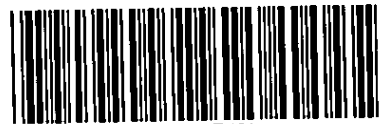


SEEKTASK LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2008

Company No 1997893

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SEEKTASK LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2008

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SEEKTASK LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2008

The Directors are pleased to present their annual report together with the audited financial statements for the year ended 31 December 2008.

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 following completion of the most recent project and the Company's principal activities will remain unchanged for the foreseeable future.

The accounts have been prepared on a going concern basis as described in note 1.2.

2 REVIEW OF THE BUSINESS

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

3 DIVIDENDS

No dividend was paid during the year. (2007:£nil)

4 DIRECTORS

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

Mr P H Sjöberg (resigned 2 May 2008)
Mr S F Board (resigned 8 May 2008)
Mr K E Chapman (resigned 6 August 2008)
Mr E H Klotz (appointed 2 May 2008)
Mr T J L Wills (appointed 1 September 2008)
Mr A G P Millet (appointed 1 September 2008)

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 2008.

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 2008 (CONTINUED)

5 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.

6 AUDITORS

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

ON BEHALF OF THE BOARD

Mr T J L Willis
Director

29 October 2009

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 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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 2008 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 LLP
Chartered Accountants and Registered Auditors
London
29 October 2009

SEEKTASK LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2008**

	NOTES	2008 £	2007 £
Turnover	(1)	15,485	741,000
Administrative expenses		(8,675)	(388,533)
Operating profit		6,810	352,467
Interest receivable and similar income	(4)	11,163	4,803
Profit on ordinary activities before taxation	(3)	17,973	357,270
Tax on profit on ordinary activities	(5)	-	-
Profit for the year	(9)	17,973	357,270

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.

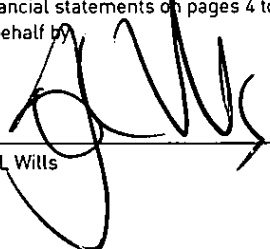
All items included in the above profit and loss account are part of continuing operations.

SEEKTASK LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

	NOTES	2008 £	2007 £
CURRENT ASSETS			
Debtors amounts falling due within one year	(6)	544,414	565,426
Cash at bank and in hand		2,498	1
		546,912	565,427
CREDITORS: amounts falling due within one year	(7)	-	(36,488)
NET CURRENT ASSETS		546,912	528,939
NET ASSETS		546,912	528,939
CAPITAL AND RESERVES			
Called up share capital	(8)	400,000	400,000
Profit and loss account	(9)	146,912	128,939
SHAREHOLDERS' FUNDS		546,912	528,939

The financial statements on pages 4 to 8 were approved by the Board of Directors on 29 October 2009 and signed on its behalf by


 DIRECTOR
 Mr T J L Wills

SEEK TASK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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 *Going concern*

The Company's business activities and review of the business are set out in the directors' report.

The directors have reviewed the current and projected financial position of the Company making reasonable assumptions about future income streams and cost base in relation to its principal activity. Whilst the directors seek alternative projects the company will have very few overheads and will continue to earn returns from its intercompany assets. The directors are confident that these returns will be adequate to service all working capital requirements for the foreseeable future. For these reasons, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the annual report and accounts.

1.3 *Turnover*

Turnover comprises fees for project management services. Revenue is recognised on an accruals basis as measurable services are provided. Turnover arises wholly within the United Kingdom.

1.4 *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.

SEEK TASK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

2 DIRECTORS' EMOLUMENTS & EMPLOYEE INFORMATION

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

	2008 £	2007 £
Property surveyors & administration	-	3
Employment costs of all employees		
Wages and salaries	648	228,357
Social security costs	-	31,140
	-	259,497

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

	2008 £	2007 £
This is stated after charging:		
Fees payable to the company's auditor for the audit of the company's annual accounts	2,000	825

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 £	2007 £
Intercompany interest income	11,069	4,803
Bank interest income	94	-
	11,163	4,803

5 TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2008 £	2007 £
Total tax charge on profit on ordinary activities	-	-

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;

	2008 £	2007 £
Profit on ordinary activities before tax	17,973	357,270
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 28.5% (2007: 30%)	5,122	107,181
<u>Effect of:</u>		
Losses claimed by group/consortium relief for nil payment and differences between capital allowances and depreciation	(5,122)	(107,181)
Current tax charge in profit and loss account	-	-

There were no unprovided tax assets arising from losses at 31 December 2008 (2007: £nil).

SEEKTASK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

6 DEBTORS	2008	2007
Amounts falling due within one year:		
Amounts due from group undertakings	543,621	283,426
Other Debtors	-	282,000
Social security and other taxes	793	-
	<u>544,414</u>	<u>565,426</u>
7 CREDITORS: amounts falling due within one year	2008 £	2007 £
Social security and other taxes	-	36,268
Accruals and deferred income	-	220
	<u>-</u>	<u>36,488</u>
8 CALLED UP SHARE CAPITAL	2008 £	2007 £
Authorised, allotted, called up and fully paid:		
Ordinary shares of £1 each	400,000	400,000
	<u>400,000</u>	<u>400,000</u>

9 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share Capital £	Profit & Loss Account £	2008 Total £	2007 Total £
Balance at 1 January	400,000	128,939	528,939	171,669
Profit for the financial year	-	17,973	17,973	357,270
	<u>400,000</u>	<u>146,912</u>	<u>546,912</u>	<u>528,939</u>
Balance at 31 December	400,000	146,912	546,912	528,939

10 PARENT UNDERTAKING

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

11 POST BALANCE SHEET EVENT

On 17 June 2009 using the solvency statement procedure referred to in section 641(1)(a) of the Companies Act 2006, the company reduced its share capital by 399,999 ordinary shares. The reserve arising, following the reduction, has been treated as realised profit for the purposes of Part 23 of the Companies Act 2006.