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CENTURY PARK PICTURES CORP
Form 10QSB/A
August 06, 2004

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-QSB/A

(Mark one)

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

For the quarterly period ended March 31, 2004

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: August 3, 2004: 74,456,441

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

CENTURY PARK PICTURES CORPORATION

Form 10-QSB/A for the Quarter ended March 31, 2004

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 |

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| | |
|--|----|
| Item 3 Controls and Procedures | 14 |
| PART II - OTHER INFORMATION | |
| Item 1 Legal Proceedings | 14 |
| Item 2 Changes in Securities | 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 and Reports on Form 8-K | 14 |
| SIGNATURES | 15 |

2

PART I

ITEM 1 - FINANCIAL STATEMENTS

CENTURY PARK PICTURES CORPORATION
BALANCE SHEETS
March 31, 2004 and 2003

(UNAUDITED)

| | (Restated) March 31, 2004 | March 2003 |
|--------------------------------------|---------------------------------|---------------|
| | ----- | ----- |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash on hand and in bank | \$ -- | \$ |
| | ----- | ----- |
| TOTAL CURRENT ASSETS | -- | |
| | ----- | ----- |
| PROPERTY AND EQUIPMENT - AT COST | | |
| Furniture and fixtures | 94,077 | 94 |
| Less accumulated depreciation | (94,077) | (94) |
| | ----- | ----- |
| NET PROPERTY AND EQUIPMENT | -- | |
| | ----- | ----- |
| OTHER ASSETS | | |
| Rent deposits | 926 | |
| | ----- | ----- |
| TOTAL ASSETS | \$ 926 | \$ |
| | ===== | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Notes payable | \$ -- | \$ 400 |
| Accounts payable - trade | -- | |
| Accrued interest payable | -- | 311 |

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| | | |
|---|-------------|---------|
| Other accrued expenses | 9,027 | 9 |
| Advances from shareholder | 32,414 | 19 |
| Accrued compensation | 354,500 | 354 |
| | ----- | ----- |
| TOTAL CURRENT LIABILITIES | 395,941 | 1,094 |
| | ----- | ----- |
| COMMITMENTS AND CONTINGENCIES | | |
| SHAREHOLDERS' EQUITY | | |
| Common stock - \$0.001 par value | | |
| 200,000,000 shares authorized. 72,456,441 and | | |
| 9,886,641 shares issued and outstanding, respectively | 72,456 | 9 |
| Additional paid-in capital | 6,804,569 | 6,217 |
| Accumulated deficit | (7,272,040) | (7,320) |
| | ----- | ----- |
| TOTAL SHAREHOLDERS' EQUITY | (395,015) | (1,093) |
| | ----- | ----- |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 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 2003

(UNAUDITED)

| | (Restated) Six months ended March 31, 2004 | Six months ended March 31, 2003 | (Restated) Three months ended March 31, 2004 |
|--|--|--|--|
| | ----- | ----- | ----- |
| REVENUES | \$ -- | \$ -- | \$ -- |
| | ----- | ----- | ----- |
| EXPENSES | | | |
| General and administrative expenses | 12,397 | 10,278 | 1,591 |
| | ----- | ----- | ----- |
| LOSS FROM OPERATIONS | (12,397) | (10,278) | (1,591) |
| OTHER INCOME (EXPENSE) | | | |
| Interest expense | (2,104) | (25,958) | -- |
| | ----- | ----- | ----- |
| LOSS BEFORE PROVISION FOR INCOME TAXES AND EXTRAORDINARY ITEM | (14,501) | (36,236) | (1,591) |
| PROVISION FOR INCOME TAXES | -- | -- | -- |
| | ----- | ----- | ----- |
| LOSS BEFORE EXTRAORDINARY ITEM | (14,501) | (36,236) | (1,591) |

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EXTRAORDINARY ITEM

| | | | |
|---|------------|-------------|------------|
| Forgiveness and extinguishment of notes payable and accrued interest | 86,956 | -- | -- |
| | ----- | ----- | ----- |
| NET INCOME (LOSS) | 72,455 | (36,236) | (1,591) |
| OTHER COMPREHENSIVE INCOME | -- | -- | -- |
| | ----- | ----- | ----- |
| COMPREHENSIVE INCOME (LOSS) | \$ 72,455 | \$ (36,236) | \$ (1,591) |
| | ===== | ===== | ===== |
| 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 | 69,198,721 | 9,886,641 | 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, 2004 and 2003

