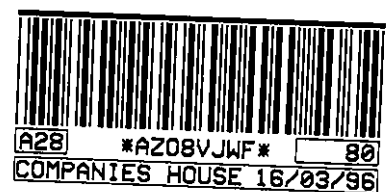


Register
Co. No. 1280495

HIGHPOINT RADIO COMMUNICATIONS LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 1995



DIRECTORS	Mr C D Jameson Mrs M E Jameson
SECRETARY	Mrs M E Jameson
REGISTERED OFFICE	2 Applegarth Wymondham, Norfolk
REGISTERED NUMBER	1280495 (England and Wales)
REPORTING ACCOUNTANTS	Peters Elworthy & Moore Salisbury House Station Road Cambridge CB1 2LA
BANKERS	Lloyds Bank plc 48 High Street Newmarket Suffolk CB8 8LF

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 31 December 1995.

Business Review

The principal activity of the Company continues to be the hiring out of radio aerial space from its radio stations and the directors intend to continue and develop this activity in the future.

The results for the past year and the state of the Company's affairs, which the directors consider satisfactory, are as set out in the financial statements.

The directors do not recommend the payment of a dividend.

The Company was entitled to exemption from audit of its financial statements under section 249A of the Companies Act 1985. These financial statements have therefore, not been audited. An Accountants' Report relating to the preparation of the financial statements is set out on page 3.

Directors

The directors of the company during the year were:

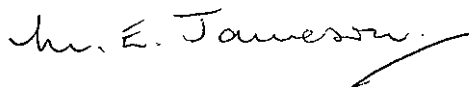
Mr C D Jameson
Mrs M E Jameson

In accordance with the Articles of Association, Mrs M E Jameson retires by rotation and, being eligible, offers herself for re-election.

Directors' Interests in Shares of the Company

The interests of the directors in the ordinary shares of the company at the beginning and end of the year were:

Mr C D Jameson	100
Mrs M E Jameson	1

BY ORDER OF THE BOARD

M E Jameson
Secretary

11 March 1996

ACCOUNTANTS' REPORT TO THE MEMBERS ON THE UNAUDITED FINANCIAL STATEMENTS

We report on the financial statements on pages 4 to 8 for the year ended 31 December 1995.

Respective Responsibilities of Directors and Reporting Accountants

As described on page 5 the Company's directors are responsible for the preparation of the financial statements, and they consider that the Company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of Opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:-

- (a) The financial statements are in agreement with the accounting records kept by the Company under Section 221 of the Companies Act 1985;
- (b) Having regard only to, and on the basis of, the information contained in those accounting records:-
 - i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - ii) the Company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B (1).



PETERS ELWORTHY & MOORE
Chartered Accountants

Cambridge
12 March 1996

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995

	<u>Notes</u>	<u>£</u>	<u>1994</u> <u>£</u>
Turnover	2	135,919	114,761
Administrative expenses		79,831	80,581
		<hr/>	<hr/>
Operating Profit	3	56,088	34,180
Interest receivable		86	327
		<hr/>	<hr/>
Profit on Ordinary Activities before Taxation		56,174	34,507
Tax on profit on ordinary activities	5	16,370	10,801
		<hr/>	<hr/>
Retained profit for year		39,804	23,706
Retained profit brought forward		152,758	129,052
		<hr/>	<hr/>
Retained profit carried forward		192,562	152,758
		<hr/> <hr/>	<hr/> <hr/>

There are no recognised gains and losses in the year other than the profit for the year. All items dealt with in arriving at turnover and operating profit for both the current year and the previous year relate to continuing operations.

The attached notes form part of these financial statements

BALANCE SHEET AS AT 31 DECEMBER 1995

	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>1994</u>	<u>£</u>
Fixed Assets					
Tangible assets	6		367,512		393,594
Current Assets					
Debtors	7	9,358		10,271	
Cash at bank and in hand		7,433		<u>105</u>	
		<u>16,791</u>		10,376	
Creditors: amounts falling due within one year	8	62,536		<u>74,504</u>	
Net Current Liabilities			(45,745)		(64,128)
Total Assets less Current Liabilities			321,767		329,466
Creditors: amounts falling due after more than one year	9		(115,904)		(165,707)
Provision for Liabilities and Charges	10		(13,200)		(10,900)
Net Assets			<u>192,663</u>		<u>152,859</u>
Capital and Reserves					
Called up share capital	11		101		101
Profit and loss account			<u>192,562</u>		<u>152,758</u>
			<u>192,663</u>		<u>152,859</u>

For the year ended 31 December 1995 the Company was entitled to exemption under subsection 2 of Section 249A of the Companies Act 1985. No notice has been deposited under Section 249B.2 in relation to the financial statements for the financial year. The directors acknowledge their responsibility for ensuring that the Company keeps accounting records which comply with Section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Act, and which otherwise comply with the requirements of this Act relating to financial statements so far as applicable to the Company.

