


3475020.

SOLO EVENTS LIMITED

Report and Financial Statements

31 December 2001

 ERNST & YOUNG



A42
COMPANIES HOUSE

AXUSSEZE

0882
12/10/02

Solo Events Limited

Registered No. 3475020

DIRECTORS

L Mays
M Mays
R Mays
J B T Giddings

SECRETARY

S Emeny

AUDITORS

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

BANKERS

Coutts & Co
440 Strand
London WC2R 0QS

REGISTERED OFFICE

33 Golden Square
London W1F 9JT

Solo Events Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2001.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £847 (year ended 31 December 2000 – profit of £4,418). The directors do not recommend the payment of a dividend (2000 – £5,000).

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company is that of music promotion. The company has not traded during the year ended 31 December 2001. All assets and liabilities of the company will be taken over by sister company Solo Agency Limited.

On 31 May 2001 Clear Channel Communications Inc., a company incorporated in the United States of America, purchased 90% of the ordinary share capital of the company. The remaining 10% was purchased by TNA International Limited, a company incorporated in Bermuda and a wholly owned subsidiary of the Clear Channel Communications Inc. group.

On 26 March 2002 both Clear Channel Communications Inc. and TNA International Limited transferred their entire share holdings in the company to SFX Entertainment Inc., a company incorporated in the United States of America and a wholly owned subsidiary of the Clear Channel Communications Inc. group.

On the same date SFX Entertainment Inc. transferred 100% of the ordinary share capital of the company to SFX Netherlands Holding BV, a company incorporated in the Netherlands and a wholly owned subsidiary of the Clear Channel Communications Inc. group.

On the same date SFX Netherlands Holding BV transferred 100% of the ordinary share capital of the company to Clear Channel Entertainment UK Holdings Limited, a company incorporated in the United Kingdom.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year ended 31 December 2001, and changes are as follows:

L Mays	(appointed 8 January 2002)
M Mays	(appointed 8 January 2002)
R Mays	(appointed 8 January 2002)
J B T Giddings	
B Becker	(appointed 31 May 2001, resigned 8 January 2002)
R A Liese	(appointed 31 May 2001, resigned 8 January 2002)
J Clough	(resigned 31 May 2001)
G Pullen	(resigned 31 May 2001)

No directors had any interest in the share capital of the company at any time during the year at 31 December 2001.

L Mays, M Mays and R Mays are directors of Clear Channel Communications Inc., a company incorporated in the United States of America, which from 31 May 2001 was the company's ultimate parent undertaking. Details of their shareholdings in that company are given in the financial statements of that company.


Solo Events Limited

DIRECTORS' REPORT

AUDITORS

Lincoln Brown & Co resigned as auditors and Ernst & Young LLP were appointed in their place in accordance with section 385 of the Companies Act 1985. A resolution to reappoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the Board


Director

23 SEP 2002

Solo Events Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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 of the company 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 to 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLO EVENTS LIMITED

We have audited the company's financial statements for the year ended 31 December 2001, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 10. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with 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 misstatements within it.

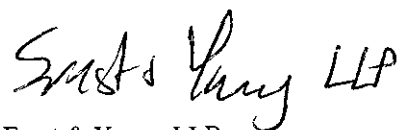
Basis of audit opinion

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 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 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

23 SEP 2002

Solo Events Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2001

	Notes	2001 £	2000 £
TURNOVER	2	–	35,266
Cost of sales		–	–
GROSS PROFIT		–	35,266
Administrative expenses		(946)	(34,160)
OPERATING (LOSS)/PROFIT	3	(946)	1,106
Bank interest receivable		99	3,999
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(847)	5,105
Tax on (loss)/profit on ordinary activities	5	–	(687)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(847)	4,418
Dividends		–	(5,000)
RETAINED LOSS FOR THE YEAR		(847)	(582)

The company did not trade during the year.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses in the year other than the retained loss for the year of £847 (year ended 31 December 2000 – loss of £582).

