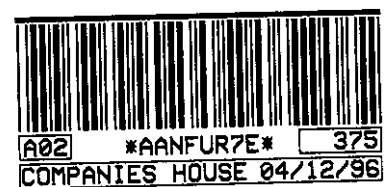


Rainbow Radio Holdings Limited
(Formerly Ballpark Figure 3 Limited)

Directors' report and financial statements

31 March 1996

Registered number 3019440



Rainbow Radio Holdings Limited
(Formerly Ballpark Figure 3 Limited)
Directors' report and financial statements

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Rainbow Radio Holdings Limited

(Formerly Ballpark Figure 3 Limited)

Directors' report

The directors present their annual report and the financial statements for the period ended 31 March 1996.

Principal activities and business review

The company was incorporated on 8 February 1995. On 2 November 1995, the company changed its name from Ballpark Figure 3 Limited to Rainbow Radio Holdings Limited and acquired Rainbow Radio (Blackburn) Limited. The company's principal activity is that of a holding company.

Directors and directors' interests

The directors who held office during the period were as follows:

JCH Anelay (Chairman)	(appointed 8 February 1995)
ID Newton	(appointed 24 November 1995)
B Openshaw	(appointed 24 November 1995)

The directors who held office at the end of the financial period had the following interests in the ordinary shares of the company, as recorded in the register of directors' share and debenture interests:

	£1 ordinary shares	
	Interest at beginning of period or date of appointment	Interest at end of period
JCH Anelay	2	190,310
ID Newton	269,376	269,376
B Openshaw	63,383	63,383

According to the register of directors' interests, no rights to subscribe for shares in the company were granted to any of the directors for their immediate families, or exercised by them, during the financial year.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



ID Newton
Director

1 St Giles
OXFORD
OX1 3JR

11 October 1996

Rainbow Radio Holdings Limited

(Formerly Ballpark Figure 3 Limited)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those 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;
- 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



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Ashton-on-Ribble
PRESTON
PR2 2YF

Report of the auditors to the members of Rainbow Radio Holdings Limited

We have audited the financial statements on pages 4 to 7.

Respective responsibilities of the directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit of those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the group'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 of the state of affairs of the company as at 31 March 1996 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG

KPMG
Chartered Accountants
Registered Auditors

11 October 1996

Rainbow Radio Holdings Limited
(Formerly Ballpark Figure 3 Limited)

Profit and loss account
for the period ended 31 March 1996

The company did not trade during the period and therefore made neither a profit or a loss. No profit and loss account is therefore presented.

Statement of total recognised gains and losses
for the period ended 31 March 1996

The company did not recognise any gains or losses during the period.

Rainbow Radio Holdings Limited


(Formerly Ballpark Figure 3 Limited)

Balance sheet

at 31 March 1996

	<i>Note</i>	1996 £
Fixed assets		
Investments	2	1,100,002
Net assets		<u>1,100,002</u>
Capital and reserves		<u><u>1,100,002</u></u>
Called up share capital	3	1,100,002
	4	<u>1,100,002</u>

These financial statements were approved by the board of directors on 11 October 1996 and were signed on its behalf by:


ID Newton
Director

Rainbow Radio Holdings Limited

(Formerly Ballpark Figure 3 Limited)

Notes

(forming part of the financial statements)

1 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.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt by virtue of S248 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

2 Fixed asset investments

	Shares in group undertakings £
<i>Cost and net book value</i>	
At beginning of period	-
Additions	1,100,002
At end of year	<u>1,100,002</u>

Details of the company's subsidiary undertakings are as follows:

	Cost £	Country of registration or incorporation	Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>				
Rainbow Radio (Blackburn) Limited	1,100,002	England	Leasing of property	Ordinary 100%

At 31 March 1996 the subsidiary undertaking had net assets of £1,033,032. The loss after taxation for the period ended 31 March 1996 retained by the subsidiary was £66,970.

In the opinion of the directors the investments in the company's subsidiary undertaking is worth at least the amount at which it is stated in the balance sheet.

Rainbow Radio Holdings Limited

(Formerly Ballpark Figure 3 Limited)

Notes (continued)

3 Called up share capital

	1996 £
<i>Authorised</i>	
Ordinary shares of £1 each	1,500,000
<i>Allotted, called up and fully paid</i>	
Ordinary shares of £1 each	<u>1,100,002</u>

1,100,002 ordinary shares of £1 each were issued during the period in order to purchase the subsidiary undertaking.

4 Reconciliation of movement in shareholders' funds

	1996 £
New share capital subscribed	
Opening shareholders' funds	1,100,002
	-
Closing shareholders' funds	<u>1,100,002</u>