

SEEKTASK LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2005

PricewaterhouseCoopers LLP
Chartered Accountants and
Registered Auditors
1 Embankment Place
London
WC2N 6RH

Company No 1997893



SEEKTASK LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2005

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SEEKTASK LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2005

The Directors are pleased to present their annual report together with the audited financial statements for the year ended 31 December 2005.

1 PRINCIPAL ACTIVITY

The principal activity of the Company is property trading. The Directors are continuing to seek property trading opportunities and the Company's principal activities will remain unchanged for the foreseeable future.

2 REVIEW OF THE BUSINESS

The results for the year are shown on page 4 of the annual report.

3 DIVIDENDS

The Directors do not propose a dividend for the year ended 31 December 2005 (2004: nil).

4 DIRECTORS

The Directors of the Company during the year were as follows:

Mr P Sjöberg (appointed 1 January 2006)
Mr S F Board (appointed 1 January 2006)
Mr D Bäverstam
Mr T J Thomson (resigned 1 January 2006)

The Directors had no interests in the shares of the Company at any time during the year. The interests of the Directors, who are also directors of the parent company, in CLS Holdings plc, are disclosed in that company's financial statements.

SEEKTASK LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

5 STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements 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 the 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

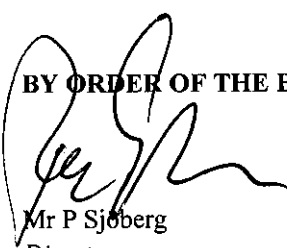
The Directors confirm that the financial statements comply with the above standards.

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 financial statements comply with the Companies Act 1985. 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.

6 AUDITORS

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD


Mr P Sjöberg
Director

REGISTERED OFFICE:
26th floor, Portland House
Bressenden Place
London
SW1E 5BG

31 May 2006

SEEKTASK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEEKTASK LIMITED

We have audited the financial statements of Seektask Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 financial statements 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 presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

31 May 2006

SEEKTASK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005

	NOTES	2005 £	2004 £
Administrative expenses		(8,118)	(8,273)
Loss on ordinary activities before taxation	(3)	(8,118)	(8,273)
Tax on loss on ordinary activities	(4)	-	-
Deficit for the year	(7)	(8,118)	(8,273)

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

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

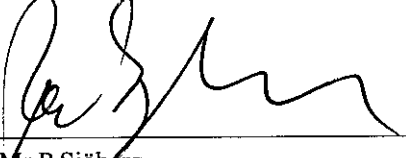
All items included in the above profit and loss account are part of continuing operations.

SEEKTASK LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2005

	NOTES	2005 £	2004 £
CURRENT ASSETS			
Cash at bank and in hand		21	21
		21	21
CREDITORS: amounts falling due within one year	(5)	(347,721)	(339,603)
NET CURRENT LIABILITIES		(347,700)	(339,582)
NET LIABILITIES		(347,700)	(339,582)
CAPITAL AND RESERVES			
Called up share capital	(6)	100	100
Profit and loss account	(7)	(347,800)	(339,682)
EQUITY SHAREHOLDERS' DEFICIT		(347,700)	(339,582)

The financial statements on pages 4 to 7 were approved by the Board of Directors on 31 May 2006 and signed on its behalf by:

 DIRECTOR
Mr P Sjöberg

SEEKTASK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

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 financial statements.

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 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. The Company has received assurances from fellow group companies that sufficient funds will be available to meet the Company's requirements for at least twelve months from the date of these accounts. Accordingly, these financial statements have been prepared on a going concern basis.

1.2 *Turnover*

Turnover comprises trading receipts including rent from property held pending sale and other ground rent.

1.3 *Deferred taxation*

Deferred taxation is recognised in respect of timing differences arising from differences in the treatment for accounts and tax purposes of transactions or events recognised in the financial statements except that:

- Provision is not made in respect of property revaluation gains and losses, and
- Deferred tax assets are recognised only to the extent that suitable taxable profits are considered sufficiently certain to arise which could be set against these assets when they reverse.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse.

2 DIRECTORS' EMOLUMENTS & EMPLOYEE INFORMATION

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 (2004: none).

3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:
Auditors' remuneration

2005	2004
£	£
1,173	1,176

SEEKTASK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

4 TAX ON LOSS ON ORDINARY ACTIVITIES

2005
£

2004
£

UK corporation tax at 30% (2004: 30%)

-

-

No provision for corporation tax has been made for the year due to the availability of losses. Losses are available from one or more of the following sources: losses arising in the year or losses brought forward. Losses arising in the period have been surrendered free of charge.

The Company has unprovided deferred tax assets of £nil (2004: £28,064) relating to unrelieved losses.

5 CREDITORS: amounts falling due within one year

2005
£

2004
£

Amounts due to group undertakings

347,721

339,603

6 CALLED UP SHARE CAPITAL

2005
£

2004
£

Authorised, allotted, called up and fully paid:
Ordinary shares of £1 each

100

100

7 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' DEFICIT

	Share Capital £	Profit & Loss Account £	2005 Total £	2004 Total £
Balance at 1 January	100	(339,682)	(339,582)	(331,309)
Deficit for the year	-	(8,118)	(8,118)	(8,273)
Balance at 31 December	100	(347,800)	(347,700)	(339,582)

8 CONTINGENT LIABILITIES

In the Directors' opinion, no contingent liabilities exist.

9 PARENT UNDERTAKING

The Directors' consider that the immediate, ultimate parent undertaking and controlling party 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, 26th floor, Portland House, Bressenden Place, London, SW1E 5BG.