

Company No: 02474965

PROMINENT TELEVISION LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

31ST MARCH, 1997



s h i p l e y s

chartered accountants

PROMINENT TELEVISION LIMITED

Directors

S. Abbott
J.M. Cleese
T.V. Gilliam
E. Idle
A. James
T.G.P. Jones
M.E. Palin

Secretary and Registered Office

Mayday Management Ltd
68A Delancey Street,
London NW1 7RY.

DIRECTORS' REPORT

The directors present their report together with the audited financial statements of the company for the year ended 31st March, 1997.

ACTIVITY, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the company is the production of programmes for television. The company completed principal shooting on one of a number of television projects during the year, which generated an operating profit. The company should complete this project and will continue to develop further projects in the forthcoming period and it is anticipated that it will continue to trade profitably in the forthcoming period.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £8,425 which, when added to the retained balance brought forward of £21,909, leaves reserves to be carried forward of £30,334. The directors do not recommend the payment of a dividend.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period. The directors consider that in preparing the financial statements the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and confirm that all applicable accounting standards have been followed. The financial statements have been prepared on a going concern basis.

The directors are responsible for ensuring that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and for ensuring that the financial statements comply with the Companies Act 1985. The directors also have responsibility for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROMINENT TELEVISION LIMITED

DIRECTORS' REPORT - CONTINUED

DIRECTORS AND THEIR INTERESTS

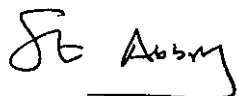
The directors and their interests in the share capital of the company at 1st April, 1996 and 31st March, 1997 were as follows:-

	Ordinary shares of £1 each	
	At 1st April, 1996	At 31st March, 1997
S. Abbott	100	100
J.M. Cleese	100	100
T.V. Gilliam	100	100
E. Idle	100	100
A. James	100	100
T.G.P. Jones	100	100
M.E. Palin	100	100

AUDITORS

A resolution to reappoint Shipleys as auditors will be proposed at the Annual General Meeting.

By Order of the Board



Mayday Management Limited
Corporate Company Secretary

26 JANUARY 1998

s h i p l e y s

c h a r t e r e d a c c o u n t a n t s

10 Orange Street, Haymarket, London WC2H 7DQ

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**AUDITORS' REPORT TO THE MEMBERS OF
PROMINENT TELEVISION LIMITED**

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 the company's affairs as at 31st March, 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditors

28 JANUARY 1998

PROMINENT TELEVISION LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 1997

	Notes	1997 £	1996 £
TURNOVER - continuing operations	1.1	808,982	85,236
DIRECT COSTS AND ADMINISTRATIVE EXPENSES		<u>(797,974)</u>	<u>(85,039)</u>
OPERATING PROFIT - continuing operations		11,008	197
INTEREST RECEIVABLE AND SIMILAR INCOME		<u>2,404</u>	<u>4,189</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	13,412	4,386
TAXATION	3	<u>(4,987)</u>	<u>(1,005)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		8,425	3,381
RETAINED PROFIT BROUGHT FORWARD		<u>21,909</u>	<u>18,528</u>
RETAINED PROFIT CARRIED FORWARD		<u>£30,334</u>	<u>£21,909</u>

PROMINENT TELEVISION LIMITED

BALANCE SHEET

31ST MARCH, 1997

	Notes	£	1997 £	£	1996 £
CURRENT ASSETS					
Work in progress	1.2	2,430,002		1,433,564	
Debtors	4	1,792,186		959,431	
Cash at bank		<u>105,151</u>		<u>155,500</u>	
		4,327,339		2,548,495	
CREDITORS					
Amounts falling due within one year	5	<u>(4,296,305)</u>		<u>(2,525,886)</u>	
NET CURRENT ASSETS			<u>31,034</u>		<u>22,609</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£31,034</u>		<u>£22,609</u>
CAPITAL AND RESERVES					
Called up share capital	6		700		700
Profit and loss account			<u>30,334</u>		<u>21,909</u>
EQUITY SHAREHOLDERS' FUNDS			<u>£31,034</u>		<u>£22,609</u>

Approved by the Board on 26 January 1998

A. James

Director :

Anne James

PROMINENT TELEVISION LIMITED
OTHER PRIMARY FINANCIAL STATEMENTS

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31ST MARCH, 1997

The retained loss for the year was the only recognised gain or loss in the year.

HISTORICAL COST PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 1997

All assets are stated in the financial statements at historical cost. Therefore, no adjustments are required to the reported loss which is stated on an unmodified historical cost basis.

MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31ST MARCH, 1997

	1997 £	1996 £
Profit for the financial year	8,425	3,381
Opening shareholders' funds	<u>22,609</u>	<u>19,228</u>
Closing shareholders' funds	<u><u>£31,034</u></u>	<u><u>£22,609</u></u>

PROMINENT TELEVISION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH, 1997

1. ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis in accordance with the following accounting policies:

1.1 Turnover

Turnover represents income derived from the company's principal activity, net of Value Added Tax.

1.2 Work in Progress

Work in progress represents the cost of projects in production at the year end and is stated at the lower of cost and net realisable value.

1.3 Cash flow statement

The company is a small company as defined by sections 246 and 247 of the Companies Act 1985. It has therefore taken advantage of the exemption conferred by Financial Reporting Standard Number 1 not to prepare a cash flow statement.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1997	1996
This is stated after charging:		
Auditors' remuneration	£2,500	£2,000
	<u> </u>	<u> </u>

3. TAXATION

	£	£
The tax charge for the year represents:		
UK Corporation tax @ 24% (1996: 25%)	5,000	1,000
Under-provision in respect of earlier years	(13)	5
	<u>£4,987</u>	<u>£1,005</u>

4. DEBTORS

	£	£
Trade debtors	238,073	188,111
Other debtors	813,334	765,016
Prepayments and accrued income	<u>740,779</u>	<u>6,304</u>
	<u>£1,792,186</u>	<u>£959,431</u>

PROMINENT TELEVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

31ST MARCH, 1997

5. CREDITORS: Amounts falling due within one year	1997	1996
	£	£
Trade creditors	2,277	4,905
Production advances	3,189,430	2,054,001
Corporation tax	5,000	1,000
Other taxes and social security costs	26,641	22,799
Accruals and deferred income	1,072,957	443,181
	<u>£4,296,305</u>	<u>£2,525,886</u>

6. SHARE CAPITAL

Authorised

1,000 Ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
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Allotted, Called up and Fully Paid

700 Ordinary shares of £1 each	<u>£700</u>	<u>£700</u>
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7. DIRECTORS' INTERESTS

During the year fees amounting to £5,527 (1996 : £5,126) were paid to Mayday Management Limited, a company in which two directors, S. Abbott and A. James, have an interest.

Fees amounting to £27,637 (1996 : £46,129) were paid to Gumby Corporation Limited, a company in which M.E. Palin has an interest. Further fees of £286,000 are included within accruals.

Executive producer fees of £77,027 payable to A. James are included in these accounts. Of these, £71,500 are included within accruals.