in accordance with the historical cost accounting rules of Companies Act 2006 and accordingly "FRS 25 - Financial Instruments: Presentation" has not been adopted. Management reviews the fixed asset investments on a regular basis for indications of any permanent diminution in value. Such indications may include a reduction or risk of reduction of the income generating capacity of the fixed asset investments or a significant and prolonged drop in the market value of these investments. Where it is concluded that this results in impairment, a provision is made against the carrying value. Income received from fixed asset investments is included within turnover.

1.4 Turnover

Turnover comprises income receivable from investments and related debt.

Mirenwest Limited

Notes to the Financial Statements 31 December 2014

1. Significant accounting policies (continued)

1.5 Taxation

Corporation tax is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date, where transactions or events which result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the reversal of the underlying timing differences can be deducted.

Deferred tax is measured, on an undiscounted basis, at the average tax rates which are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

1.6 Foreign Currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into pounds sterling at rates of exchange ruling at the end of the financial year. All differences are dealt with through the Profit and Loss Account.

2. Turnover

	2014 £	2013 £
Interest receivable	144	115,087
Dividends receivable on equity investments	6,972	9,997
	<u>7,116</u>	<u>125,084</u>

Turnover arose wholly within the United Kingdom.

3. Interest receivable and similar income

	2014 £	2013 £
Foreign exchange gains	<u>5,273</u>	<u>1,505</u>

4. Interest payable and similar charges

	2014 £	2013 £
On amounts due to group undertaking	29,638	67,891
Other interest and charges	8	232
	<u>29,646</u>	<u>68,123</u>

Mirenwest Limited

Notes to the Financial Statements 31 December 2014

5. Directors' emoluments and employee information

None of the Directors received emoluments for their services to the Company during the year (2013: £nil). The emoluments of the Directors of the Company, who are also directors of CLS Holdings plc, are disclosed in that Company's financial statements in respect of their services to the Group as a whole. The Company had no employees during the year (2013: none).

6. (Loss)/profit on ordinary activities before taxation

	2014 £	2013 £
This is stated after charging:		
Fees payable to the Company's auditor for the audit of the Company's financial statements	2,400	2,400

There were no fees payable in the year to Deloitte and its associates in respect of non-audit services.

7. Tax (credit)/charge on (loss)/profit on ordinary activities

	2014 £	2013 £
Current tax	(8,752)	6,644
Withholding tax paid on overseas dividends received	1,449	452
	<u>(7,303)</u>	<u>7,096</u>

The rate of corporation tax for the financial year beginning 1 April 2013 was 23%. This fell to 21% on 1 April 2014 and the weighted corporation tax rate for the year ended 31 December 2014 was therefore 21.50%. Deferred tax has been calculated at a rate of 20%, being the rate applicable from 1 April 2015 under legislation substantially enacted at the balance sheet date.

The differences between the total current tax and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit on ordinary activities before tax is as follows:

	2014 £	2013 £
(Loss)/profit on ordinary activities before tax	<u>(184,580)</u>	<u>141,978</u>
(Loss)/profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 21.50% (2013: 23.25%)	(39,684)	33,010
Factors affecting charge:		
Expenses not deductible for tax purposes	32,431	-
Non-taxable income	(1,499)	(24,042)
Non-taxable dividends received	-	(2,324)
Current tax (credit)/charge for the year	<u>(8,752)</u>	<u>6,644</u>

Mirenwest Limited

Notes to the Financial Statements 31 December 2014

8. Investments

	2014 £	2013 £
Listed equity investments	180,940	513,942
Gilts	4,012	4,012
	<u>184,952</u>	<u>517,954</u>

At 31 December 2014 all investments were reviewed for any indications of impairment as described in note 1.3; no provisions were required.

The movement in equity investments is analysed below:

	2014 £	2013 £
At 1 January	513,942	384,131
Additions	33,783	709,514
Disposals	(505,819)	(437,347)
Fair value losses recognised in reserves	(5,810)	(111,418)
Fair value uplifts recognised on disposal	113,909	-
Foreign exchange gains/(losses)	30,935	(30,938)
At 31 December	<u>180,940</u>	<u>513,942</u>

Equity investments include securities listed on the London Stock Exchange. At 31 December 2014 the cost of these investments was £332,000 (2013: £804,038).

The movement in gilt investments is analysed below:

	2014 £	2013 £
At 1 January	4,012	1,489,099
Additions	-	226,345
Disposals	-	(1,711,432)
At 31 December	<u>4,012</u>	<u>4,012</u>

The market value of gilts held at 31 December 2014 was £3,760 (2013: £3,901).

During the year ended 31 December 2014, investments with a total cost of £896,403 (2013: £2,214,107) were sold, realising a loss on disposal of £150,844 (2013: profit on disposal of £102,524).

Mirenwest Limited

Notes to the Financial Statements 31 December 2014

9. Debtors: amounts falling due within one year

	2014 £	2013 £
Accrued income	61	78
Corporation tax	2,108	-
	<u>2,169</u>	<u>78</u>

10. Creditors: amounts falling due within one year

	2014 £	2013 £
Accruals	-	521
Amounts due to group undertakings	116,080	69,596
Corporation tax	-	6,644
	<u>116,080</u>	<u>76,761</u>

11. Creditors: amounts falling due after more than one year

	2014 £	2013 £
Amounts due to group undertakings	<u>812,104</u>	<u>1,189,018</u>

12. Called up share capital

	2014 £	2013 £
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>8,250,000</u>	<u>8,250,000</u>

13. Combined statement of reserves and reconciliation of movement in shareholders' deficit

	Share capital £	Profit and loss account £	Other reserves £	2014 Total £	2013 Total £
At 1 January	8,250,000	(8,722,584)	(197,282)	(669,866)	(758,023)
(Loss)/profit for the financial year	-	(177,277)	-	(177,277)	134,882
Fair value gain/(loss) for the year	-	-	108,099	108,099	(46,725)
Balance at 31 December	<u>8,250,000</u>	<u>(8,899,861)</u>	<u>(89,183)</u>	<u>(739,044)</u>	<u>(669,866)</u>

Mirenwest Limited

Notes to the Financial Statements 31 December 2014

14. Parent undertaking

The Directors consider that the immediate and ultimate parent undertaking and controlling party is CLS Holdings plc, which is incorporated in Great Britain. The financial statements of the Company are consolidated into the CLS Holdings plc group accounts for the year ended 31 December 2014, being the largest and only group into which the Company is consolidated. Copies of the group financial statements are publicly available and may be obtained from The Secretary, CLS Holdings plc, 86 Bondway, London SW8 1SF.