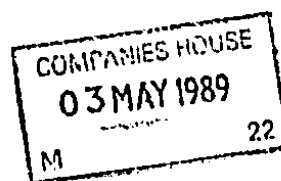


1138069

Python (Monty) Pictures Limited

Report and Financial Statements
March 31, 1988



Arthur Young

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

PYTHON (MONTY) PICTURES LIMITED

1.

DIRECTORS' REPORT

The directors submit their report and financial statements for the year ended March 31, 1988.

Results and dividends

The profit after taxation for the year was £24,224. The directors do not recommend a dividend, leaving a surplus of £26,054 to be carried forward.

Principal activities

The company's principal activity during the year was the exploitation of television and cinematographic productions.

Directors and their interests

The directors at March 31, 1988 and their interests in the share capital of the company were as follows:

	<u>At March 31, 1988</u>	<u>At April 1, 1987</u>
	<u>Ordinary shares</u>	<u>Ordinary shares</u>
G. Chapman	1	1
J. Cleese	1	1
T. Gilliam	1	1
E. Idle	1	1
M. Palin	1	1
T. Jones	1	1

Close company

The company is a close company within the provisions of the Income and Corporation Taxes Act, 1988.

Auditors

A resolution to reappoint Arthur Young as auditors will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD

S. ABBOTT
Secretary

February 8, 1989



Arthur Young

Chartered Accountants
Rolls House, 7 Rolls Buildings,
Fetter Lane, London EC4A 1NH

REPORT OF THE AUDITORS TO THE MEMBERS OF PYTHON (MONTY) PICTURES LIMITED

We have audited the financial statements on pages 3 to 8 in accordance with approved auditing standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at March 31, 1988 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

February 8, 1989

PYTHON (MONTY) PICTURES LIMITED

3.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED MARCH 31, 1988

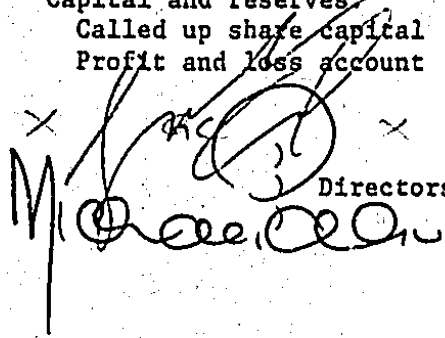
	<u>Notes</u>	<u>1988</u> £	<u>1987</u> £
Turnover	2	986,999	602,015
Operating charges		(960,434)	(610,853)
Operating profit/(loss)	3	26,565	(8,838)
Interest receivable		4,053	800
Profit/(loss) on ordinary activities before taxation		30,618	(8,038)
Tax on profit on ordinary activities	4	6,394	-
Profit/(loss) on ordinary activities after taxation		24,224	(8,038)
Retained profit brought forward		1,830	9,868
Retained profit carried forward		£ 26,054	£ 1,830

The notes on pages 6 to 8 form part of these financial statements

PYTHON (MONTY) PICTURES LIMITED

4.

BALANCE SHEET AT MARCH 31, 1988

	<u>Notes</u>	£	<u>1988</u> £	<u>1987</u> £
Tangible fixed assets	5		1,174	2,959
Copyrights			6	6
			<u>1,180</u>	<u>2,965</u>
Current assets:				
Debtors	6	34,911		116,060
Bank and cash		12,570		1,314
		<u>47,481</u>		<u>117,374</u>
Creditors: amounts falling due within one year	7	(22,601)		(118,503)
Net current assets/(liabilities)			24,880	(1,129)
Total assets less current liabilities			<u>£26,060</u>	<u>£ 1,836</u>
Capital and reserves:				
Called up share capital	8		6	6
Profit and loss account			26,054	1,830
 <div style="display: flex; justify-content: center; align-items: center;"> <div style="margin-right: 10px;">X</div> <div style="margin-right: 10px;">X</div> <div style="text-align: center;"> <p>Directors</p> </div> </div>				
			<u>£26,060</u>	<u>£ 1,836</u>

