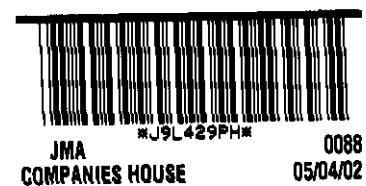


CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2000



Company No. 1444368 (England and Wales)

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

COMPANY INFORMATION

Directors

L. Mays
M. Mays
R. Mays
D. C. Rogers, F.C.A.
M. Wilkin

Secretary

Ms S. Emeny

Company number

1444368

Registered office

33 Golden Square
London
W1F 9JT

Auditors

Smith Partnership
3 Ralli Courts
West Riverside
Manchester
M3 5FT

Ernst & Young LLP
Becket House
1 Lambeth Palace Road
London
SE1 7EU

Bankers

HSBC Bank plc
City Branch
4 Dale Street
Liverpool
L69 2BZ

GE Capital Woodchester Bank
Anderson House
1 Harbour Master Place
International Financial Services
Centre
Dublin 1
IRELAND

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

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CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2000

The company changed its name from Apollo Leisure (UK) Limited to Clear Channel Entertainment (Theatrical) UK Limited on 29th November 2001.

The directors present their report and the audited financial statements for the company for the year ended 31st December 2000.

Principal activities and review of business

The principal activities of the company are theatre services(including theatrical show production) and the operation of cinemas, bingo halls and licensed outlets.

During the year under review, the trade, assets and liabilities of the company's subsidiary companies, Apollo Lyceum London Limited, Hutchinson Leisure Group of Companies Limited, Hutchinson Cinemas (Properties) Limited and Hutchinson Cinemas (North Wales) Limited were transferred into the company.

In May 2000 the company acquired the final tranche of shares in CCL Leisure Limited for a total consideration of £2,290,796.

In August 2000, the entire share capital of SFX Entertainment Inc., the company's ultimate parent undertaking, was acquired by Clear Channel Communications Inc., a company registered in the United States of America.

The directors consider the state of the company's affairs to be satisfactory.

Results and dividends

The results for the year are set out in the profit and loss account on page 5.

Interim dividends amounting to £Nil per share (1999 - £25,000 per share) were paid during the period (total dividend paid £Nil; 1999 - £2,500,000).

The directors recommend that no final dividend be declared (1999 - £Nil).

Future developments

The company intends to continue trading along established lines.

Fixed assets

Details of movements in fixed assets are set out in the notes to the financial statements.

In the opinion of the directors, the current value of the company's interests in land and buildings exceeds the book value.

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2000

Directors and their interests

The directors who served during the year, none of whom had any interest in the issued share capital of the company, were:

L. Mays	Appointed 13th September 2000
M. Mays	Appointed 13th September 2000
R. Mays	Appointed 13th September 2000
T.P. Benson	Resigned 1st August 2000
H.J. Tytel	Resigned 1st August 2000
M.G. Ferrel	Resigned 1st August 2000
P.R. Gregg	Resigned 1st March 2001
D.C. Rogers, F.C.A.	Resigned 1st March 2001, appointed 6th June 2001
M. Wilkin	Appointed 6th June 2001

Messrs L. Mays, M. Mays and R. Mays also serve as directors of the ultimate parent company, Clear Channel Communications Inc., and their beneficial interests (including family interests) in the issued share capital of that company as at 31st December 2000 are shown in its financial statements.

Events since the end of the year

The company sold one of its cinemas in January 2002 for an amount in excess of its carrying value.

The remaining cinemas and all bingo halls are to be sold during 2002. Negotiations are currently in progress with a company controlled by Mr P.R. Gregg (a former director of this company), to sell all these properties at a value in the region of £23m which is in excess of the book values as at 31st December 2000.

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The group places considerable value on the involvement of its employees and continues its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through regular formal and informal meetings.

Policy for payment of creditors

Whenever possible the company agrees terms of payment with individual suppliers at the point of first placing orders with the supplier. Significant amendments to established terms are discussed with suppliers before the amendments take place. The company always endeavours to abide by agreed terms.

