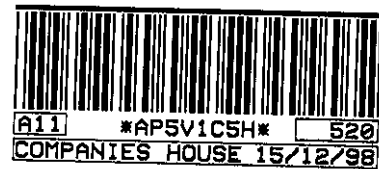


SAGA RADIO LIMITED
DIRECTORS' REPORT AND ACCOUNTS

31st January 1998



Company registration number:

2942105

SAGA RADIO LIMITED DIRECTORS' REPORT

Directors: R M De Haan (Chairman)
P C De Haan
T B Bull
Dr O McDonald
S Chalmers

Secretary: P C De Haan

Registered Office: The Saga Building, Middelburg Square,
Folkestone, Kent CT20 1AZ

The directors present their report for the year to 31 January 1998.

PRINCIPAL ACTIVITIES

The company's principal activity is to develop strategies for radio broadcasting for its parent, Saga Group Ltd. During the year the company made an unsuccessful application for a regional radio licence in NW England.

The immediate holding company Saga Group Limited has underwritten all costs incurred to date and has also undertaken to provide sufficient resources to enable the company to achieve its objective of providing commercial radio for older listeners.

DIRECTORS

The directors of the company during the year ended 31 January 1998 were those listed above.

DIRECTORS' INTERESTS

R M De Haan and P C De Haan are directors of the immediate parent undertaking, Saga Group Limited and the ultimate parent undertaking, Saga Leisure Limited, their interests are set out in the accounts of those companies. T B Bull, Dr O McDonald, and S Chalmers have no interest in the shares of the company or the ultimate parent undertaking.

By order of the Board

P.C. De Haan

Secretary

7th May 1998

SAGA RADIO LIMITED

BALANCE SHEET - 31 JANUARY 1998

	1998 £	1997 £
DEBTORS		
Amount due from parent undertaking	1	1
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1</u>	<u>1</u>
SHARE CAPITAL AND RESERVES		
Called up share capital Authorised 1,000 Ordinary shares of £1 each		
Allotted, called-up and fully paid 1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

The company was dormant throughout the financial period and these accounts therefore do not include an auditors' report.

PC De Haan)
7th May 1998

Director

NOTES ON THE ACCOUNTS

1 ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

2 PROFIT AND LOSS ACCOUNT

No profit and loss account has been prepared as the company has not traded during the period.

3 ULTIMATE PARENT UNDERTAKING

The accounts of the company have been consolidated in the group accounts of Saga Leisure Limited (the ultimate parent undertaking) and Saga Group Limited, both of which are registered in England.