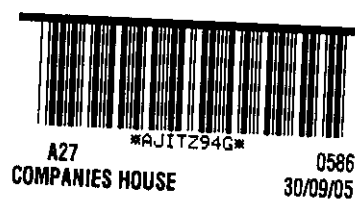
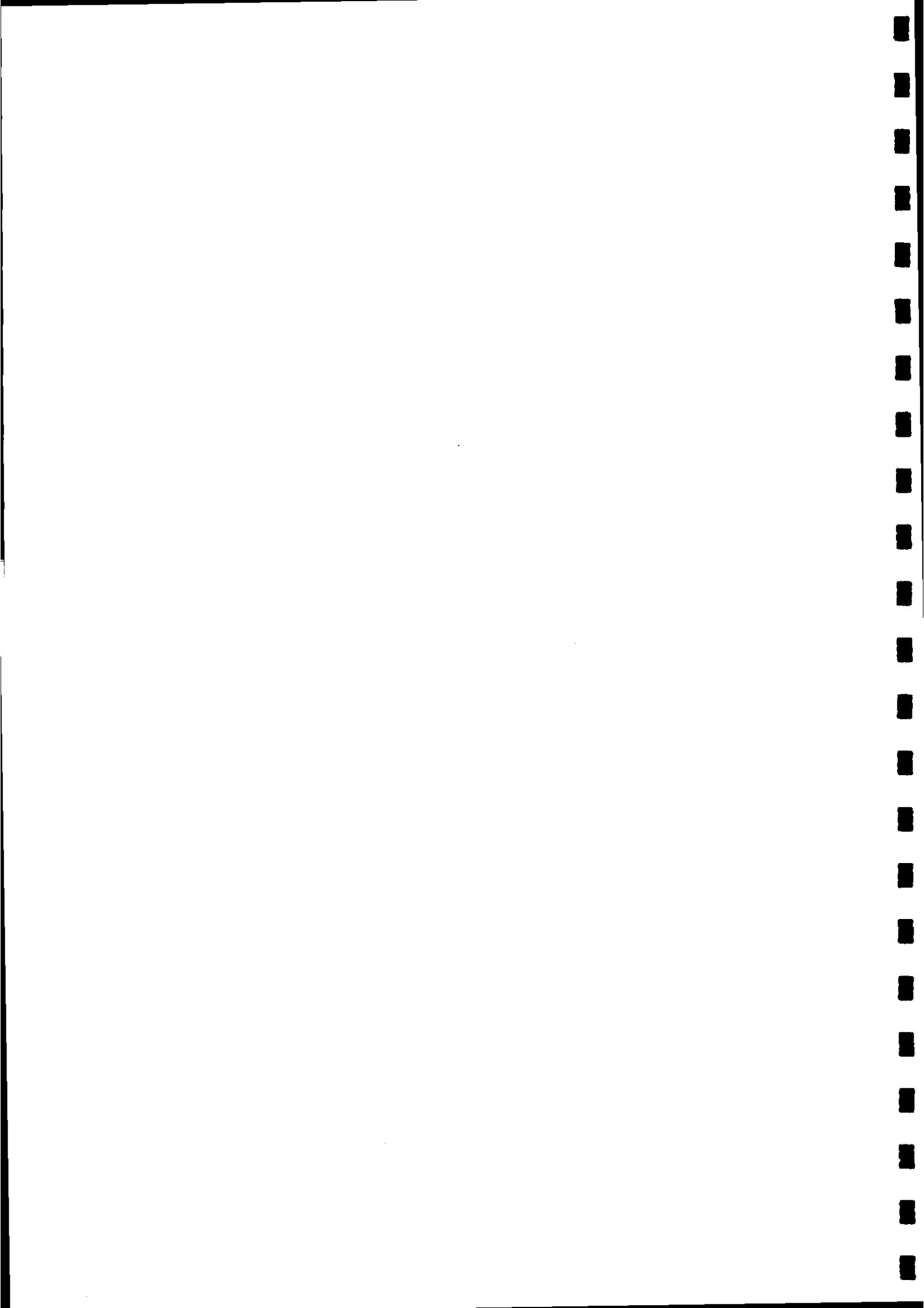


Frightmares Productions Limited

Report and Financial Statements

30 November 2004





Frightmares Productions Limited

Registered No. 3817334

Directors

R D Button
S W Mertz

Secretary

R-L Jensen

Solicitors

Denton Wilde Sapte
Five Chancery Lane
Clifford's Inn
London EC4A 1EU

Registered Office

Warner Suite
Pinewood Studios
Iver Heath
Bucks SL0 0NH

Directors' report

The directors present their report and financial statements for the year ended 30 November 2004.