February 8, 1989

PYTHON (MONTY) PICTURES LIMITED

5.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED MARCH 31, 1988

		<u>1988</u> £	<u>1987</u> £
Source of funds:	£		
Profit/(loss) on ordinary activities before taxation		30,618	(8,038)
Adjustment for item not involving the movement of funds:			
Depreciation		1,785	1,854
Total generated from/(absorbed by) operations		32,403	(6,184)
Funds from other sources:			
Corporation tax recovered		43,775	-
Increase/(decrease) in working capital		£ 76,178	£ (6,184)
		=====	=====
Components of increase/(decrease) in working capital:			
Debtors		(37,749)	20,529
Creditors		(12,342)	135,156
		(50,091)	155,685
		=====	=====
Movement in net liquid funds:			
Bank and cash	11,256		(46,856)
Bank overdraft	115,013		(115,013)
		126,269	(161,869)
		£ 76,178	£ (6,184)
		=====	=====

NOTES TO THE FINANCIAL STATEMENTS AT MARCH 31, 19881. Accounting policiesAccounting convention

The financial statements are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Furniture, fittings and equipment -- at 15% per annum

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

All differences are taken to the profit and loss account.

2. Turnover

The turnover and pre-tax profit is attributable to one activity, the exploitation of television and cinematographic productions, and relates to royalties and advances received by the company during the year.

An analysis of turnover by market is given below:

	<u>1988</u> £	<u>1987</u> £
United Kingdom	659,236	18,208
U.S.A.	272,475	308,319
Other	55,288	275,488
	-----	-----
	£986,999	£602,015
	=====	=====

3. Operating profit/(loss)

This is stated after charging/(crediting):

	<u>1988</u> £	<u>1987</u> £
Depreciation	1,785	1,854
Auditors' remuneration	2,300	1,850
(Profit) on foreign exchange	(3,491)	(2,288)
Directors' remuneration	-	-
	-----	-----

PYTHON (MONTY) PICTURES LIMITED

7.

NOTES TO THE FINANCIAL STATEMENTS AT MARCH 31, 1988
(continued)

4. Taxation

The taxation charge in the profit and loss account comprises:

	<u>1988</u>	<u>1987</u>
Corporation tax at 27%	£ 6,394	£ -
	-----	-----

5. Tangible fixed assets

	<u>Furniture, fittings and equipment</u>
	£
Cost:	
At April 1, 1987	13,719

At March 31, 1988	13,719

Depreciation:	
At April 1, 1987	10,760
Provided during the year	1,785

At March 31, 1988	12,545

Net book values:	
At March 31, 1988	£ 1,174

At April 1, 1987	£ 2,959

6. Debtors

	<u>1988</u>	<u>1987</u>
	£	£
Trade debtors	372	2,100
Amounts due from related companies	11,000	11,000
Corporation tax recoverable	-	43,400
VAT recoverable	18,101	22,318
Other debtors	5,438	19,242
Prepayments	-	18,000
	-----	-----
	£34,911	£116,060
	-----	-----

PYTHON (MONTY) PICTURES LIMITED

3.

NOTES TO THE FINANCIAL STATEMENTS AT MARCH 31, 1988
(continued)

7. Creditors: amounts falling due within one year

	<u>1988</u> £	<u>1987</u> £
Corporation tax	6,769	-
Bank overdraft	-	115,013
Accruals	15,832	3,490
	<u>£22,601</u>	<u>£118,503</u>

8. Share capital

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	<u>1988</u> No.	<u>1987</u> No.	<u>1988</u>	<u>1987</u>
Ordinary shares of £1 each	100	100	£ 6	£ 6

9. Directors' interests

Acting, writing, promoting and film directors' fees have been charged in the accounts by directors and companies in which they, or persons connected with them, have a beneficial interest as follows:

<u>Name of director</u>	<u>Name of company</u>	<u>% Shareholding</u>	<u>Amounts payable £</u>
G. Chapman	-	-	14,488
	Oversea Goats Limited	100%	32,810
	Seagoat Productions Limited	100%	61,000
J. Cleese	-	-	6,520
	Windhorn Productions Limited	100%	40,779
	Waterfall Productions Limited	100%	61,000
T. Gilliam	-	-	20,052
	Poo Poo Pictures Limited (owned by Mrs. M. Gilliam)	100%	88,247
E. Idle	-	-	6,520
	Rutland Weekend Television Limited	100%	10,000
	Rutland Weekend Television (International) Limited	100%	86,565
T. Jones	Fegg Features Limited	100%	88,987
	Newsecurity Limited	50%	20,180
M. Palin	The Gumby Corporation Limited	100%	88,553
	Newsecurity Limited	50%	19,746

Newsecurity Limited is owned equally by Fegg Features Limited and The Gumby Corporation Limited and therefore each has a 50% interest in the total amount payable for the year.