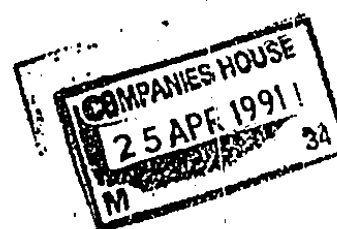


1138069

Report and Financial Statements

PYTHON (MONTY) PICTURES LIMITED

March 31, 1990



PYTHON (MONTY) PICTURES LIMITED

1.

DIRECTORS' REPORT

The directors submit their report and financial statements for the year ended March 31, 1990.

Results and dividends

The loss after taxation for the year was £5,820. The directors do not recommend a dividend, leaving a surplus of £47,798 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, 1990 and their interests in the share capital of the company were as follows:

	<u>At March 31, 1990</u>	<u>At April 1, 1989</u>
	<u>Ordinary shares</u>	<u>Ordinary shares</u>
J. Cleese	1	1
T. Gilliam	1	1
E. Idle	1	1
M. Palin	1	1
T. Jones	1	1

The directors deeply regret the loss of Graham Chapman who died on October 4, 1989.

Close company status

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

Auditors

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

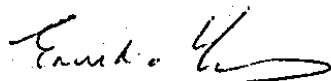
BY ORDER OF THE BOARD

S. ABBOTT
Secretary

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

We have audited the financial statements on pages 3 to 9 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at March 31, 1990 and of its loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ERNST & YOUNG

Chartered Accountants

London

April 18, 1991

PYTHON (MONTY) PICTURES LIMITED

3.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31, 1990

	Notes	1990 £	1989 £
Turnover	2	969,990	617,286
Operating charges		(969,616)	(573,713)
Operating profit	3	<u>374</u>	<u>43,573</u>
Interest receivable		2,366	1,269
Profit on ordinary activities before taxation		<u>2,740</u>	<u>44,842</u>
Tax on profit on ordinary activities	4	8,560	17,278
(Loss)/profit on ordinary activities after taxation		<u>(5,820)</u>	<u>27,564</u>
Profit and loss account brought forward		53,618	26,054
Profit and loss account carried forward		<u>£47,798</u>	<u>£ 53,618</u>

The notes on pages 6 to 9 form part of these financial statements

PYTHON (MONTY) PICTURES LIMITED

BALANCE SHEET AT MARCH 31, 1990

	<u>Notes</u>		<u>1990</u>	<u>1989</u>
		£	£	£
Fixed assets	5	-	-	-
Copyrights			6	6
			<u>6</u>	<u>6</u>
Current assets:				
Debtors	6	34,485		27,912
Bank and cash		89,661		100,788
		<u>124,146</u>		<u>128,700</u>
Creditors: amounts falling due within one year	7	(76,348)		(75,082)
Net current assets			<u>47,798</u>	<u>53,618</u>
Total assets less current liabilities			<u>£47,804</u>	<u>£ 53,624</u>
Capital and reserves:				
Called up share capital	9		6	6
Profit and loss account			47,798	53,618
			<u>£47,804</u>	<u>£ 53,624</u>

Approved by the Board on April 18, 1991

Michael Palin

Directors

Terry Gilliam

The notes on pages 6 to 9 form part of these financial statements

PYTHON (MONTY) PICTURES LIMITED

5.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED MARCH 31, 1990

	<u>1990</u> £	<u>1989</u> £
Source of funds:		
Profit on ordinary activities before taxation	2,740	44,842
Adjustment for item not involving the movement of funds:		
Depreciation	-	1,174
Total generated from operations	<u>2,740</u>	<u>46,016</u>
Application of funds:		
Corporation tax paid	(18,155)	(7,936)
(Decrease)/increase in working capital	<u>£(15,415)</u>	<u>£38,080</u>
Components of (decrease)/increase in working capital:		
Debtors	6,573	(6,999)
Creditors	(10,861)	(43,139)
	<u>(4,288)</u>	<u>(50,138)</u>
Movement in net liquid funds:		
Bank and cash	(11,127)	88,218
	<u>£(15,415)</u>	<u>£38,080</u>

The notes on pages 6 to 9 form part of these financial statements

PYTHON (MONTY) PICTURES LIMITED

6.

