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BRIDGE PRODUCTIONS LIMITED

Report and Accounts

30 November 2000

 ERNST & YOUNG


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COMPANIES HOUSE 27/06/01

Bridge Productions Limited

Registered No. 3839285

DIRECTORS

R D Button
E H Senat

SECRETARY

A R Parsons

AUDITORS

Ernst & Young
Becket House
1 Lambeth Palace Road
London SE1 7EU

BANKERS

Barclays Bank PLC
54 Lombard Street
London EC3V 9EX

SOLICITORS

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

REGISTERED OFFICE

Warner Suite
Pinewood Studios
Iver Heath
Bucks SL0 0NH

Bridge Productions Limited

DIRECTORS' REPORT

The directors present their first report and accounts for the period from incorporation on 10 September 1999 to 30 November 2000.

RESULTS AND DIVIDENDS

The company made a loss, after taxation, of £320 for the period.

The directors do not recommend the payment of a dividend for the period.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the company is the production of television films or mini series.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period ended 30 November 2000 were as follows:

| | |
|---------------------------|--|
| R D Button | (appointed 10 September 1999) |
| E H Senat | (appointed 10 September 1999) |
| Instant Companies Limited | (appointed and resigned 10 September 1999) |

None of the directors held any interest in the share capital of the company.

AUDITORS

Ernst & Young were appointed as auditors during the period.

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the forthcoming Annual General Meeting. Ernst & Young has stated that, during 2001, it is intending to transfer its business to a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, to be called Ernst & Young LLP. If this happens, it is the current intention of the directors to use their statutory powers to treat the appointment of Ernst & Young as extending to Ernst & Young LLP.

By order of the Board



Secretary

Date JUNE 19 2001

Bridge Productions Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts 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 accounts 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.

REPORT OF THE AUDITORS

to the members of Bridge Productions Limited

We have audited the accounts on pages 5 to 9, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

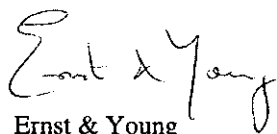
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 November 2000 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
London

June 27 2001

Bridge Productions Limited

PROFIT AND LOSS ACCOUNT

for the period from 10 September 1999 to 30 November 2000

| | | <i>Period ended</i> <i>30 November</i> <i>2000</i> |
|--|--------------|--|
| | <i>Notes</i> | <i>£</i> |
| TURNOVER | 2 | 837,878 |
| Cost of sales | | (836,878) |
| GROSS PROFIT | | <u>1,000</u> |
| Administration expenses | | (1,320) |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | 3 | <u>(320)</u> |
| Tax on loss on ordinary activities | | - |
| LOSS ON ORDINARY ACTIVITIES AFTER TAXATION | | <u><u>(320)</u></u> |

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses other than the loss attributable to the shareholders of the company of £320 for the period ended 30 November 2000.

Bridge Productions Limited

BALANCE SHEET at 30 November 2000

| | | 30 November 2000 |
|---|-------|---------------------|
| | Notes | £ |
| FIXED ASSETS | | |
| Investments | 4 | 4 |
| | | _____ |
| CURRENT ASSETS | | |
| Debtors | 5 | 5,438 |
| CREDITORS: amounts falling due within one year | 6 | (5,761) |
| | | _____ |
| NET CURRENT LIABILITIES | | (323) |
| | | _____ |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | (319) |
| | | _____ |
| | | _____ |
| CAPITAL AND RESERVES | | |
| Called up share capital | 7 | 1 |
| Profit and loss account | | (320) |
| | | _____ |
| SHAREHOLDERS' FUNDS | 8 | (319) |
| | | _____ |
| | | _____ |

 ERNST & YOUNG



Director

27 JUN 2001

Bridge Productions Limited

NOTES TO THE ACCOUNTS

at 30 November 2000

1. ACCOUNTING POLICIES

Accounting period

The company prepares accounts for either 52 or 53 week periods ending within one week of 30 November.

Accounting convention

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

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are retranslated 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.

Assets, liabilities and transactions relating to distinct operations denominated in foreign currencies are translated into sterling at period end rates of exchange and the exchange differences arising on the retranslation of opening net assets taken directly to reserves. All other differences are taken to the profit and loss account.

2. TURNOVER

Turnover represents amounts derived from the provision of production services and film revenues and is net of valued added tax.

Turnover arises in the following geographical areas:

| | <i>Period ended</i> <i>30 November</i> <i>2000</i> <i>£</i> |
|--------|--|
| Europe | 837,878 <u> </u> |

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

(a) This is stated after charging:

| | <i>Period ended</i> <i>30 November</i> <i>2000</i> <i>£</i> |
|------------------------|--|
| Auditors' remuneration | 750 <u> </u> |

Bridge Productions Limited

NOTES TO THE ACCOUNTS at 30 November 2000

4. INVESTMENTS

| | <i>Unlisted</i> |
|----------------------|-----------------|
| | £ |
| Cost: | |
| At 10 September 1999 | — |
| Additions | 4 |
| | <hr/> |
| At 30 November 2000 | 4 |
| | <hr/> <hr/> |

Subsidiary undertakings

The company has the following interests in subsidiary undertakings:

| <i>Name of company</i> | <i>Country of registration</i> | <i>Ordinary shares</i> | <i>Proportion held</i> | <i>Nature of business</i> |
|---------------------------------------|--------------------------------|------------------------|------------------------|------------------------------|
| Frightmares Productions Limited | England and Wales | Ordinary shares | 100% | Television series production |
| Frightmares Productions (IOM) Limited | England and Wales | Ordinary shares | 100% | Television series production |

5. DEBTORS

| | <i>30 November</i> |
|---|--------------------|
| | <i>2000</i> |
| | £ |
| Amounts owed by subsidiary undertakings | 5,438 |
| | <hr/> <hr/> |

6. CREDITORS: amounts falling due within one year

| | <i>30 November</i> |
|------------------------------------|--------------------|
| | <i>2000</i> |
| | £ |
| Amounts owed to group undertakings | 5,011 |
| Accruals | 750 |
| | <hr/> |
| | 5,761 |
| | <hr/> <hr/> |

Bridge Productions Limited

NOTES TO THE ACCOUNTS

at 30 November 2000

7. SHARE CAPITAL

| | <i>30 November</i> |
|-------------------------------------|--------------------|
| | <i>2000</i> |
| | <i>£</i> |
| Authorised: | |
| 1,000 Ordinary shares of £1 each | 1,000 |
| Allotted, called up and fully paid: | |
| 1 Ordinary share of £1 | 1 |

1 Ordinary share of £1 was issued on the incorporation of the company.

8. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

| | <i>Share</i> | <i>Profit and</i> | <i>Total</i> |
|---|----------------|---------------------|--------------|
| | <i>capital</i> | <i>loss account</i> | <i>Total</i> |
| | <i>£</i> | <i>£</i> | <i>£</i> |
| Shares issued on incorporation | 1 | - | 1 |
| Loss attributable to members of the company | - | (320) | (320) |
| | <u>1</u> | <u>(320)</u> | <u>(319)</u> |

9. ULTIMATE PARENT UNDERTAKING

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

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

At 30 November 2000, 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 accounts are drawn up. Copies of Time Warner Inc.'s accounts can be obtained from 75 Rockefeller Plaza, New York, NY 10019, USA.

On 11 January 2001, Time Warner Inc. was merged with America Online Inc. to form AOL Time Warner Inc. AOL Time Warner Inc., a company incorporated in the United States of America, is now 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 accounts are drawn up.