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**Company Registration No. FC015941**

**Misotis Investments International SA**

**Report and Financial Statements**

**31 December 2012**

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# **Misotis Investments International SA**

## **Report and Financial Statements 2012**

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# Misotis Investments International SA

## Directors' Report

The Directors present their annual report and financial statements for the year ended 31 December 2012

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

### Activities

The principal activities of the Company are to hold investments and earn income therefrom

### Review of the business

The results for the year are shown on page 3. The Directors expect the principal activity of the Company to remain unchanged for the foreseeable future

### Dividends

No dividends were paid for the year ended 31 December 2012 (2011: £nil)

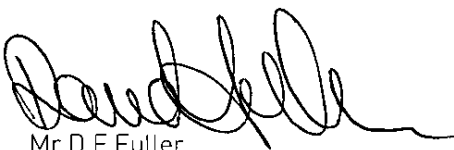
### Directors

The Directors of the Company during the year were as follows

Mr A G P Millet  
Mr E H Klotz  
Mr J H Whiteley  
Mr R J S Tice

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 2012

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



Mr D F Fuller  
Secretary

4 June 2013

### Registered office:

Banco Union Building  
Sixth Floor  
Samuel Lewis Avenue  
Panama City  
Republic of Panama

## **Misotis Investments International SA**

### **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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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.

## Misotis Investments International SA

### Profit and Loss Account Year ended 31 December 2012

	Notes	2012 £	2011 £
<b>Turnover</b>	2	151,698	1,330,167
Administrative expenses		(1,999)	(3,338)
<b>Operating profit</b>		149,699	1,326,829
Interest receivable and similar income		71	2
Interest payable and similar charges	3	(240,540)	(1,266,600)
<b>(Loss)/profit on ordinary activities before taxation</b>		(90,770)	60,231
Tax on (loss)/profit on ordinary activities	5	-	-
<b>(Loss)/profit for the financial year</b>	10	(90,770)	60,231

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)/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 Profit and Loss Account are part of continuing operations

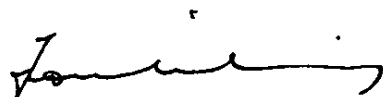
# Misotis Investments International SA

## Balance Sheet 31 December 2012

	Notes	2012 £	2011 £
<b>Current assets</b>			
Debtors due within one year	6	292,773	6,299,086
Debtors due after one year	6	4,406,083	-
		<u>4,698,856</u>	<u>6,299,086</u>
<b>Creditors: amounts falling due within one year</b>	7	(240,540)	-
<b>Net current assets</b>		<u>4,458,316</u>	<u>6,299,086</u>
<b>Creditors: amounts falling due after more than one year</b>	8	(5,440,735)	(7,190,735)
<b>Net liabilities</b>		<u>(982,419)</u>	<u>(891,649)</u>
<b>Capital and reserves</b>			
Called up share capital	9	60	60
Profit and Loss Account	10	(982,479)	(891,709)
<b>Shareholders' deficit</b>		<u>(982,419)</u>	<u>(891,649)</u>

The financial statements of Misotis Investments International SA (registered number FC015941) were approved by the Board of Directors on 4 June 2013

Signed on behalf of the Board of Directors



Mr J H Whiteley  
Director

# Misotis Investments International SA

## Notes to the Financial Statements 31 December 2012

### 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 and in accordance with UK applicable 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 accounts are prepared on the going concern basis as the Directors have concluded that the Company will have sufficient funds to operate for the foreseeable future.

#### 1.2 Turnover

Turnover comprises investment income from investments held during the year.

#### 1.3 Fixed asset investments

Fixed asset investments are held at cost. A provision is made for any permanent diminution in value.

#### 1.4 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 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 which have been enacted or substantively enacted at the Balance Sheet date.

#### 1.5 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.

## Misotis Investments International SA

### Notes to the Financial Statements 31 December 2012

#### 2. Turnover

	2012 £	2011 £
Intercompany interest income	<u>151,698</u>	<u>1,330,167</u>

#### 3 Interest payable and similar charges

	2012 £	2011 £
Intercompany interest expense	<u>240,540</u>	<u>1,266,600</u>

#### 4 Directors' emoluments and employee information

None of the Directors received any remuneration during the year in respect of services as Directors to the Company (2011: £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 (2011: none).

#### 5. Tax on (loss)/profit on ordinary activities

	2012 £	2011 £
Total tax on (loss)/profit on ordinary activities	<u>-</u>	<u>-</u>

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:

	2012 £	2011 £
(Loss)/profit on ordinary activities before tax	<u>(90,770)</u>	<u>60,231</u>
(Loss)/profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 24.5% (2011: 26.5%)	(22,239)	15,961
Effect of: Losses surrendered/(claimed) by group/consortium relief for nil receipt/(payment) and differences between capital allowances and depreciation	<u>22,239</u>	<u>(15,961)</u>
Current tax in profit and loss account	<u>-</u>	<u>-</u>



## Misotis Investments International SA

### Notes to the Financial Statements 31 December 2012

#### 5 Tax on (loss)/profit on ordinary activities (continued)

The rate of corporation tax for the financial year 2011 was 26%. This fell to 24% on 1 April 2012 and the weighted corporation tax rate for the year ended 31 December 2012 was therefore 24.5%. Deferred tax has been calculated at a rate of 23%, being the rate applicable from 1 April 2013 under legislation substantially enacted at the balance sheet date.

#### 6 Debtors: due within one year

	2012 £	2011 £
Amounts due from group undertakings	<u>292,773</u>	<u>6,299,086</u>

#### Debtors: due after one year

Amounts due from group undertakings	<u>4,406,083</u>	<u>-</u>
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#### 7 Creditors: amounts falling due within one year

	2012 £	2011 £
Amounts due to group undertakings	<u>240,540</u>	<u>-</u>

#### 8 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Amounts due to group undertakings	<u>5,440,735</u>	<u>7,190,735</u>

## Misotis Investments International SA

### Notes to the Financial Statements 31 December 2012

#### 9. Called up share capital

	2012	2011
<b>Authorised, allotted, called up and fully paid</b>		
Ordinary shares of US\$1 each	\$120	\$120
Sterling equivalent translated at historical rate	£60	£60

#### 10 Combined statement of reserves and reconciliation of movement in shareholders' deficit

	Share capital £	Profit and Loss Account £	2012 Total £	2011 Total £
At 1 January	60	(891,709)	(891,649)	(951,880)
(Loss)/profit for the year	-	(90,770)	(90,770)	60,231
Balance at 31 December	60	(982,479)	(982,419)	(891,649)

#### 11 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 2012, these accounts are the largest, and only group into which the Company is consolidated. Copies of these financial statements are publicly available and may be obtained from The Secretary, CLS Holdings plc, 86 Bondway, London SW8 1SF.