

Edgar Filing: CENTURY PARK PICTURES CORP - Form 10QSB

CENTURY PARK PICTURES CORP
Form 10QSB
May 12, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-QSB

(Mark one)

Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2005

Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: 0-14247

Century Park Pictures Corporation
(Exact name of small business issuer as specified in its charter)

Minnesota
(State of incorporation)

41-1458152
(IRS Employer ID Number)

4701 IDS Center, Minneapolis, MN 55402
(Address of principal executive offices)

(612) 333-5100
(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

State the number of shares outstanding of each of the issuer's classes of common equity as of the latest practicable date: May 11, 2005: 74,956,441

Transitional Small Business Disclosure Format (check one): YES NO

CENTURY PARK PICTURES CORPORATION

Form 10-QSB for the Quarter ended March 31, 2005

Table of Contents

	Page

PART I - FINANCIAL INFORMATION	
Item 1 Financial Statements	3
Item 2 Management's Discussion and Analysis or Plan of Operation	12

Edgar Filing: CENTURY PARK PICTURES CORP - Form 10QSB

Item 3 Controls and Procedures	14
PART II - OTHER INFORMATION	
Item 1 Legal Proceedings	14
Item 2 Recent Sales of Unregistered Securities and Use of Proceeds	14
Item 3 Defaults Upon Senior Securities	14
Item 4 Submission of Matters to a Vote of Security Holders	14
Item 5 Other Information	14
Item 6 Exhibits	15
SIGNATURES	15

2

PART I

ITEM 1 - FINANCIAL STATEMENTS

CENTURY PARK PICTURES CORPORATION
BALANCE SHEETS
March 31, 2005 and 2004

(UNAUDITED)

	March 31, 2005	(Restated) March 31, 2004
ASSETS	-----	-----
CURRENT ASSETS		
Cash on hand and in bank	\$ --	\$ --
TOTAL CURRENT ASSETS	----- --	----- --
PROPERTY AND EQUIPMENT - AT COST		
Furniture and fixtures	94,077	94,077
Less accumulated depreciation	(94,077)	(94,077)
NET PROPERTY AND EQUIPMENT	----- --	----- --
OTHER ASSETS		
Rent deposits	926	926
TOTAL ASSETS	----- \$ 926	----- \$ 926
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable - trade	\$ 470	\$ --
Other accrued expenses	--	9,027
Advances from shareholder	43,703	32,414
Accrued officer compensation	50,000	354,500
	-----	-----

Edgar Filing: CENTURY PARK PICTURES CORP - Form 10QSB

TOTAL CURRENT LIABILITIES	93,703	395,941
	-----	-----
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Common stock - \$0.001 par value		
200,000,000 shares authorized		
72,456,441 shares issued and outstanding	72,456	72,456
Additional paid-in capital	6,804,569	6,804,569
Accumulated deficit	(6,970,272)	(7,272,040)
	-----	-----
TOTAL SHAREHOLDERS' EQUITY	(93,247)	(395,015)
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 926	\$ 926
	=====	=====

The financial information presented herein has been prepared by management without audit by independent certified public accountants. The accompanying notes are an integral part of these financial statements.

3

CENTURY PARK PICTURES CORPORATION
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
Six and Three months ended March 31, 2004 and 2004

(UNAUDITED)

	Three months ended March 31, 2005	(Restated) Six months ended March 31, 2004	Three months ended March 31, 2005
	-----	-----	-----
REVENUES	\$ --	\$ --	\$ --
	-----	-----	-----
EXPENSES			
General and administrative expenses	6,034	12,397	2,460
Officer compensation	(304,500)	--	(304,500)
	-----	-----	-----
TOTAL EXPENSES	(298,466)	12,397	(302,040)
	-----	-----	-----
INCOME (LOSS) FROM OPERATIONS	298,466	(12,397)	302,040
OTHER INCOME (EXPENSE)			
Interest expense	--	(2,104)	--
	-----	-----	-----
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES AND EXTRAORDINARY ITEM	298,466	(14,501)	302,040
PROVISION FOR INCOME TAXES	--	--	--
	-----	-----	-----
INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	298,466	(14,501)	302,040
EXTRAORDINARY ITEM			

