

Company Registration No. 4681685

Dawegrove Limited

(formerly CLS Holdings UK Limited)

Report and Financial Statements

31 December 2009



Dawegrove Limited
(formerly CLS Holdings UK Limited)

Report and financial statements 2009

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Dawegrove Limited **(formerly CLS Holdings UK Limited)**

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

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

Principal Activities

The Company ceased to trade in the year. The financial statements have therefore been prepared on the basis that the Company is no longer a going concern.

Review of the business

The results for the year are shown on page 6

The Company ceased to trade during the year

On 6 May 2010 the Company changed its name from CLS Holdings UK Limited to Dawegrove Limited

Dividends

The Directors paid an interim dividend of £64,314 (2008: £nil). A final dividend is not proposed (2008: £nil).

Directors

The directors, who served throughout the year except as noted, were as follows:

Mr E H Klotz

Mr T J L Wills

Mr A G P Millet

Mr J H Whiteley (appointed 22 January 2010)

Qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) are in force for the benefit of the Directors and former Directors who held office in 2009.

Dawegrove Limited
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Directors' Report

Auditors

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 auditors are 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 auditors are 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 s487(2) Companies Act 2006, an ordinary resolution was passed on 10th October 2008 appointing the auditors until such time as notice is given by either party, Therefore Deloitte LLP are deemed to continue as auditors

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



Mr D F Fuller
Secretary

6 May 2010

Registered office:

86 Bondway
London
SW8 1SF

Dawegrove Limited **(formerly CLS Holdings UK Limited)**

Statement of Directors' Responsibilities

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 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 Auditors' Report to the members of Dawegrove Limited (formerly CLS Holdings UK Limited)

We have audited the financial statements of Dawegrove Limited (formerly CLS Holdings UK Limited) for the year ended 31 December 2009 which comprise the Profit and Loss account, the Balance Sheet and the related notes 1 to 10. 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 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.

Respective responsibilities of Directors and auditors

As more fully explained in the Statement of Directors' Responsibilities, 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 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 Practice Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of 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.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit 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 matters prescribed in the Companies Act 2006

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

Independent Auditors' Report to the members of Dawegrove Limited (formerly CLS Holdings UK 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 take advantage of the small companies exemption in preparing the Directors' Report

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements which explains that the financial statements have been prepared on a basis other than a going concern



Mark Goodey (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
6 May 2010

Dawegrove Limited
(formerly CLS Holdings UK Limited)

Profit and Loss Account
Year ended 31 December 2009

	Notes	2009 £	2008 £
Turnover	2	177	450
Administrative expenses		(12)	(1,368)
Operating profit/(loss)		165	(918)
Loss on disposal of fixed asset investments	6	413	-
Interest receivable and similar income		1,819	8,683
Profit on ordinary activities before taxation	4	2,397	7,765
Tax credit on profit on ordinary activities	5	-	36,241
Profit for the financial year	11	2,397	44,006

The Company has no other recognised gains or losses other than those reported in the Profit and Loss Account

There is no material difference between the loss on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents

All items included in the Profit and Loss Account are part of discontinued operations

Dawegrove Limited
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Balance sheet
31 December 2009

	Notes	2009 £	2008 £
Fixed assets			
Investments	6	-	10,000
Current assets			
Debtors due within one year	7	1	138,806
Cash at bank and in hand		-	11,713
		1	150,519
Creditors: amounts falling due within one year	8	-	(98,601)
Net current assets		1	51,918
Net assets		1	61,918
Capital and reserves			
Called up share capital	9	1	1
Profit and Loss account	10	-	61,917
Shareholders' funds		1	61,918

The financial statements of Dawegrove Limited (formerly CLS Holdings UK Limited) (registered number 4681685) were approved by the Board of Directors on 6 May 2010

Signed on behalf of the Board of Directors



Mr J H Whiteley
Director

Dawegrove Limited
(formerly CLS Holdings UK Limited)

Notes to the Financial Statements
31 December 2009

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 not to prepare a cash flow statement as a cash flow statement 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.

1.2 Going concern

As explained in the Directors Report the Company ceased trading during the year. As required by Financial Reporting Standard No. 18 the Directors have prepared the financial statements on the basis that the Company is no longer a going concern. No adjustments arose as a result of this change in basis of preparation. The financial statements do not include any provision for future costs of terminating the business of the Company except for the extent that such were committed at the balance sheet date.

1.3 Turnover

Turnover comprises interest income receivable from investments and is recognised on an accruals basis in accordance with the underlying interest rate.

1.4 Fixed assets investments

Investments held as fixed assets are stated at cost. A provision is made for any material permanent diminution in value.

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.

Dawegrove Limited
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Notes to the Financial Statements
31 December 2009

2 Turnover

	2009	2008
	£	£
Interest receivable on investments	177	450

Turnover arose wholly within the United Kingdom

3 Directors' emoluments and employee information

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 (2008: nil).

4. Profit on ordinary activities before taxation

	2009	2008
	£	£
This is stated after charging		
Fees payable to the Company's auditors for the audit of the Company's financial statements (2009: fees were borne by a fellow group undertaking)	-	767

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Notes to the Financial Statements
31 December 2009

5 Tax charge on profit on ordinary activities

	2009	2008
	£	£
Payments received for losses surrendered as group relief in previous periods	-	(36,241)
Total current tax credit	-	(36,241)
Deferred tax charge origination and reversal of timing differences	-	-
Total tax credit on loss on ordinary activities	-	(36,241)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2009	2008
	£	£
Profit on ordinary activities before tax	2,386	7,765
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation of 28.0% (2008: 28.5%)	668	2,213
Effect of		
Losses claimed by group/consortium relief for all nil payment and differences between capital allowances and depreciation	(668)	(2,213)
Payment for group relief surrendered in respect of previous periods	-	(36,241)
Current tax credit	-	(36,241)

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Notes to the Financial Statements
31 December 2009

6. Fixed assets investments

	2009	2008
	£	£
Gilts		
At 1 January	10,000	10,000
Disposals	(10,000)	-
	<u>-</u>	<u>10,000</u>
At 31 December	<u>-</u>	<u>10,000</u>

Gilts with a book value of £10,000 were sold during the year at a profit of £413 (2008: £nil)

The gilts were purchased at a historical cost of £10,000, and their market value at 31 December 2008 was £10,582

7 Debtors: due within one year

	2009	2008
	£	£
Amounts due from group undertaking	<u>1</u>	<u>138,806</u>

8 Creditors: amounts falling due within one year

	2009	2008
	£	£
Amounts due to group undertaking	<u>-</u>	<u>98,601</u>

9. Called up share capital

	2009	2008
	£	£
Authorised, allotted, called up and fully paid		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

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Notes to the Financial Statements
31 December 2009

10 Reconciliation of movement in shareholders' funds

	Share capital £	Profit and Loss Account £	2009 Total £	2008 Total £
At 1 January	1	61,917	61,918	17,912
Dividends	-	(64,314)	(64,314)	-
Profit for the year	-	2,397	2,397	44,006
At 31 December	<u>1</u>	<u>-</u>	<u>1</u>	<u>61,918</u>

11. Ultimate 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. Copies of the parent's group financial statements may be obtained from The Secretary, CLS Holdings plc, 86 Bondway, London SW8 1SF.