

LOCALRIGHT LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 1995

**COOPERS & LYBRAND**

*Chartered Accountants and  
Registered Auditors*

1 Embankment Place  
London  
WC2N 6NN



Company No. 2240596

LOCALRIGHT LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 1995

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# **LOCALRIGHT LIMITED**

## **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 1995**

The directors are pleased to present their annual report together with the audited accounts for the year ended 31 December 1995.

### **1 PRINCIPAL ACTIVITY**

The principal activity of the company is the leasing of a Spectacolour sign.

### **2 REVIEW OF THE BUSINESS**

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

### **3 DIVIDENDS**

The directors do not recommend payment of any dividends for the year ended 31 December 1995 (1994: Nil).

### **4 FIXED ASSETS**

Information relating to the changes in tangible fixed assets is given in note 6 to the accounts.

### **5 DIRECTORS**

The directors of the company during the year were as follows:

Mr B F Mörtstedt

Mr H O T Lundqvist

Mr G Hirsch

(resigned 30 September 1995)

(appointed 28 June 1995)

The directors had no interests in the shares of the company at any time during the year.

### **6 AUDITORS**

A resolution to reappoint Coopers & Lybrand as auditors to the company will be proposed at the forthcoming annual general meeting.

### **BY ORDER OF THE BOARD**

  
T J THOMSON  
*Secretary*

### **REGISTERED OFFICE:**

65 High Street  
Harpenden  
Herts  
AL5 2SW

4 April 1996

## **LOCALRIGHT LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the Directors to prepare accounts 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 those accounts, 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 accounts,
- prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act. 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.

## LOCALRIGHT LIMITED

### REPORT OF THE AUDITORS TO THE MEMBERS OF LOCALRIGHT LIMITED

We have audited the accounts on pages 4 to 9.

#### **Respective Responsibilities of Directors and Auditors**

As described on page 2, the Company's Directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

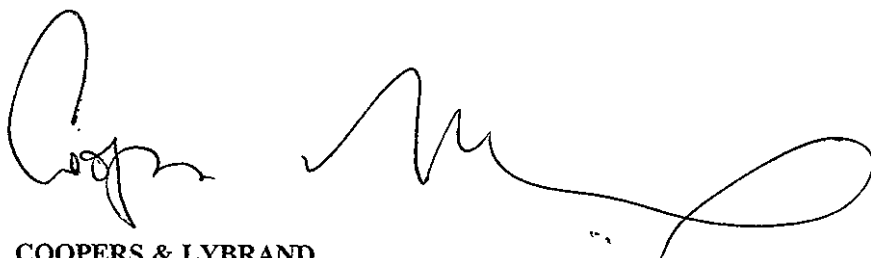
#### **Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 accounts 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 preparation of information in the accounts.

#### **Opinion**

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at the 31 December 1995 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



COOPERS & LYBRAND

*Chartered Accountants and  
Registered Auditors*  
LONDON

4 April 1996

**LOCALRIGHT LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 1995**

	NOTES	1995 £	1994 £
Turnover	(2)	165,833	147,118
Administrative expenses		(77,773)	(77,588)
<b>Profit on ordinary activities before taxation</b>	(3)	88,060	69,530
Tax on profit on ordinary activities	(5)	3,712	12,202
<b>Retained profit for the year</b>	(11)	91,772	81,732

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

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

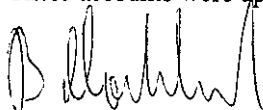
All items included in the above profit and loss account are part of continuing operations.

**LOCALRIGHT LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 1995**

	NOTES	1995 £	1994 £
<b>FIXED ASSETS</b>			
Tangible assets	(6)	250,535	322,127
<b>CURRENT ASSETS</b>			
Debtors	(7)	601,255	415,186
<b>CREDITORS: amounts falling due     within one year</b>	(8)	(539,312)	(501,549)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		61,943	(86,363)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		312,478	235,764
<b>PROVISION FOR LIABILITIES     AND CHARGES</b>	(9)	56,975	72,033
<b>CAPITAL AND RESERVES</b>			
Called up share capital	(10)	2	2
Profit and loss account	(11)	255,501	163,729
<b>TOTAL SHAREHOLDERS' FUNDS</b>		255,503	163,731
		312,478	235,764

These accounts were approved by the Board of Directors on 4 April 1996 and signed on its behalf by:



**DIRECTOR**

Mr B F Mörtstedt

## LOCALRIGHT LIMITED

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995

#### 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 accounts.

##### 1.1 *Basis of preparation*

The accounts have been prepared under the historical cost convention, modified to include the revaluation of land and buildings and in accordance with applicable 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.

