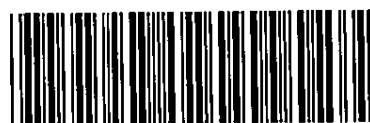


SEEKTASK LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2007

Company No 1997893

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SEEKTASK LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2007**

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SEEKTASK LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2007

The Directors are pleased to present their annual report together with the audited financial statements for the year ended 31 December 2007.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246 of Companies Act 1985.

1 PRINCIPAL ACTIVITY

The principal activities of the Company are property trading and management of development assets. The Directors are continuing to seek 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 DIRECTORS

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

Mr P H Sjöberg (resigned 2nd May 2008)
Mr S F Board (resigned 8th May 2008)
Mr D M Bäverstam (resigned 23rd November 2007)
Mr K E Chapman (appointed 23rd November 2007 and resigned 6 August 2008)
Mr E H Klotz (appointed 2nd May 2008)
Mr T J L Wills (appointed 1st September 2008)
Mr A G P Millet (appointed 1st September 2008)

Qualifying third party indemnity provisions (as defined in section 234 of the companies Act 2006) are in benefit of the Directors and former Directors who held office in 2007.

Each Director has confirmed 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 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 s234ZA of the Companies Act 1985.

SEEKTASK LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2007 (CONTINUED)

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

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with the 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). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

5 AUDITORS

Pursuant to s386 Companies Act 1985, an elective resolution was passed on 9th October 2002 dispensing with the requirement to appoint auditors annually. Therefore, Deloitte & Touche LLP are deemed to continue as auditors.

BY ORDER OF THE BOARD


Mr E H Klotz
Director

3 December 2008

REGISTERED OFFICE:

86 Bondway
London
SW8 1SF

SEEKTASK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEEKTASK LIMITED

We have audited the financial statements of Seektask Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

3 December 2008

SEEKTASK LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2007**

	NOTES	2007 £	2006 £
Turnover	(1)	741,000	159,000
Administrative expenses		(388,533)	(39,531)
Operating profit		352,467	119,469
Interest receivable and similar income		4,803	-
Profit on ordinary activities before taxation	(3)	357,270	119,469
Tax on profit on ordinary activities	(4)	-	-
Profit for the year	(8)	357,270	119,469

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 profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

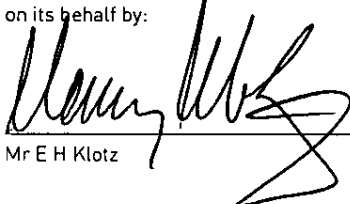
All items included in the above profit and loss account are part of continuing operations.

SEEKTASK LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2007

	NOTES	2007 £	2006 £
CURRENT ASSETS			
Debtors amounts falling due within one year	(5)	565,426	171,648
Cash at bank and in hand		1	21
		565,427	171,669
CREDITORS: amounts falling due within one year	(6)	(36,488)	-
NET CURRENT ASSETS		528,939	171,669
NET ASSETS		528,939	171,669
CAPITAL AND RESERVES			
Called up share capital	(7)	400,000	400,000
Profit and loss account	(8)	128,939	(228,331)
SHAREHOLDERS' FUNDS		528,939	171,669

The financial statements on pages 4 to 8 were approved by the Board of Directors on 3 December 2008 and signed on its behalf by:


 DIRECTOR
 Mr E H Klotz

SEEKTASK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 PRINCIPAL 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 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 *Turnover*

Turnover comprises fees for project management services. Revenue is recognised on an accruals basis as measurable services are provided.

1.3 *Taxation*

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in 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 that 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.

SEEKTASK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007 (CONTINUED)

2 DIRECTORS' EMOLUMENTS & EMPLOYEE INFORMATION

The average number of employees during the year was as follows:

	2007 £	2006 £
Property surveyors & administration	3	-
Employment costs of all employees		
Wages and salaries	228,357	-
Social security costs	31,140	-
	<u>259,497</u>	<u>-</u>

The emoluments of the Directors of the company, who are Directors of CLS Holdings plc, are paid by and disclosed in that Company's financial statements in respect of their services to the Group as a whole.

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2007 £	2006 £
This is stated after charging:		
Auditors' remuneration - fees for audit of the company's annual accounts	825	1,175

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007 £	2006 £
UK corporation tax at 30% (2006: 30%)	-	-

The current tax charge for 2007 and 2006 was lower than the standard rate of UK corporation tax (30%) as explained below:

	2007 £	2006 £
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 30% (2006: 30%)	107,181	35,841
<u>Effect of:</u>		
Losses used from group/consortium relief	(107,181)	(35,841)
Current tax charge in profit and loss account	<u>-</u>	<u>-</u>

5 DEBTORS

Amounts falling due within one year:

	2007	2006
Amounts due from group undertakings	283,426	12,648
Other Debtors	282,000	159,000
	<u>565,426</u>	<u>171,648</u>

6 CREDITORS: amounts falling due within one year

	2007 £	2006 £
Social security and other taxes	36,268	-
Accruals and deferred income	220	-
	<u>36,488</u>	<u>-</u>

SEEK TASK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007 (CONTINUED)****7 CALLED UP SHARE CAPITAL**

	2007	2006
	£	£
Authorised, allotted, called up and fully paid:		
Ordinary shares of £1 each	400,000	400,000

8 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share Capital £	Profit & Loss Account £	2007 Total £	2006 Total £
Balance at 1 January	400,000	(228,331)	171,669	(347,700)
Issue of share capital	-	-	-	399,900
Profit for the financial year	-	357,270	357,270	119,469
Balance at 31 December	400,000	128,939	528,939	171,669

9 PARENT UNDERTAKING

The Directors consider that the immediate, ultimate parent undertaking and controlling party is CLS Holdings plc which is incorporated in England and Wales. Copies of the parent's consolidated financial statements may be obtained from The Secretary, CLS Holdings plc, 86 Bondway, London SW8 1SF.