Edgar Filing: CENTURY PARK PICTURES CORP - Form 10QSB

Forgiveness and extinguishment of notes payable and accrued interest	--	86,956	--
	-----	-----	-----
NET INCOME (LOSS)	298,466	72,455	302,040
OTHER COMPREHENSIVE INCOME	--	--	--
	-----	-----	-----
COMPREHENSIVE INCOME (LOSS)	\$ 298,466	\$ 72,455	\$ 302,040
	=====	=====	=====
Net loss per weighted-average share of common stock outstanding, calculated on Net Loss - basic and fully diluted			
From continuing operations	\$ (0.00)	\$ (0.00)	\$ (0.00)
From extraordinary item	0.00	0.00	0.00
	-----	-----	-----
	\$ (0.00)	\$ (0.00)	\$ (0.00)
	=====	=====	=====
Weighted-average number of shares of common stock outstanding	72,456,441	69,198,721	72,456,441
	=====	=====	=====

The financial information presented herein has been prepared by management without audit by independent certified public accountants. The accompanying notes are an integral part of these financial statements.

4

CENTURY PARK PICTURES CORPORATION
STATEMENTS OF CASH FLOWS
Six months ended March 31, 2005 and 2004

(UNAUDITED)

	Six months ended March 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income (Loss)	\$ 298,466
Adjustments to reconcile net income to net cash provided by operating activities	
Forgiveness of notes payable and accrued interest	--
Consulting fees paid with common stock	--
Contribution of interest expense related to suspended interest payable on notes payable	--
Increase (Decrease) in Accounts payable and accrued expenses	(304,500)

NET CASH USED IN OPERATING ACTIVITIES	(6,034)

CASH FLOWS FROM INVESTING ACTIVITIES	--

Edgar Filing: CENTURY PARK PICTURES CORP - Form 10QSB

CASH FLOWS FROM FINANCING ACTIVITIES	
Funds advanced by officer/shareholder	6,034 -----
NET CASH PROVIDED BY FINANCING ACTIVITIES	6,034 -----
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	--
Cash and cash equivalents at beginning of period	-- -----
Cash and cash equivalents at end of period	\$ -- =====
SUPPLEMENTAL DISCLOSURES OF INTEREST AND INCOME TAXES PAID	
Interest paid during the period	\$ -- =====
Income taxes paid (refunded)	\$ -- =====
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES	
Conversion of outstanding notes payable into common stock	\$ -- =====
Conversion of accrued interest payable into common stock	\$ -- =====

The financial information presented herein has been prepared by management without audit by independent certified public accountants. The accompanying notes are an integral part of these financial statements.

5

CENTURY PARK PICTURES CORPORATION

NOTES TO FINANCIAL STATEMENTS

NOTE A - ORGANIZATION AND DESCRIPTION OF BUSINESS

Century Park Pictures Corporation (Company) was incorporated in 1983 in accordance with the Laws of the State of Minnesota.

In prior periods, the Company developed, produced and marketed various entertainment properties, including without limitation, the intellectual product(s) of entities engaged in the motion picture, television, and theatrical state productions, such as creative writers, producers and directors, for the motion picture, pay/cable and commercial television markets.

The Company has effectively had no operations, assets or liabilities since its fiscal year ended September 30, 1999.

NOTE B - PREPARATION OF FINANCIAL STATEMENTS

The Company follows the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and has adopted a year-end of September 30.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and

Edgar Filing: CENTURY PARK PICTURES CORP - Form 10QSB

liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented

During interim periods, the Company follows the accounting policies set forth in its annual audited financial statements filed with the U. S. Securities and Exchange Commission on its Annual Report on Form 10-KSB for the year ended September 30, 2004. The information presented within these interim financial statements may not include all disclosures required by generally accepted accounting principles and the users of financial information provided for interim periods should refer to the annual financial information and footnotes when reviewing the interim financial results presented herein.

In the opinion of management, the accompanying interim financial statements, prepared in accordance with the U. S. Securities and Exchange Commission's instructions for Form 10-QSB, are unaudited and contain all material adjustments, consisting only of normal recurring adjustments necessary to present fairly the financial condition, results of operations and cash flows of the Company for the respective interim periods presented. The current period results of operations are not necessarily indicative of results which ultimately will be reported for the full fiscal year ending September 30, 2005.