##### 1.2 *Depreciation*

Depreciation of the fixed assets is provided at a rate calculated to write off the cost over its estimated useful life of 10 years on a straight line basis.

##### 1.3 *Turnover*

Turnover comprises the total value of rent receivable from the lease of a Spectacolour sign excluding VAT.

##### 1.4 *Deferred Taxation*

Deferred taxation is provided on the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced. It is calculated at the rate at which it is estimated that tax will be payable.

#### 2 TURNOVER

	1995 £	1994 £
Lease income within the United Kingdom	165,833	147,118

#### 3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1995 £	1994 £
This is stated after charging:		
Auditors' remuneration	737	1,500
Depreciation of tangible fixed assets	71,592	71,592

#### 4 DIRECTORS' EMOLUMENTS & EMPLOYEE INFORMATION

The emoluments of the directors of the company are disclosed in the financial statements of CLS Holding plc, for their services to the group as a whole. The company had no employees during the year (1994:none).



# **LOCALRIGHT LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)**

<b>5 CORPORATION TAX</b>	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
Deferred taxation (Note 9)	(15,058)	(12,202)
Payment for group relief for prior years	11,346	-
	<u>(3,712)</u>	<u>(12,202)</u>

UK corporation tax at 33 % (1994 33 %)

No provision for corporation tax has been made for the year due to group relief surrendered free of charge.

<b>6 TANGIBLE FIXED ASSETS</b>	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
Plant and machinery at cost		
At 1 January	715,863	715,863
	<u>715,863</u>	<u>715,863</u>
At 31 December	715,863	715,863
	<u>715,863</u>	<u>715,863</u>
Accumulated depreciation:		
At 1 January	393,736	322,144
Charge for the year	71,592	71,592
	<u>465,328</u>	<u>393,736</u>
At 31 December	465,328	393,736
	<u>465,328</u>	<u>393,736</u>
Net Book Value at 31 December	250,535	322,127
	<u>250,535</u>	<u>322,127</u>

<b>7 DEBTORS</b>	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
Trade debtors	51,406	-
Amounts due from group undertakings	549,470	415,037
Other debtors	149	149
Prepayments and accrued income	230	-
	<u>601,255</u>	<u>415,186</u>

# **LOCALRIGHT LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)**

<b>8 CREDITORS: amounts falling due within one year</b>	<b>1995 £</b>	<b>1994 £</b>
Trade creditors	18	6,710
Amount due to group undertaking	479,549	451,798
Other taxation and social security	14,808	6,458
Accruals & deferred income	44,937	36,583
	<u>539,312</u>	<u>501,549</u>

## **9 PROVISION FOR LIABILITIES AND CHARGES**

Deferred taxation is provided as follows:

	<b>1995 Provision £</b>	<b>Amount unprovided £</b>	<b>1994 Provision £</b>	<b>Amount unprovided £</b>
Capital allowances in excess of depreciation	56,975	-	72,033	-
	<u>56,975</u>	<u>-</u>	<u>72,033</u>	<u>-</u>

## **DEFERRED TAXATION MOVEMENTS**

	<b>1995 £</b>
Balance at 1 January 1995	72,033
Transfer to profit and loss account	(15,058)
	<u>56,975</u>

## **10 SHARE CAPITAL**

	<b>1995 £</b>	<b>1994 £</b>
Authorised Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid Ordinary shares of £1 each	<u>2</u>	<u>2</u>

## LOCALRIGHT LIMITED

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

#### 11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share Capital £	Profit & Loss Account £	1995 Total £	1994 Total £
Balance as at 1 January	2	163,729	163,731	81,999
Profit for the year	-	91,772	91,772	81,732
Balance as at 31 December	2	255,501	255,503	163,731

#### 12 CONTINGENT LIABILITIES

In the opinion of the directors, no contingent liabilities exist.

#### 13 PARENT UNDERTAKING

The directors consider that the immediate parent undertaking is Coventry House Limited which is registered in England and Wales and the ultimate parent undertaking is CLS Holdings plc which is also registered in England and Wales. Copies of the immediate parent's financial statements and the ultimate parent's consolidated financial statements may be obtained from the secretary, CLS Holding plc, 6 Spring Gardens, Citadel Place, Tinworth St,