The amount of trade creditors shown at the balance sheet date represents 83 days (1999 - 50 days) of average daily purchases for the company.

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2000

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 year. 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 which 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.

Auditors

On 28th June 2001, Ernst & Young, the company's joint auditors, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the LLP Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28th June 2001.

A resolution to re-appoint Smith Partnership, Chartered Accountants and Registered Auditors, and Ernst & Young LLP as joint auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

Director
Date:

Mark P. P. P.
22/3/02

INDEPENDENT AUDITORS' REPORT TO THE

SHAREHOLDERS OF CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

We have audited the financial statements on pages 5 to 22 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors' are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Smith Partnership

Smith Partnership
Chartered Accountants and Registered Auditors
3 Ralli Courts
West Riverside
Manchester
M3 5FT

Date: 22.03.02

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Becket House
1 Lambeth Palace Road
London
SE1 7EU

Date: 22/3/02

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2000

	Notes	2000 £	1999 £
<i>WARNING: You have balances posted to acquisitions and/or disposals ! You should use TMP-1g profit and loss account or you have linked an account incorrectly.</i>			
Turnover	2	47,583,964	50,443,359
Cost of sales		(19,229,147)	(20,550,008)
Gross profit		28,354,817	29,893,351
Administrative expenses		(27,266,775)	(33,578,929)
		1,088,042	(3,685,578)
Other operating income		768,795	500,462
Operating profit/loss	3	1,856,837	(3,185,116)
Dividends received from subsidiary companies		-	3,700,000
Profit on sale of fixed assets	5	341,617	-
		2,198,454	514,884
Interest receivable	7	436,314	251,165
Interest payable and similar charges	6	(2,116,754)	(1,549,998)
Profit/loss on ordinary activities before taxation		518,014	(783,949)
Tax on profit/loss on ordinary activities	8	(1,342,944)	171,665
loss for the financial year		(824,930)	(612,284)
Dividends	9	-	(2,500,000)
Retained loss for the year	25	(824,930)	(3,112,284)

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2000

	Notes	£	2000 £	£	1999 £
Fixed assets					
Tangible assets	10		72,877,236		55,948,596
Investments	12		10,784,928		10,526,017
			<u>83,662,164</u>		<u>66,474,613</u>
Current assets					
Stocks	14	529,416		379,369	
Debtors	15	20,520,302		11,744,770	
Current asset investments	16	192,316		463,461	
Cash at bank and in hand		13,501,202		2,519,753	
		<u>34,743,236</u>		<u>15,107,353</u>	
Creditors: amounts falling due within one year	17	(71,130,703)		(35,160,196)	
Net current liabilities			<u>(36,387,467)</u>		<u>(20,052,843)</u>
Total assets less current liabilities			<u>47,274,697</u>		<u>46,421,770</u>
Creditors: amounts falling due after more than one year	18		(31,871,414)		(32,349,859)
Provisions for liabilities and charges					
Deferred taxation	21		(2,150,000)		(420,000)
Other provisions	22		(2,043,523)		(1,617,221)
			<u>11,209,760</u>		<u>12,034,690</u>
Capital and reserves					
Share capital	23		100		100
Revaluation reserve	25		9,717,927		9,818,162
Profit and loss account	25		1,491,733		2,216,428
Shareholders' funds	24		<u>11,209,760</u>		<u>12,034,690</u>

These financial statements were approved by the board on

22/3/02

and signed on its behalf by:

Director

John D. Clark

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

The company has taken advantage of the exemptions in Financial Reporting Standard Number 1 from the requirement to produce a cash flow statement on the grounds that it is a wholly owned subsidiary of a U.K. parent company.

The financial statements are prepared for the year ended 31st December 2000. The comparatives are for the thirteen month period ended 31st December 1999.

Basis of preparation

The financial statements contain information about Clear Channel Entertainment (Theatrical) UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the company is itself a wholly owned subsidiary of a U.K. parent company, Apollo Leisure Group Limited, and the results of the company are included in the consolidated financial statements of Apollo Leisure Group Limited.

