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Company Registration No. FC016094

**Pantheon Securities Limited**

**Report and Financial Statements**

**31 December 2011**



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## **Pantheon Securities Limited**

### **Report and Financial Statements 2011**

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## **Pantheon Securities Limited**

### **Directors' Report**

The Directors present their annual report and the financial statements for the year ended 31 December 2011

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 principal activity of the Company is hold investments and to earn income therefrom

#### **Review of the business**

The results for the year are shown on page 3

During the year the Company disposed of its interests in four wholly owned subsidiaries. The Company has retained other investments and therefore the Directors expect the principal activity of the Company to remain unchanged for the foreseeable future

#### **Dividends**

The Company paid a dividend of £450,000 during the year ended 31 December 2011 (2010: 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 2011

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



Mr D F Fuller  
Secretary

29 May 2012

#### **Registered office**

86 Bondway  
London  
SW8 1SF

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## **Pantheon Securities 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,
- 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.

## Pantheon Securities Limited

### Profit and Loss Account Year ended 31 December 2011

	Notes	2011 €	2010 €
<b>Turnover</b>	2	323	222
Administrative expenses		(12,082)	(11 516)
<b>Operating loss</b>		(11,759)	(11 294)
Profit/(loss) on sale of fixed asset investments	6	1 430 950	(57)
Interest payable and similar charges	4	(23 587)	(23,522)
<b>Profit/(loss) on ordinary activities before taxation</b>		1,395,604	(34 873)
Tax on profit/(loss) on ordinary activities	5	-	-
<b>Profit/(loss) for the financial year</b>	11	<u>1,395,604</u>	<u>(34 873)</u>

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 profit/(loss) on ordinary activities before taxation and the (profit)/loss 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

## Pantheon Securities Limited

### Balance Sheet 31 December 2011

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Investments	6	4 916	4,920
<b>Current assets</b>			
Debtors due after one year	7	980 952	-
Prepayments		45	45
		980,997	45
<b>Creditors amounts falling due within one year</b>	8	(72 785)	(926,908)
<b>Net current assets/(liabilities)</b>		908,212	(926,863)
<b>Total assets less current liabilities</b>		913,128	(921 943)
<b>Creditors: amounts falling due after more than one year</b>	9	(889,467)	-
<b>Net assets/(liabilities)</b>		23,661	(921,943)
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Profit and Loss Account	11	23 660	(921,944)
<b>Shareholders' funds/(deficit)</b>		23 661	(921,943)

The financial statements of Pantheon Securities Limited (registered number FCO16094) were approved by the Board of Directors on 29 May 2012

Signed on behalf of the Board of Directors



Mr J H Whiteley  
Director

## Pantheon Securities Limited

### Notes to the Financial Statements 31 December 2011

#### 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 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 a 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 also taken advantage of the exemption in the Companies Act 2006 (Section 400(1)(b)) and accordingly has not prepared consolidated financial statements.

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 Investments

Investments are held at cost. A provision is made for any permanent impairment in value.

##### 1.3 Turnover

Turnover comprises income receivable from investments.

##### 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 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.

#### 2 Turnover

	2011 £	2010 £
Interest receivable and financial income	323	222

Turnover arose wholly within the United Kingdom.

## Pantheon Securities Limited

### Notes to the Financial Statements 31 December 2011

#### 3. Directors' emoluments and employee information

None of the Directors received emoluments for their services to the Company during the year (2010 nil). The emoluments of the Directors of the Company who are 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 (2010 none).

#### 4. Interest payable and similar charges

	2011 £	2010 £
On loans from group undertakings	23,587	23,522

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

	2011 £	2010 £
Total tax on profit/(loss) on ordinary activities	-	-

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

	2011 £	2010 £
Profit/(loss) on ordinary activities before tax	1,395,604	(34,873)
Profit/(loss) on ordinary activities before taxation multiplied by the standard rate of UK corporation of 26.5% (2010 28.0%)	369,835	(9,765)
Effect of:		
Differences due to non-deductible expenses and items not included in the profit/(loss) for tax purposes	(379,202)	-
Losses surrendered by group/consortium relief for nil receipt and differences between capital allowances and depreciation	9,367	9,765
Current tax charge in profit and loss account	-	-

The rate of corporation tax for the financial year 2010 was 28%. This fell to 26% on 1 April 2011 and the weighted corporation tax rate for the year ended 31 December 2011 was therefore 26.5%. Deferred tax has been calculated at a rate of 25% being the rate applicable from 1 April 2012 under legislation substantially enacted at the balance sheet date.



## Pantheon Securities Limited

### Notes to the Financial Statements 31 December 2011

#### 6. Investments

	Subsidiary undertaking £	Gilts £	2011 £	2010 £
At 1 January	4	4,916	4,920	5,004
Additions	-	-	-	4,916
Disposals	(4)	-	(4)	(5,000)
At 31 December	-	4,916	4,916	4,920

The gilts, which were purchased at a cost of £4,916 (2010 £4,916) had a market value at 31 December 2011 of £4,570 (2010 £4,774)

During the year to 31 December 2010 gilts with a cost of £5,000 were sold and a loss on disposal of £57 was realised in the Profit and Loss Account

At 31 December 2010 the Company owned 100% of the ordinary share capital of four group undertakings: Buspace Studios Limited, Quayside Lodge Limited, Rex House Limited and Spring Gardens III Limited (all incorporated in Great Britain). Each investment was held in the balance sheet at its cost of £1. The principal activity of all four companies is to invest in commercial property.

On 11 May 2011 the Company disposed of its interests in Rex House Limited and Spring Gardens III Limited for the consideration of £1 each. No profit or loss was realised on disposal.

On 20 September 2011 the Company disposed of its interest in Buspace Studios Limited for the consideration of £1. No profit or loss was realised on disposal. On the same date Quayside Lodge was sold for a consideration which was equivalent to its net asset value of £1,430,951, realising a profit on disposal of £1,430,950.

#### 7 Debtors amounts falling due after more than one year

	2011 £	2010 £
Amounts due from group undertakings	980,952	-

#### 8 Creditors amounts falling due within one year

	2011 £	2010 £
Amounts due to group undertakings	72,785	926,908

## Pantheon Securities Limited

### Notes to the Financial Statements 31 December 2011

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

	2011 £	2010 £
Amounts due to group undertakings	<u>889,467</u>	<u>-</u>

#### 10 Called up share capital

	2011	2010
<b>Authorised share capital</b>	<u>\$50,000</u>	<u>\$50 000</u>
<b>Allotted, called up and fully paid</b>		
Ordinary shares of US\$1 each	<u>\$2</u>	<u>\$2</u>
Sterling equivalent translated at historical rate	<u>£1</u>	<u>£1</u>

#### 11 Combined statement of reserves and reconciliation of movement in shareholders' funds/(deficit)

	Share capital £	Profit and Loss Account £	2011 Total £	2010 Total £
At 1 January	1	(921,944)	(921 943)	(887,070)
Profit/(loss) for the financial year	-	1,395 604	1 395,604	(34 873)
Dividends paid	-	(450 000)	(450,000)	-
At 31 December	<u>1</u>	<u>23,660</u>	<u>23,661</u>	<u>(921,943)</u>

#### 12 Parent undertaking

Pantheon Securities Limited is incorporated in the British Virgin Islands. 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 ultimate parent's group financial statements may be obtained from The Secretary, CLS Holdings plc, 86 Bondway, London, SW8 1SF.