For segment reporting purposes, the Company operated in only one industry segment during the periods represented in the accompanying financial statements and makes all operating decisions and allocates resources based on the best benefit to the Company as a whole.

6

CENTURY PARK PICTURES CORPORATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE C - GOING CONCERN UNCERTAINTY

The Company has effectively had no operations, assets or liabilities since its fiscal year ended September 30, 1999.

The Company has no operating activities, no cash on hand, no profit and operates a business plan with inherent risk. Because of these factors, our auditors have issued an audit opinion for the Company which includes a statement describing our going concern status. This means, in our auditor's opinion, substantial doubt about our ability to continue as a going concern exists at the date of their opinion.

The Company's continued existence is dependent upon its ability to generate sufficient cash flows from operations to support its daily operations as well as provide sufficient resources to retire existing liabilities and obligations on a timely basis.

The Company anticipates offering future sales of equity securities. However,

Edgar Filing: CENTURY PARK PICTURES CORP - Form 10QSB

there is no assurance that the Company will be able to obtain additional funding through the sales of additional equity securities or, that such funding, if available, will be obtained on terms favorable to or affordable by the Company.

If no additional operating capital is received during the next twelve months, the Company will be forced to rely on existing cash in the bank and upon additional funds loaned by management and/or significant stockholders to preserve the integrity of the corporate entity at this time. In the event, the Company is unable to acquire advances from management and/or significant stockholders, the Company's ongoing operations would be negatively impacted.

It is the intent of management and significant stockholders to provide sufficient working capital necessary to support and preserve the integrity of the corporate entity. However, no formal commitments or arrangements to advance or loan funds to the Company or repay any such advances or loans exist. There is no legal obligation for either management or significant stockholders to provide additional future funding.

While the Company is of the opinion that good faith estimates of the Company's ability to secure additional capital in the future to reach our goals have been made, there is no guarantee that the Company will receive sufficient funding to sustain operations or implement any future business plan steps.

NOTE D - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Cash and cash equivalents

For Statement of Cash Flows purposes, the Company considers all cash on hand and in banks, certificates of deposit and other highly-liquid investments with maturities of three months or less, when purchased, to be cash and cash equivalents.

2. Property and equipment

Property and equipment consists of furniture and fixtures and is stated at the lower of depreciated cost or net realizable value.

3. Income Taxes

The Company uses the asset and liability method of accounting for income taxes. At March 31, 2005 and 2004, respectively, the deferred tax asset and deferred tax liability accounts, as recorded when material to the financial statements, are entirely the result of temporary differences. Temporary differences represent differences in the recognition of assets and liabilities for tax and financial reporting purposes, primarily accumulated depreciation and amortization, allowance for doubtful accounts and vacation accruals.

7

CENTURY PARK PICTURES CORPORATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE D - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Income Taxes - continued

As of March 31, 2005 and 2004, the deferred tax asset related to the Company's net operating loss carryforward is fully reserved. Due to the provisions of Internal Revenue Code Section 338, the Company may have

Edgar Filing: CENTURY PARK PICTURES CORP - Form 10QSB

limited net operating loss carryforwards available to offset financial statement or tax return taxable income in future periods as a result of any future change in control involving 50 percentage points or more of the issued and outstanding securities of the Company.

4. Income (Loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) available to common shareholders by the weighted-average number of common shares outstanding during the respective period presented in our accompanying financial statements.

Fully diluted earnings (loss) per share is computed similar to basic income (loss) per share except that the denominator is increased to include the number of common stock equivalents (primarily outstanding options and warrants).

Common stock equivalents represent the dilutive effect of the assumed exercise of the outstanding stock options and warrants, using the treasury stock method, at either the beginning of the respective period presented or the date of issuance, whichever is later, and only if the common stock equivalents are considered dilutive based upon the Company's net income (loss) position at the calculation date.

At March 31, 2005 and 2004, and subsequent thereto, the Company has no outstanding stock warrants, options or convertible securities which could be considered as dilutive for purposes of the loss per share calculation.

NOTE E - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of cash, accounts receivable, accounts payable and notes payable, as applicable, approximates fair value due to the short term nature of these items and/or the current interest rates payable in relation to current market conditions.