Results and dividends

The company made neither a profit nor a loss in the year ended 30 November 2004 (2003 – £nil)

Principal activity of the business

The company has not traded during the accounting year or the preceding accounting year.

Directors and their interests

The directors who served during the year ended 30 November 2004 were as listed on page 1.

There are no directors' interests requiring disclosure under the Companies Act 1985.

By order of the Board

Rose A. Johnson

Secretary

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; 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.

Balance sheet

at 30 November 2004

| | Notes | 2004 £ | 2003 £ |
|---|-------|----------------|----------------|
| Current assets | | | |
| Cash at bank and in hand | | — | 1,998 |
| Debtors | 3 | 3,378 | 1,380 |
| | | <u>3,378</u> | <u>3,378</u> |
| Creditors: amounts falling due within one year | 4 | (5,438) | (5,438) |
| | | <u>(2,060)</u> | <u>(2,060)</u> |
| Net current liabilities | | | |
| Capital and reserves | | | |
| Called up share capital | 5 | 2 | 2 |
| Profit and loss account | 6 | (2,062) | (2,062) |
| | | <u>2,060</u> | <u>(2,060)</u> |
| Shareholders' funds | 6 | | |

- (a) For the year ended 30 November 2004 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- (b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- (c) The directors acknowledge their responsibility for:
- ensuring the company keeps accounting records which comply with section 221; and
 - preparing financial statement which give a true and fair view of the state of affairs of the company as at the end of the financial year, and its profits and loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Director

Notes to the financial statements

at 30 November 2004

1. Accounting policies

Basis of preparation

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

2. Profit and loss account

The company has not traded during the year and has made neither a profit nor a loss. No profit and loss account has therefore been prepared.

3. Debtors

| | 2004 £ | 2003 £ |
|------------------------------------|-----------|-----------|
| Amounts owed by group undertakings | 3,378 | 1,380 |

4. Creditors: amounts falling due within one year

| | 2004 £ | 2003 £ |
|------------------------------------|-----------|-----------|
| Amounts owed to group undertakings | 5,438 | 5,438 |

5. Share capital

| | 2004 £ | 2003 £ |
|---|-----------|-----------|
| <i>Authorised</i> | | |
| Ordinary shares of £1 each | 1,000 | 1,000 |
| <i>Allotted, called up and fully paid</i> | | |
| Ordinary shares of £1 each | 2 | 2 |

Notes to the financial statements

at 30 November 2004

6. Reconciliation of shareholders' funds and movement on reserves

| | <i>Share capital</i> £ | <i>Profit and loss account</i> £ | <i>Total</i> £ |
|-----------------------|-------------------------------|---|-------------------|
| At 30 November 2002 | 2 | (2,062) | (2,060) |
| Result for the period | — | — | — |
| At 30 November 2003 | 2 | (2,062) | (2,060) |
| Result for the year | — | — | — |
| At 30 November 2004 | 2 | (2,062) | (2,060) |

7. Ultimate parent undertaking

The company's immediate parent undertaking is Bridge Productions Limited, a company registered in England and Wales.

Time Warner Holdings Limited is the parent undertaking of the smallest group of undertakings of which the company is a member and for which group financial statements are drawn up. Time Warner Holdings Limited is registered in England and Wales and copies of its financial statements can be obtained from the Registrar of Companies in Cardiff.

At 30 November 2004, Time Warner Inc., a company incorporated in the United States of America, was the ultimate parent undertaking and the parent undertaking of the largest group of undertakings of which the company is a member and for which group financial statements are drawn up. Copies of Time Warner Inc.'s financial statements can be obtained from One Time Warner Center, New York, NY 10019, USA.