Turnover

Turnover is the amount receivable by the company for goods sold and services provided net of V.A.T.

Investment income

Investment income comprises dividends and interest and is accounted for on a receivable basis.

Tangible fixed assets and depreciation

The company has taken advantage of the transitional arrangements contained within Financial Reporting Standard Number 15 "Tangible fixed assets", and has elected to retain the book amounts brought forward as at 1st January 2000.

Depreciation is calculated to write off the cost or valuation less the estimated realisable value of tangible fixed assets over their estimated useful lives. The rates are calculated on a straight line basis as follows:-

Freehold properties	- mainly over 50 years
Leasehold properties	- over the term of the lease
Motor vehicles	- 3 to 7 years
Fixtures and fittings	- 3 - 10 years

No depreciation is charged on assets under construction.

Grants

Grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal instalments over the expected useful life of the relevant assets.

Grants of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

Investments

Fixed asset investments are shown at cost less amounts written off. Provisions are made for permanent diminutions in value. Income is included in the profit and loss account in the year in which it is receivable for both fixed and current asset investments.

Current asset investments are shown at the lower of cost and net realisable value.

Stocks

Stocks have been valued at the lower of cost and net realisable value.

Deferred taxation

Provision has been made at current rates for taxation deferred in respect of all material timing differences, except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Contribution to pension funds

Pension benefits are funded through defined contribution schemes over the employees' periods of service. The company's contributions are charged to the profit and loss account as incurred.

The company also operates a defined benefit pension scheme for certain of its employees. The expected costs of providing these pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme operated within the company in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll costs.

Hire purchase and leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

2 Turnover

Turnover and profit/loss on ordinary activities before taxation relate to the following business segments:

	Profit/loss before taxation		Turnover	
	2000	1999	2000	1999
	£	£	£	£
Theatre services	225,519	(1,552,902)	36,769,839	44,128,381
Licensed outlets	72,124	602,348	2,647,378	3,124,629
Cinema operations	155,943	166,605	7,120,214	3,190,349
Bingo halls	64,428	-	1,046,533	-
	518,014	(783,949)	47,583,964	50,443,359

All amounts derive from activities in the United Kingdom.

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

3 Operating profit

	2000 £	1999 £
<i>Cost of sales</i>		
Continuing operations	18,751,418	20,550,008
Acquisitions	477,729	-
	<u>19,229,147</u>	<u>20,550,008</u>
<i>Other operating income and charges</i>		
Continuing operations		
Administrative expenses	27,266,775	33,578,929
Other operating income	(768,795)	(500,462)
	<u>26,497,980</u>	<u>33,078,467</u>

The amounts shown for continuing operations include the following in respect of acquisitions:

Administrative expenses	<u>251,331</u>	<u>-</u>
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The operating profit is stated after charging or crediting:

	2000 £	1999 £
Depreciation of tangible fixed assets	4,541,712	3,904,336
Depreciation of assets held under finance leases and hire purchase contracts	200,404	102,079
Loss/profit on disposal of investments	553,338	(249,260)
Tangible fixed assets - permanent diminution	-	65,450
Loss on disposal of fixed assets	1,046	77,508
Operating lease payments - land and buildings	1,314,382	1,069,308
Auditors' remuneration - non audit work	30,000	30,000
Auditors' remuneration - audit work	118,199	82,258
Profit/loss on exchange	<u>(19,885)</u>	<u>122,421</u>

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

4 Directors and employees

Staff costs, including directors' remuneration, were as follows:

	2000	1999
	£	£
Wages and salaries	17,711,155	25,220,505
Social security costs	1,541,155	1,992,420
Other pension costs	399,196	316,061
Other costs	-	37,216
	<u>19,651,506</u>	<u>27,566,202</u>

The average monthly number of employees, including directors, during the year was as follows:

	2000	1999
	Number	Number
Theatre services	1,819	1,670
Licensed outlets	77	108
Cinema and bingo operations	755	151
	<u>2,651</u>	<u>1,929</u>