ON BEHALF OF THE BOARD

C D Jameson

Director C D Jameson

Approved by the Board on 11 March 1996

The attached notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1995

1 Accounting Policies

- a) Basis of accounting -
The financial statements have been prepared under the historical cost convention.
- b) Cash Flow Statements -
In accordance with Financial Reporting Standard Number one no cash flow statement is included in these financial statements as the company is covered by the small company exemption.
- c) Depreciation -
Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives by equal annual instalments at the following rates:
- | | |
|--------------------------|--|
| Freehold buildings | - 3% on cost |
| Leasehold radio stations | - over the period of the lease, or expected life if shorter (see note 6 below) |
| Radio equipment | - 4% - 20% on cost |
| Furniture and equipment | - 10% on cost |
| Motor vehicles | - 25% on cost |
- d) Deferred taxation -
Provision is made for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallize in the foreseeable future.

2 Turnover

Turnover, all of which arises in the United Kingdom, represents amounts receivable, excluding value added tax, for goods and services invoiced during the year.

3 Operating Profit

	<u>1994</u>	
	£	£
Operating profit is shown after charging:		
Depreciation of tangible fixed assets	36,177	37,278
Staff costs (note 4)	<u>-</u>	<u>-</u>

Turnover includes exceptional income £27,900 comprising a compensation claim for loss of income in prior years.

4 Staff Costs

The two directors were the only employees of the company during the year and in the preceeding year, and both were engaged in the company's administration. The directors received no remuneration during the year.

5 Tax on Profit on Ordinary Activities

	<u>1994</u>	
	£	£
Corporation tax on taxable profit at the rate of 25% (1994 - 25%)	14,070	6,391
Deferred taxation	2,300	4,450
Adjustment for prior years	<u>-</u>	<u>(40)</u>
	<u>16,370</u>	<u>10,801</u>

The company is a close company within the meaning of Section 414 of the Taxes Act 1988.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1995

6 Tangible Fixed Assets

	<u>Freehold land and buildings</u> £	<u>Leasehold radio stations</u> £	<u>Radio equipment</u> £	<u>Motor vehicle furniture and equipment</u> £	<u>Total</u> £
Cost at beginning of year	120,608	141,755	295,825	36,596	594,784
Additions	-	-	10,536	559	11,095
Reallocation	(2,230)	2,230	-	-	-
Cost at end of year	118,378	143,985	306,361	37,155	605,879
Accumulated depreciation at beginning of year	3,432	49,334	123,510	24,914	201,190
Charged in year	3,432	4,985	26,348	2,412	37,177
Accumulated depreciation at end of year	6,864	54,319	149,858	27,326	238,367
Net book value at end of year	111,514	89,665	156,503	9,829	367,512
Net book value at beginning of year	117,176	92,421	172,315	11,682	393,594

Leasehold radio stations above include net book value of £44,710 in respect of properties owned by Mr C D Jameson, a director of the Company. There is a formal tenancy agreement between Mr Jameson and the Company and such properties are depreciated as follows:

Buildings - over the term of the lease
Antenna towers - from 6.6% to 10% on cost

7 Debtors

	£	1994 £
Due within one year:		
Trade debtors	1,850	5,317
Other debtors	652	2,632
Prepayments	6,856	2,322
	<u>9,358</u>	<u>10,271</u>

8 Creditors: amounts falling due within one year

	£	1994 £
Bank overdraft	-	25,247
Trade creditors	4,439	-
Income received in advance	41,845	40,841
Corporation tax	14,070	6,317
Accruals	<u>2,182</u>	<u>2,099</u>
	<u>62,536</u>	<u>74,504</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1995

9 Creditors: amounts falling due after more than one year	£	<u>1994</u> <u>£</u>
Directors' loans, free of interest and not repayable before 1 January 1997 but with no final repayment date	<u>115,904</u>	<u>165,707</u>

10 Provision for Liabilities and Charges

The movement on the provision for deferred taxation is as follows:	£	<u>1994</u> <u>£</u>
Provision at beginning of year	10,900	6,450
Movement in year	2,300	4,450
	<u> </u>	<u> </u>
Provision at end of year	<u>13,200</u>	<u>10,900</u>

Provision for deferred taxation is made up as follows:

	£	£
On accelerated capital allowances	<u>13,200</u>	<u>10,900</u>

11 Called up Share Capital

Authorised:	£	<u>1994</u> <u>£</u>
Ordinary shares of £1 each	2,000	2,000
	<u> </u>	<u> </u>
Allotted, issued and fully paid:		
Ordinary shares of £1 each	101	101
	<u> </u>	<u> </u>

12 Related Undertakings

For the purpose of schedule 6 of the Companies Act 1985, Mr C D Jameson and Mrs M E Jameson are associated with Highpoint Community Repeaters Ltd. During the year, the Company sold goods and services amounting to £7,650 on commercial terms to that company.

13 Capital Commitments

	£	<u>1994</u> <u>£</u>
Authorised by the directors but not contracted	<u>-</u>	<u>-</u>