Interest rate risk is the risk that the Company's earnings are subject to fluctuations in interest rates on either investments or on debt and is fully dependent upon the volatility of these rates. The Company does not use derivative instruments to moderate its exposure to interest rate risk, if any.

Financial risk is the risk that the Company's earnings are subject to fluctuations in interest rates or foreign exchange rates and are fully dependent upon the volatility of these rates. The company does not use derivative instruments to moderate its exposure to financial risk, if any.

NOTE F - NOTES PAYABLE

On July 31, 2002, the Company's Board of Directors and the respective noteholders approved the extension of the ultimate maturity date of the notes through December 3, 2003. In conjunction with the extension, the noteholders agreed to discontinue the accrual of interest subsequent to July 31, 2002.

The effect of the discontinuance of interest accruals subsequent to July 31, 2002 will be charged to operations as a component of interest expense with an offset to contributed additional paid-in capital to recognize the economic effect of the suspended and forgiven interest on these notes in the respective future period.

Edgar Filing: CENTURY PARK PICTURES CORP - Form 10QSB

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE F - NOTES PAYABLE - CONTINUED

On June 25, 2003, noteholders aggregating \$300,000 in outstanding principal and \$231,900 in accrued interest payable exercised their respective conversion rights and received an aggregate 53,106,900 shares of restricted, common stock upon conversion.

On December 3, 2003, the final ultimate maturity date, one remaining noteholder exercised his conversion rights and converted approximately \$50,000 in principal and \$36,758 in accrued interest payable into 8,675,800 shares of restricted, unregistered common stock.

On December 3, 2003, upon the failure to timely convert or post a timely claim for repayment, the Company's Board of Directors, acting upon the advise of legal counsel, voided the remaining outstanding unconverted notes payable of approximately \$50,000 and the associated accrued interest of approximately \$36,956 and recognized a one-time gain on the technical forgiveness of these debts.

For the respective years ended September 30, 2004 and 2003, the Company has recognized approximately \$2,104 and \$41,005 in additional paid-in capital for imputation of suspended interest on these notes.

NOTE G - RELATED PARTY TRANSACTIONS

Through March 31, 2005, the Company's Chief Executive Officer has advanced the Company approximately \$44,000 to support operations, settle outstanding trade accounts payable and provide working capital. The advance is repayable upon demand and is non-interest bearing and is unsecured.

Through December 31, 2004, the Company owed the Company's Chief Executive Officer approximately \$354,500 for cumulative accrued salary. During the quarter ended March 31, 2005, the Company's Chief Executive Officer forgave approximately \$304,500 in accrued salary for prior periods.

NOTE H - INCOME TAXES

The components of income tax (benefit) expense for each of the six month periods ended March 31, 2005 and 2004, respectively, are as follows:

	Six months ended March 31, 2005	Six months ended March 31, 2004
	-----	-----
Federal:		
Current	\$ --	\$ --
Deferred	--	--
	-----	-----
	--	--
	-----	-----
State:		
Current	--	--
Deferred	--	--
	-----	-----
	--	--
	-----	-----
Total	\$ --	\$ --
	=====	=====

Edgar Filing: CENTURY PARK PICTURES CORP - Form 10QSB

As of March 31, 2005, the Company has a Federal net operating loss carryforward of approximately \$3,100,000 and a State net operating loss carryforward of approximately \$790,000 to offset future taxable income. Subject to current regulations, these carryforwards expire, if unused, through 2015.

9

CENTURY PARK PICTURES CORPORATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE H - INCOME TAXES - CONTINUED

The Company's income tax benefit (expense) for each of the six month periods ended March 31, 2005 and 2004, respectively, differed from the statutory federal rate of 34 percent as follows:

	Six months ended March 31, 2005	Six months ended March 31, 2004
	-----	-----
Statutory rate applied to earnings (loss) before income taxes	\$101,500	\$ 24,635
Increase (decrease) in income taxes resulting from:		
State income taxes	--	--
Other, including reserve for deferred tax asset	(101,500)	(24,635)
	-----	-----
Income tax expense	\$ --	\$ --
	=====	=====

Temporary differences, consisting primarily of statutory differences between the financial statement carrying amounts and tax bases of assets and liabilities give rise to deferred tax assets and liabilities as of the respective years ended September 30, 2004 and 2003.