Directors' emoluments

	2000	1999
	£	£
Aggregate emoluments, including benefits in kind	1,138,455	4,073,094
Directors' pension contributions under defined contribution schemes	173,250	151,179
	<u>1,311,705</u>	<u>4,224,273</u>

Retirement benefits were accruing to directors under schemes as follows:

	2000	1999
	Number	Number
Defined contribution schemes	2	2

Highest paid director

	2000	1999
	£	£
Aggregate emoluments	616,313	2,134,628
Contributions to a defined contribution scheme	126,000	78,750
	<u>742,313</u>	<u>2,213,378</u>

The highest paid director also received the following:

	2000	1999
Benefits in kind	<u>130,950</u>	<u>192,525</u>

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

5	Profit on sale of fixed assets	2000	1999
		£	£
	Profit on sale of properties	341,617	-
6	Interest payable and similar charges	2000	1999
		£	£
	Interest payable on bank loans	-	953,118
	Interest payable on group company loans	2,034,570	571,417
	Interest payable on hire purchase contracts	12,022	25,463
	Other interest payable	70,162	-
		2,116,754	1,549,998
7	Interest receivable	2000	1999
		£	£
	Bank interest receivable	274,856	210,852
	Other interest receivable	161,458	40,313
		436,314	251,165
8	Taxation	2000	1999
		£	£
	Based on the profit/loss for the year:		
	UK corporation tax at 30% (1999 - 31%)	1,400,000	-
	Deferred tax credit/charge	440,500	(155,000)
	Prior periods		
	UK corporation tax	(497,556)	(16,665)
		1,342,944	(171,665)
9	Dividends	2000	1999
		£	£
	Ordinary dividends - paid	-	2,500,000

The taxation charge for the year is distorted due to the level of depreciation charged on assets not eligible for capital allowances, and interest charged by group companies, but not yet paid and therefore ineligible for a tax deduction.

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

10 Tangible fixed assets

	Freehold properties	Long leasehold properties	Short leasehold properties	Motor vehicles	Fixtures and fittings	Assets under construction	Total
Cost or valuation	£	£	£	£	£	£	£
At 1st January 2000	32,806,026	11,227,214	6,558,398	735,373	21,670,783	1,067,302	74,065,096
Additions	220,297	-	6,931	209,086	1,887,946	1,466,819	3,791,079
Disposals	(225,533)	-	(40,821)	(29,269)	(260,119)	-	(555,742)
Transfers from subsidiaries	7,421,006	11,168,906	-	11,050	6,843,776	-	25,444,738
Reclassification	652,828	-	-	-	98,569	(751,397)	-
At 31st December 2000	40,874,624	22,396,120	6,524,508	926,240	30,240,955	1,782,724	102,745,171
Depreciation							
At 1st January 2000	4,517,270	995,503	2,425,294	370,676	9,807,757	-	18,116,500
Charge for the year	816,252	266,042	552,639	235,686	2,871,497	-	4,742,116
Disposals	(128,142)	-	(40,821)	(23,523)	(260,119)	-	(452,605)
Transfers from subsidiaries	2,357,593	819,890	-	-	4,284,441	-	7,461,924
At 31st December 2000	7,562,973	2,081,435	2,937,112	582,839	16,703,576	-	29,867,935
Net book value							
At 31st December 2000	33,311,651	20,314,685	3,587,396	343,401	13,537,379	1,782,724	72,877,236
At 31st December 1999	28,288,756	10,231,711	4,133,104	364,697	11,863,026	1,067,302	55,948,596

The total net book value includes £159,522 (1999 - £258,054) in respect of assets held under hire purchase and finance lease agreements.