NOTES TO THE FINANCIAL STATEMENTS AT MARCH 31, 1990

1. Accounting policies

(a) Accounting convention

The financial statements are prepared under the historical cost convention.

(b) 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.

(c) Deferred taxation

Deferred taxation is provided on the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that tax will be payable.

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 stated net of value added tax.

An analysis of turnover by geographical market is given below:

	<u>1990</u>	<u>1989</u>
	£	£
United Kingdom	603,233	183,988
U.S.A.	141,167	256,038
Other	225,590	177,260
	<u>£969,990</u>	<u>£617,286</u>

3. Operating profit

	<u>1990</u>	<u>1989</u>
	£	£
This is stated after charging/(crediting):		
Depreciation	-	1,174
Auditors' remuneration	1,800	1,900
Profit on foreign exchange	(7,361)	(2,517)
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

PYTHON (MONTY) PICTURES LIMITED

7.

NOTES TO THE FINANCIAL STATEMENTS AT MARCH 31, 1990
(continued)

4. Taxation

The taxation charge in the profit and loss account comprises:

	<u>1990</u> £	<u>1989</u> £
Based on the result for the year:		
Corporation tax at 35% (1989 - 27%)	8,489	16,105
Overseas taxation	4,148	-
Double tax relief	(4,148)	-
Underprovision in prior years	71	1,173
	<u>£8,560</u>	<u>£17,278</u>

5. Tangible fixed assets

	Furniture, fittings and equipment £
Cost:	
At April 1, 1989	13,719
At March 31, 1990	<u>13,719</u>
Depreciation:	
At April 1, 1989	13,719
Provided during the year	-
At March 31, 1990	<u>13,719</u>
Net book value:	
At March 31, 1990	<u>£ NIL</u>
At April 1, 1989	<u>£ NIL</u>

6. Debtors

	<u>1990</u> £	<u>1989</u> £
Trade debtors	33,779	116
Amounts due from related companies	-	13,000
Other debtors	206	14,796
	<u>£34,485</u>	<u>£27,912</u>

PYTHON (MONTY) PICTURES LIMITED

8.

NOTES TO THE FINANCIAL STATEMENTS AT MARCH 31, 1990
(continued)

7. Creditors: amounts falling due within one year

	<u>1990</u>	<u>1989</u>
	£	£
Amounts due to related companies	32,942	-
Corporation tax	6,516	16,111
Other taxes and social security costs	10,153	16,643
Accruals and deferred income	26,737	42,328
	<u>£76,348</u>	<u>£75,082</u>

8. Deferred taxation

There was no provision for deferred taxation at either March 31, 1990 or March 31, 1989, and there were no unprovided amounts.

9. Share capital

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	<u>1990</u>	<u>1989</u>	<u>1990</u>	<u>1989</u>
Ordinary shares of £1 each	100	100	£ 6	£ 6
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

PYTHON (MONTY) PICTURES LIMITED

9.

NOTES TO THE FINANCIAL STATEMENTS AT MARCH 31, 1990
(continued)

10. 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	-	-	26,298
	Oversea Goats Limited	100%	-
	Seagoat Productions Limited	100%	-
J. Cleese	-	-	13,832
	Windhorn Productions Limited	100%	31,030
	Waterfall Productions Limited	100%	30,000
T. Gilliam	-	-	13,832
	Poo Poo Pictures Limited	100%	61,030
	(owned by Mrs. M. Gilliam)		
E. Idle	-	-	13,832
	Rutland Weekend Television Limited	100%	30,000
	Rutland Weekend Television		
	(International) Limited	100%	22,500
* T. Jones	Fegg Features Limited	100%	67,043
	Newsecurity Limited	50%	9,241
M. Palin	The Gumby Corporation Limited	100%	66,332
	Newsecurity Limited	50%	8,530

Newsecurity Limited is owned equally by Fegg Features Limited and The Gumby Corporation Limited.