	Year ended September 30, 2004		
	Federal	State	T
Deferred tax assets:			
Other (current)	\$ 96,000	\$ 35,000	\$
Net operating loss carryforwards (non-current)	932,000	77,000	1,
	-----	-----	-----
	1,028,000	112,000	1,
Valuation allowance	(1,028,000)	(112,000)	(1,
	-----	-----	-----
Net Deferred tax asset	\$ --	\$ --	\$
	=====	=====	=====
Deferred tax liabilities	\$ --	\$ --	\$
	=====	=====	=====

Year ended September 30, 2003

Edgar Filing: CENTURY PARK PICTURES CORP - Form 10QSB

	Federal -----	State -----	T -----
Deferred tax assets:			
Other (current)	\$ 96,000	\$ 35,000	\$
Net operating loss carryforwards (non-current)	932,000	77,000	1,
	-----	-----	-----
	1,028,000	112,000	1,
Valuation allowance	(1,028,000)	(112,000)	(1,
	-----	-----	-----
Net Deferred tax asset	\$ --	\$ --	\$
	=====	=====	=====
Deferred tax liabilities	\$ --	\$ --	\$
	=====	=====	=====

During the years ended September 30, 2004 and 2003, respectively, the valuation allowance increased (decreased) by approximately \$-0- and \$-0-. Realization of deferred tax assets is dependent upon sufficient future taxable income during the period that deductible temporary differences and carryforwards are expected to be available to reduce taxable income.

10

CENTURY PARK PICTURES CORPORATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE J - COMMON STOCK TRANSACTIONS

On June 25, 2003, the Company issued an aggregate 53,783,500 shares of restricted, unregistered common stock in redemption of various outstanding notes payable in the face amount of approximately \$300,000 and accrued interest payable of approximately \$237,835, pursuant to the conversion terms of the respective notes. The valuation of this transaction was equal to the "fair value" of the Company's common stock on the conversion date.

On December 3, 2003, the Company issued 8,675,800 shares of restricted, unregistered common stock in redemption of two (2) notes payable in the face amount of approximately \$50,000 and accrued interest payable of approximately \$36,758, pursuant to the conversion terms of the respective notes. The valuation of this transaction was equal to the "fair value" of the Company's common stock on the conversion date. The Company relied upon Section 4(2) of The Securities Act of 1933, as amended, for an exemption from registration of these shares and no underwriter was used in this transaction.

On December 3, 2003, the Company issued 787,100 shares of restricted, unregistered common stock as compensation for fees associated with the conversion of the outstanding notes payable and accrued interest payable. This transaction was valued at approximately \$7,871, which was equal to the "fair value" of the Company's common stock on the conversion date. The Company relied upon Section 4(2) of The Securities Act of 1933, as amended, for an exemption from registration of these shares and no underwriter was used in this transaction.

NOTE K - COMMITMENTS AND CONTINGENCIES

The Company leases office space under a noncancellable operating lease that expired on August 31, 2002. The space has been sub-leased to a separate company owned by the Company's CEO. The Company incurred no expense related to this

Edgar Filing: CENTURY PARK PICTURES CORP - Form 10QSB

lease during either of the years ended September 30, 2003 and 2002, respectively, or subsequent thereto.

NOTE L - SUBSEQUENT EVENT

On or about May 2, 2005, the Company sold an aggregate 2,500,000 shares of unregistered, restricted common stock for cash proceeds of approximately \$85,000 to three (3) separate individuals, including 148,000 shares to the Company's President. The Company relied upon Section 4(2) of The Securities Act of 1933, as amended, for an exemption from registration of these shares and no underwriter was used in this transaction.

(Remainder of this page left blank intentionally)

11

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(1) CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this quarterly filing, including, without limitation, statements containing the words "believes", "anticipates", "expects" and words of similar import, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such factors include, among others, the following: international, national and local general economic and market conditions; demographic changes; the ability of the Company to sustain, manage or forecast its growth; the ability of the Company to successfully make and integrate acquisitions; raw material costs and availability; new product development and introduction; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; the loss of significant customers or suppliers; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the ability to protect technology; and other factors referenced in this and previous filings.