On a historical cost basis, freehold and leasehold and and buildings would have been included as follows:

	31st December 2000	1st January 2000
	£	£
Cost	58,628,262	39,424,648
Cumulative depreciation based on cost	11,132,457	6,589,239

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

11 Details of revalued assets

	Freehold properties £	Long leasehold properties	Short leasehold properties £	Total
At cost	24,254,370	17,743,620	6,089,508	48,357,498
At valuation:				
1st December 1990	8,633,000	-	435,000	9,068,000
30th November 1991	2,754,410	-	-	2,754,410
28th November 1992	-	4,652,500	-	4,652,500
27th November 1993	4,962,844	-	-	4,962,844
	<u>40,874,624</u>	<u>22,396,120</u>	<u>6,524,508</u>	<u>69,795,252</u>

The transitional provisions of Financial Reporting Standard Number 15 "Tangible fixed assets" are being followed, and therefore the above valuations have not been updated.

12 Fixed asset investments

	Shares in group undertakings £
Cost	
At 1st January 2000	10,526,017
Transfers from subsidiaries	669,212
Adjustment	(410,301)
At 31st December 2000	<u>10,784,928</u>

The adjustment relates to the correction of the value assigned to investments in subsidiary companies on the acquisition of CCL Leisure Limited due to the settlement of the final consideration being lower than the amounts previously provided.

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

13 Shares in group undertakings

These represent the investment in the company's subsidiaries listed below:

Name of company	Country of incorporation	Details of investments	Proportion held by company	Proportion held by subsidiary	Nature of business
CCL Leisure Limited	UK	Equity	100%	Nil	Sports and fitness management
Hutchinson Leisure Group of Companies and subsidiaries	UK	Equity	100%	Nil	Dormant
Apollo Lyceum London Limited	UK	Equity	100%	Nil	Dormant
Apollo Dominion Investments Limited	UK	Equity	100%	Nil	Holding company
Manchester Theatres Limited	UK	Equity	100%	Nil	Dormant
Tatton Cinemas Gatley Limited	UK	Equity	100%	Nil	Dormant
Apollo Theatre Productions Limited	UK	Equity	100%	Nil	Non trading
World Trade Centre Wales Limited	UK	Equity	100%	Nil	Dormant
Apollo Theatre (Victoria) Limited	UK	Equity	100%	Nil	Dormant
Tickets London Limited	UK	Equity	67%	Nil	Dormant
Tickets North Limited	UK	Equity	100%	Nil	Dormant

In accordance with the Shareholders Agreement for the acquisition of the issued share capital of CCL Leisure Limited in 1997, an estimated further consideration of £Nil (1999 - £2,701,097) has been provided for at the balance sheet date.

In May 2000, the remaining shares were acquired for £2,290,796 - the excess provision of £410,301 has been recognised as a reduction in the cost of the investment during the year ended 31st December 2000.

14 Stocks

	2000	1999
	£	£
Consumables	85,874	66,573
Goods for resale	443,542	312,796
	<u>529,416</u>	<u>379,369</u>

The directors consider that the replacement cost of stock is not materially different to the balance sheet value.

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

15	Debtors	2000 £	1999 £
	Trade debtors	2,843,107	1,633,147
	Amounts owed by group companies	7,552,426	2,426,820
	Amounts owed by subsidiary companies	5,629,679	4,574,671
	Other debtors	888,100	1,698,444
	Prepayments and accrued income	3,606,990	1,411,688
		<u>20,520,302</u>	<u>11,744,770</u>

16	Current asset investments	2000 £	1999 £
	Listed investments at cost	167,822	279,412
	Unlisted investments at cost	3,183,814	2,785,254
	Provision for loss	(3,159,320)	(2,601,205)
		<u>192,316</u>	<u>463,461</u>

At 31st December 2000 the market value of the listed investments was £120,858 (1999 - £202,521).

17	Creditors: amounts falling due within one year	2000 £	1999 £
	Obligations under hire purchase and finance leases (note 20)	72,553	131,773
	Trade creditors	4,372,406	2,536,372
	Amounts owed to group companies	9,575,758	6,379,146
	Amounts owed to subsidiary undertakings	21,743,607	1,973,651
	Other taxes and social security	2,269,946	1,833,769
	Other creditors	21,941,208	16,547,362
	Accruals and deferred income	11,155,225	5,758,123
		<u>71,130,703</u>	<u>35,160,196</u>

Other creditors includes £Nil (1999 - £2,701,097) relating to deferred consideration due on the acquisition of CCL Leisure Limited.

