

Registration number 2543014

**Castle Rock Productions Limited**  
**Directors' Report and Financial Statements**  
**for the year ended 31st December 2001**



## **Castle Rock Productions Limited**

### **Company Information**

Directors	J. Stott G.M. Paul L.S. Sams J. Campbell
Secretary	Gray's Inn Secretaries Limited
Company Number	2543014
Registered Office	CNN House 19-22 Rathbone Place London W1P 1DF
Auditors	West Wake Price & Co Salisbury House London Wall London EC2M 5QU

## **Castle Rock Productions Limited**

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## Castle Rock Productions Limited

### Directors' Report for the year ended 31st December 2001

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

#### Principal Activity and Review of the Business

The principal activity of the company was that of cinematographic film production and there was no significant change therein during the year.

#### Results and Dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a final dividend.

#### Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares 31/12/01	01/01/01 or date of appointment
--	-----------------------------	---------------------------------------

J. Stott	-	-
G.M. Paul	-	-
L.S. Sams	-	-
J. Campbell (appointed 22nd August 2001)	-	-

In accordance with the Company's Articles of Association, the directors are not subject to retirement by rotation.

#### Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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;
- 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.

**Castle Rock Productions Limited**

**Directors' Report  
for the year ended 31st December 2001**

**Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that West Wake Price & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 11th October 2002 and signed on its behalf by:-

A handwritten signature in black ink, appearing to read 'L.S. Sams', with a stylized flourish at the end.

**L.S. Sams  
Director**

**Independent Auditors' Report to the shareholders of Castle Rock Productions Limited**

We have audited the financial statements of Castle Rock Productions Limited for the year ended 31st December 2001 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and 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 law and United Kingdom 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 the company's affairs as at 31st December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*West Wake Price & Co*

**West Wake Price & Co**  
**Chartered Accountants and**  
**Registered Auditors**  
**11th October 2002**

**Castle Rock Productions Limited**

**Profit and Loss Account  
for the year ended 31st December 2001**

		<b>Continuing operations</b>	
		<b>2001</b>	<b>2000</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	-	50,000
Administrative expenses		<u>(3,836)</u>	<u>(2,319)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		(3,836)	47,681
Tax on (loss)/profit on ordinary activities	<b>4</b>	<u>9,516</u>	<u>(12,631)</u>
<b>Retained profit for the year</b>		5,680	35,050
Retained profit/(loss) brought forward		<u>34,636</u>	<u>(414)</u>
<b>Retained profit carried forward</b>		<u><u>40,316</u></u>	<u><u>34,636</u></u>

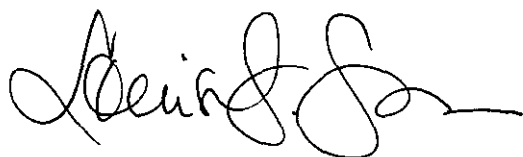
There are no recognised gains or losses other than the profit or loss for the above two financial years.

**Castle Rock Productions Limited**

**Balance Sheet  
as at 31st December 2001**

		2001		2000	
	Notes	£	£	£	£
<b>Current Assets</b>					
Debtors	5	43,164		120,825	
Cash at bank and in hand		-		536,229	
		<u>43,164</u>		<u>657,054</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(2,846)</u>		<u>(622,416)</u>	
<b>Net Current Assets</b>			<u>40,318</u>		<u>34,638</u>
<b>Net Assets</b>			<u>40,318</u>		<u>34,638</u>
<b>Capital and reserves</b>					
Called up share capital	7		2		2
Profit and loss account			<u>40,316</u>		<u>34,636</u>
<b>Equity Shareholders' Funds</b>	8		<u>40,318</u>		<u>34,638</u>

The financial statements were approved by the Board on 11th October 2002 and signed on its behalf by:-



**L.S. Sams**  
**Director**

The notes on pages 7 to 9 form an integral part of these financial statements.



**Castle Rock Productions Limited**

**Cash flow statement  
for the year ended 31st December 2001**

	Notes	2001 £	2000 £
<b>Reconciliation of operating (loss)/profit to net cash outflow from operating activities</b>			
Operating (loss)/profit		(3,836)	47,681
(Increase) in stocks		-	722,876
Decrease in debtors		77,661	(68,795)
(Decrease) in creditors		(606,939)	(70,473)
<b>Net cash outflow from operating activities</b>		<u>(533,114)</u>	<u>631,289</u>
<b>Cash flow statement</b>			
Net cash outflow from operating activities		(533,114)	631,289
Taxation	11	(3,115)	-
<b>Decrease in cash in the year</b>		<u>(536,229)</u>	<u>631,289</u>
<b>Reconciliation of net cash flow to movement in net debt (Note 12)</b>			
Decrease in cash in the year		(536,229)	631,289
Net funds at 1st January 2001		536,229	(95,060)
<b>Net funds at 31st December 2001</b>		<u>-</u>	<u>536,229</u>

# Castle Rock Productions Limited

## Notes to the Financial Statements for the year ended 31st December 2001

### 1. Accounting policies

#### 1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

The company has consistently applied all relevant accounting standards.

#### 1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of services provided during the year.

#### 1.3. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

### 2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

### 3. Operating (loss)/profit

	2001	2000
	£	£
Operating (loss)/profit is stated after charging:		
Auditors' remuneration	2,056	1,718

### 4. Taxation

	2001	2000
	£	£
<b>UK current year taxation</b>		
UK corporation tax	-	12,631
<b>Prior years</b>		
UK corporation tax	(9,516)	-
	<u>(9,516)</u>	<u>12,631</u>

### 5. Debtors

	2001	2000
	£	£
Amounts owed by group undertakings	43,164	2,833
Other debtors	-	117,992
	<u>43,164</u>	<u>120,825</u>

# Castle Rock Productions Limited

## Notes to the Financial Statements for the year ended 31st December 2001

..... continued

<b>6. Creditors: amounts falling due within one year</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Trade creditors	-	4,451
Amounts owed to group undertaking	-	597,384
Corporation tax	-	12,631
Other taxes and social security costs	-	3,692
Other creditors	790	690
Accruals and deferred income	2,056	3,568
	<u>2,846</u>	<u>622,416</u>
<b>7. Share capital</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>Authorised equity</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid equity</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
<b>8. Reconciliation of movements in shareholders' funds</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Profit for the year	5,680	35,050
Opening shareholders' funds	34,638	(412)
Closing shareholders' funds	<u>40,318</u>	<u>34,638</u>

### 9. Contingent liabilities

In the normal course of business there are contingent liabilities in respect of grants of security and guarantees given in connection with borrowings made by affiliated concerns.

### 10. Ultimate parent undertaking

The company's ultimate parent company is AOL Time Warner Inc. incorporated in the United States of America.

**Castle Rock Productions Limited**

**Notes to the Financial Statements  
for the year ended 31st December 2001**

..... continued

**11. Gross cash flows**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>Taxation</b>		
Corporation tax paid	<u>(3,115)</u>	<u>-</u>

**12. Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>536,229</u>	<u>(536,229)</u>	<u>-</u>
<b>Net funds</b>	<u><u>536,229</u></u>	<u><u>(536,229)</u></u>	<u><u>-</u></u>