Given these uncertainties, readers of this Form 10-QSB and investors are cautioned not to place undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

(2) RESULTS OF OPERATIONS, LIQUIDITY AND CAPITAL RESOURCES

Century Park Pictures Corporation (Company) was incorporated in 1983 in accordance with the Laws of the State of Minnesota.

The Company developed, produced and marketed various entertainment properties, including without limitation, the intellectual product(s) of entities engaged in the motion picture, television, and theatrical state productions, such as creative writers, producers and directors, for the motion picture, pay/cable and commercial television markets.

Edgar Filing: CENTURY PARK PICTURES CORP - Form 10QSB

The Company has had no operations, assets or liabilities since its fiscal year ended September 30, 1999.

General and administrative expenses for the six months ended March 31, 2005 and 2004 were approximately \$6,034 and \$12,400, respectively. Interest expense on the outstanding \$-0- and \$100,000 in notes payable was approximately \$-0- and \$2,107 for each of the respective six month periods.

On July 31, 2002, the Company's Board of Directors and the respective noteholders approved the extension of the ultimate maturity date of the notes through December 3, 2003. In conjunction with the extension, the noteholders agreed to discontinue the accrual of interest subsequent to July 31, 2002. The effect of the discontinuance of interest accruals subsequent to July 31, 2002 will be charged to operations as a component of interest expense with an offset to contributed additional paid-in capital to recognize the economic effect of the suspended and forgiven interest on these notes in the respective future period.

On June 25, 2003, noteholders aggregating \$300,000 in outstanding principal and \$231,900 in accrued interest payable exercised their respective conversion rights and received an aggregate 53,106,900 shares of restricted, common stock upon conversion.

On December 3, 2003, the final ultimate maturity date, one remaining noteholder exercised his conversion rights and converted approximately \$50,000 in principal and \$36,758 in accrued interest payable into 8,675,800 shares of restricted, unregistered common stock.

On December 3, 2003, upon the failure to convert or post a claim for repayment, the Company's Board of Directors, with the approval of legal counsel, voided the remaining outstanding unconverted notes payable of approximately \$50,000 and the associated accrued interest of approximately \$36,956 and recognized a one-time gain on the technical forgiveness of these debts.

12

On December 3, 2003, the Company issued 787,100 shares of restricted, unregistered common stock as compensation for fees associated with the conversion of the outstanding notes payable and accrued interest payable. This transaction was valued at approximately \$7,871, which was equal to the "fair value" of the Company's common stock on the conversion date. The Company relied upon Section 4(2) of The Securities Act of 1933, as amended, for an exemption from registration of these shares and no underwriter was used in this transaction.

During the quarter ended March 31, 2005, the Company's President and Chief Executive Officer forgave an aggregate \$304,500 in accrued compensation from prior periods. The effect of this action is reflected in the accompanying financial statements as of March 31, 2005.

Net income (loss) for the six months ended March 31, 2005 and 2004, respectively, was approximately \$298,500 and \$72,500, respectively. Earnings per share for the respective six month periods and quarters ended March 31, 2005 and 2004 was \$0.00, \$0.00, \$0.00 and \$0.00 on the weighted-average shares issued and outstanding.

The Company does not expect to generate any meaningful revenue or incur operating expenses for purposes other than fulfilling the obligations of a reporting company under the Securities Exchange Act of 1934 (Exchange Act).

At March 31, 2005, September 30, 2004 and March 31, 2004, respectively, the Company had working capital of approximately \$(94,000), \$(392,600) and

Edgar Filing: CENTURY PARK PICTURES CORP - Form 10QSB

\$ (395,900) .

Management intends to continue to restrict expenditures with respect to the future development of entertainment properties and has suspended the marketing of its completed properties due to the lack of working capital. The Company has two completed properties. The costs of development have been written off. Accordingly, the Company will incur little, if any, costs of marketing. Management believes these actions may contribute to the Company's future liquidity. The Company has no material commitments for capital expenditures as of March 31, 2005, or subsequent thereto, and anticipates no significant capital expenditures for future periods.