18	Creditors: amounts falling due after more than one year	2000 £	1999 £
	Obligations under hire purchase and finance leases (note 20)	-	43,001
	Amounts owed to group companies (note 19)	31,871,414	32,306,858
		<u>31,871,414</u>	<u>32,349,859</u>

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

19	Loans and borrowings	2000	1999
		£	£
	Analysis of loans		
	Obligations under hire purchase and finance lease contracts (note 20)	72,553	174,774
	Amounts owed to parent undertaking	31,871,414	32,306,858
		<u>31,943,967</u>	<u>32,481,632</u>
	 Maturity of debt - excluding obligations hire purchase and finance leases		
	In more than five years	<u>31,871,414</u>	<u>32,306,858</u>
 20	 Obligations under hire purchase and finance leases	 2000	 1999
		£	£
	Obligations under hire purchase contracts and finance leases are analysed between amounts payable:		
	In the next year	72,553	131,773
	In the second to third years inclusive	-	43,001
		<u>72,553</u>	<u>174,774</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

21 Deferred taxation

The movements in deferred taxation during the current and previous years are as follows:

	2000 £	1999 £
At 1st January 2000	420,000	575,000
Movement in the year	1,730,000	(155,000)
At 31st December 2000	<u>2,150,000</u>	<u>420,000</u>

The movement in the year relates to provisions transferred from subsidiary companies.

Deferred taxation provided and unprovided for in the financial statements is set out below. The amount unprovided represents a contingent liability at the balance sheet date and is calculated using a tax rate of 30% (1999 31%).

	Amount provided		Amount unprovided	
	2000 £	1999 £	2000 £	1999 £
Accelerated capital allowances	2,250,000	420,000	-	-
Other timing differences	(100,000)	-	-	-
Unrealised capital gains	-	-	650,000	867,000
	<u>2,150,000</u>	<u>420,000</u>	<u>650,000</u>	<u>867,000</u>

22 Other provisions

	Grants £	Other provisions £	Total £
At 1st January 2000	1,451,771	165,450	1,617,221
Movement in the period	160,330	325,685	486,015
Released to profit and loss	(59,713)	-	(59,713)
At 31st December 2000	<u>1,552,388</u>	<u>491,135</u>	<u>2,043,523</u>

Other provisions relate to costs anticipated to be incurred in respect of properties held on operating leases, but from which all trading has ceased.

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

23	Share capital	2000	1999
		£	£
	Authorised		
	Equity shares		
	100 Ordinary shares of £1 each	100	100
	Allotted		
	100 Allotted, called up and fully paid ordinary shares of £1 each	100	100
24	Reconciliation of movement in shareholders' funds	2000	1999
		£	£
	Loss for the financial year	(824,930)	(612,284)
	Dividends	-	(2,500,000)
	Decrease in the shareholders' funds	(824,930)	(3,112,284)
	Opening shareholders' funds	12,034,690	15,146,974
	Closing shareholders' funds	11,209,760	12,034,690
25	Reserves	Revaluation reserve	Profit and loss account
		£	£
	At 29th November 1998	10,054,363	5,092,511
	Loss for the year	-	(3,112,284)
	Transfers between reserves	(236,201)	236,201
	At 1st January 2000	9,818,161	2,216,429
	Loss for the year	-	(824,930)
	Transfers between reserves	(100,234)	100,234
	At 31st December 2000	9,717,927	1,491,733

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

26 Note of historical cost profits and losses

	2000	1999
	£	£
Profit/Loss on ordinary activities before taxation	518,014	(783,949)
Difference between historical cost depreciation charge and depreciation charge based on the revalued amounts	100,234	236,201
Historical cost profits/losses on ordinary activities before taxation	618,248	(547,748)
Historical cost loss transferred from reserves	(724,696)	(2,876,083)

27 Capital commitments

The company had the following capital commitments:

	2000	1999
	£	£
Contracted for but not provided in the financial statements	-	1,365,000

28 Operating lease commitments

At 31st December 2000, the company had annual lease commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2000	1999
	£	£
Operating leases which expire:		
Between two and five years	355,550	476,200
After five years	255,500	105,000
	611,050	581,200

29 Contingent liabilities

The bank holds a legal charge over one of the company's long leasehold properties dated 7th June 1996.