Solo Events Limited

BALANCE SHEET at 31 December 2001

	Notes	2001 £	2000 £
CURRENT ASSETS			
Debtors	6	900	112
Cash at bank and in hand		437	8,101
		<u>1,337</u>	<u>8,213</u>
CREDITORS: amounts falling due within one year	7	(100)	(6,129)
		<u>1,237</u>	<u>2,084</u>
NET CURRENT ASSETS			
		<u>1,237</u>	<u>2,084</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,237</u>	<u>2,084</u>
CAPITAL AND RESERVES			
Called up share capital	8,9	1,000	1,000
Profit and loss account	9	237	1,084
		<u>1,237</u>	<u>2,084</u>
EQUITY SHAREHOLDERS' FUNDS		<u>1,237</u>	<u>2,084</u>

ERNST & YOUNG

23 SEP 2002

Approved by the Board on and signed on its behalf by:

Mark P. Hays
Director

Solo Events Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2001

1. ACCOUNTING POLICIES

Basis of accounting

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

Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

Deferred taxation

Deferred taxation is calculated using the liability method and provision is made to the extent that it is probable a liability will crystallise.

Statement of cash flows

The directors have taken advantage of the small company exemption under FRS 1 (revised), and have not produced a statement of cash flows. A consolidated statement of cash flows is available in the financial statements of the ultimate parent undertaking.

2. TURNOVER

Turnover, which is stated net of Value Added Tax, is derived from the principal activity of the company, that of music promotion. All turnover arose in the United Kingdom.

3. OPERATING (LOSS)/PROFIT

This is stated after charging:

	2001 £	2000 £
Auditors' remuneration	100	1,000
Directors' emoluments (note 4)	–	30,000
	<u> </u>	<u> </u>

4. DIRECTORS' EMOLUMENTS

	2001 £	2000 £
Emoluments and other benefits	–	30,000
	<u> </u>	<u> </u>

5. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
UK corporation tax at 30% (2000 – 30%)	–	1,021
Over provision in respect of previous years.	–	(334)
	<u> </u>	<u> </u>
	–	687
	<u> </u>	<u> </u>

Solo Events Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2001

6. DEBTORS

	2001 £	2000 £
Amounts owed by group undertakings	900	-
Other debtors	-	112
	<u>900</u>	<u>112</u>

7. CREDITORS: amounts falling due within one year

	2001 £	2000 £
Amounts owed to group undertakings	-	4,100
Corporation tax	-	1,021
Accruals and deferred income	100	1,008
	<u>100</u>	<u>6,129</u>

8. SHARE CAPITAL

	2001 £	Authorised 2000 £	Allotted, called up and fully paid 2001 £	2000 £
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

9. RESERVES

	Share capital £	Profit and loss account £	Total £
At 1 January 2001	1,000	1,084	2,084
Loss for the year	-	(847)	(847)
At 31 December 2001	<u>1,000</u>	<u>237</u>	<u>1,237</u>

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2001

10. ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking was, until 26 March 2002, Clear Channel Communications Inc., a company incorporated in the United States of America. On 26 March 2002 ownership of the company was transferred to SFX Entertainment Inc. (incorporated in the United States of America), then SFX Netherlands Holdings BV (incorporated in the Netherlands), then Clear Channel Entertainment UK Holdings Limited (incorporated in the United Kingdom). The smallest group of companies for which group financial statements are prepared is Clear Channel Entertainment UK Holdings Limited.

The company's ultimate parent undertaking and controlling party is Clear Channel Communications Inc., a company incorporated in the United States of America. This is the largest group of companies for which group financial statements are prepared.

Copies of the consolidated financial statements of Clear Channel Communications Inc. are available from P O Box 659512, San Antonio, Texas 78265-9512, United States of America. Copies of the consolidated financial statements of Clear Channel Entertainment UK Holdings Limited are available from 33 Golden Square, London W1F 9JT.

The company has taken advantage of the exemptions conferred by FRS 8 allowing it not to disclose details of transactions with other group undertakings.