The Company intends to continue to seek out potential acquisitions. Since the Company has no available bank lines of credit, there are no assurances that the Company will be able to successfully identify any potential acquisitions or that, if identified, it will obtain financing under terms acceptable to the Company. Management presently considers an acquisition or a merger of the Company a viable alternative.

The Company has no operating activities, no cash on hand, no profit and operates a business plan with inherent risk. Because of these factors, our auditors have issued an audit opinion for the Company which includes a statement describing our going concern status. This means, in our auditor's opinion, substantial doubt about our ability to continue as a going concern exists at the date of their opinion.

The Company's continued existence is dependent upon its ability to generate sufficient cash flows from operations to support its daily operations as well as provide sufficient resources to retire existing liabilities and obligations on a timely basis.

The Company anticipates offering future sales of equity securities. However, there is no assurance that the Company will be able to obtain additional funding through the sales of additional equity securities or, that such funding, if available, will be obtained on terms favorable to or affordable by the Company.

If no additional operating capital is received during the next twelve months, the Company will be forced to rely on existing cash in the bank and upon additional funds loaned by management and/or significant stockholders to preserve the integrity of the corporate entity at this time. In the event, the Company is unable to acquire advances from management and/or significant stockholders, the Company's ongoing operations would be negatively impacted.

It is the intent of management and significant stockholders to provide sufficient working capital necessary to support and preserve the integrity of the corporate entity. However, no formal commitments or arrangements to advance or loan funds to the Company or repay any such advances or loans exist. There is no legal obligation for either management or significant stockholders to provide additional future funding.

While the Company is of the opinion that good faith estimates of the Company's ability to secure additional capital in the future to reach our goals have been made, there is no guarantee that the Company will receive sufficient funding to sustain operations or implement any future business plan steps.

ITEM 3 - CONTROLS AND PROCEDURES

As required by Rule 13a-15 under the Exchange Act, within the 90 days prior to the filing date of this report, the Company carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls

Edgar Filing: CENTURY PARK PICTURES CORP - Form 10QSB

and procedures. This evaluation was carried out under the supervision and with the participation of the Company's management, including the Company's President, Chief Executive and Financial Officer. Based upon that evaluation, the Company's President, Chief Executive and Financial Officer concluded that the Company's disclosure controls and procedures are effective. There have been no significant changes in the Company's internal controls or in other factors, which could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in Company reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Company reports filed under the Exchange Act is accumulated and communicated to management, including the Company's Chief Executive and Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

None

ITEM 2 - RECENT SALES OF UNREGISTERED SECURITIES AND USE OF PROCEEDS

On or about May 2, 2005, the Company sold an aggregate 2,500,000 shares of unregistered, restricted common stock for cash proceeds of approximately \$85,000. The purchasing individuals are Andrew Eccelstone - 1,470,000 shares; Gary Boster - 882,000 shares and Philip and Stephanie Rogers - 148,000 shares. Mr. Rogers is the Company's President. The Company relied upon Section 4(2) of the Securities Act of 1933, as amended, for an exemption from registration of these shares and no underwriter was used in this transaction.

The Company granted "piggy-back" registration rights to the holders of the shares of common stock which would entitle a holder to request that the Company register the common stock if the Company files a registration statement at any time prior to three years from the date the Company sold such shares of common stock. The Company has agreed to keep such registration statement current for up to 270 days. The Company has agreed to pay all expenses associated with any registration of the common stock except any underwriter's commissions or fees or any fees of others employed by a selling shareholder, including attorneys' fees; which shall be the responsibility of the selling shareholder.

Contractually, not more than \$50,000 of the gross proceeds may be used to either pay or repay accrued compensation to Thomas Scallen, the Company's Chief Executive Officer or advances made by Mr. Scallen to support the Company's operations.

ITEM 3 - DEFAULTS ON SENIOR SECURITIES

None

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5 - OTHER INFORMATION

None

ITEM 6 - EXHIBITS

Exhibits

31.1 Certification pursuant to Section 302 of Sarbanes-Oxley Act of 2002

32.1 Certification pursuant to Section 906 of Sarbanes-Oxley Act of 2002.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CENTURY PARK PICTURES CORPORATION

Dated: May 11, 2005

/s/ Thomas K. Scallen.

Thomas K. Scallen
Chairman, Chief Executive Officer,
Chief Financial Officer and Director