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

30 Pension schemes

The company operates defined contribution pension schemes for the benefit of directors and senior employees. The assets of the schemes are administered by trustees in funds independent from those of the company.

The total contributions paid in the year amounted to £362,967 (1999 -£242,267), of which £173,250 (1999 - £151,179) related to contributions paid on behalf of directors.

There were no outstanding or prepaid contributions at the balance sheet date.

The group also operates a pension scheme providing benefits based on final pensionable pay for certain of its employees. The assets of the scheme are held separately from those of the company, being invested with an insurance company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the group. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 1st April 2000.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increases in salaries and pensions. It was assumed that the investment returns would be 7% per annum, that salary increases would average 5.25% per annum and that present and future pensions would increase at the rate of 5.5% per annum.

The pension charge for the year was £36,229 (1999 - £73,794). At the balance sheet date, there were no outstanding contributions.

The most recent actuarial valuation showed that the market value of the scheme's assets was £382,000 representing a funding level of 95%. The contributions of the company and employees will be 20%/21% and 5%/6% of earnings respectively.

31 Post balance sheet events

The company sold one of its cinemas in January 2002 for an amount in excess of its carrying value.

The remaining cinemas and all bingo halls are to be sold during 2002. Negotiations are currently in progress with a company controlled by Mr P.R. Gregg (a former director of this company), to sell all these properties at a value in the region of £23m which is in excess of the book values as at 31st December 2000.

CLEAR CHANNEL ENTERTAINMENT (THEATRICAL) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

32 Transactions with related parties

In the opinion of the directors, the following transactions require to be disclosed under the definition of related parties within Financial Reporting Standard Number 8 "Related Party Transactions".

The company has advanced funds to Mr P.R. Gregg. At the balance sheet date the amount outstanding was £Nil (1999 - £11,749), and the maximum balance outstanding during the year was £11,912.

The property occupied by the company is owned by Houston Securities Limited, a company in which Mr P.R. Gregg is a minority shareholder. The company pays rent to Houston Securities Limited amounting to £145,000 per annum. The amount of rent payable for the period to 31st December 1999 is £36,250, and there were no amounts outstanding at the balance sheet date.

The rents payable reflect a commercial charge for the property.

Nederlander Dominion Limited, a 33.33% associated undertaking of Apollo Dominion Investments Limited, a subsidiary of the company, paid a management fee of £66,824 (1999 - £76,540) for accountancy and administrative services. There were no balances outstanding at the balance sheet date.

All transactions have been carried out on normal commercial terms.

In accordance with Financial Reporting Standard Number 8, transactions with other group companies within, and investee related parties of, the group headed by Clear Channel Entertainment Inc. have not been disclosed in these financial statements.

33 Controlling party

The company's immediate parent undertaking is Apollo Leisure Group Limited. The results of the company are included within the group financial statements for Apollo Leisure Group Limited for the year ended 31st December 2000, copies of which are available from Companies House.

The largest UK group in which the results of the company for the year ended 31st December 2000 is consolidated is that headed by Clear Channel Entertainment UK Holdings Limited, copies of which are available from Companies House.

In the directors' opinion, the company's ultimate parent company and controlling party with effect from 1st August 2000 is Clear Channel Communications Inc., a company incorporated in the United States of America. Copies of the group financial statements for Clear Channel Communications Inc. for the year ended 31st December 2000 which incorporate the results of the company are available from Clear Channel Communications Inc., 200 East Basse Road, San Antonio, TX 78029, United States of America.