(UNAUDITED)

| | (Restated) Six months ended March 31, 2004 | Six m end Marc 20 |
|---|--|----------------------------|
| | ----- | ----- |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Loss | \$ 72,455 | \$ (3 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Forgiveness of notes payable and accrued interest | (86,956) | |
| Consulting fees paid with common stock | 7,870 | |
| Contribution of interest expense related to suspended interest payable on notes payable | 2,104 | 2 |
| Increase (Decrease) in Accounts payable and accrued expenses | -- | |
| | ----- | ----- |
| NET CASH USED IN OPERATING ACTIVITIES | (4,527) | (1 |
| | ----- | ----- |
| CASH FLOWS FROM INVESTING ACTIVITIES | -- | |
| | ----- | ----- |

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| | | |
|--|-----------|------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Funds advanced by officer/shareholder | 4,527 | 1 |
| | ----- | --- |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | 4,527 | 1 |
| | ----- | --- |
| 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 | \$ 50,000 | \$ |
| | ===== | ==== |
| Conversion of accrued interest payable into common stock | \$ 36,758 | \$ |
| | ===== | ==== |

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 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.

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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, 2003. 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, 2004.

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, 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.

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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, including accounts in book overdraft positions, 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 recorded at historical cost. These costs were depreciated over the estimated useful lives of the individual assets using the straight-line method.

Gains and losses from disposition of property and equipment are recognized as incurred and are included in operations.

7

CENTURY PARK PICTURES CORPORATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE D - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. INCOME TAXES

The Company uses the asset and liability method of accounting for income taxes. At March 31, 2004 and 2003, 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.

As of March 31, 2004 and 2003, 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 limited net operating loss carryforwards available to offset financial

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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) by the weighted-average number of shares of common stock outstanding. The calculation of fully diluted earnings (loss) per share assumes the dilutive effect of the exercise of outstanding 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. As of March 31, 2004 and 2003, respectively, 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.

8

CENTURY PARK PICTURES CORPORATION

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

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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.

For the respective six month periods ending March 31, 2004 and 2003, the Company has recognized approximately \$2,107 and \$12,979 in additional paid-in capital due to the suspended interest on these notes.

NOTE G - RELATED PARTY TRANSACTIONS

Through March 31, 2004, the Company's Chief Executive Officer has advanced the Company an aggregate of approximately \$32,400 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.

As of March 31, 2004 and 2003, respectively, the Company owed the Company's Chief Executive Officer approximately \$354,500 for cumulative accrued salary in prior years.

NOTE H - INCOME TAXES

The components of income tax (benefit) expense for the six months ended March 31, 2004 and 2003, respectively, are as follows:

| | Six months ended March 31, 2004 | Six months ended March 31, 2003 |
|----------|--|--|
| | ----- | ----- |
| Federal: | | |
| Current | \$ -- | \$ -- |
| Deferred | -- | -- |
| | ----- | ----- |
| | -- | -- |
| | ----- | ----- |
| State: | | |
| Current | -- | -- |
| Deferred | -- | -- |
| | ----- | ----- |
| | -- | -- |
| | ----- | ----- |
| Total | \$ -- | \$ -- |
| | ===== | ===== |

CENTURY PARK PICTURES CORPORATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE H - INCOME TAXES - CONTINUED

As of March 31, 2004, 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 through 2015.

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The Company's income tax expense for each of the six months ended March 31, 2004 and 2003, respectively, differed from the statutory federal rate of 34 percent as follows:

| | Six months ended March 31, 2004 ----- | Six months ended March 31, 2003 ----- |
|---|---|---|
| Statutory rate applied to earnings (loss) before income taxes | \$24,600 | \$ (12,320) |
| Increase (decrease) in income taxes resulting from: | | |
| State income taxes | -- | -- |
| Other, including reserve for deferred tax asset | (24,600) | 12,320 |
| | ----- | ----- |
| 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, 2003 and 2002.

| | Year ended September 30, 2003 | | |
|--|-------------------------------|----------------|----------------|
| | Federal | State | Total |
| Deferred tax assets: | | | |
| Other (current) | \$ 96,000 | \$ 35,000 | \$ 131,000 |
| Net operating loss carryforwards (non-current) | 932,000 | 77,000 | 1,009,000 |
| | ----- | ----- | ----- |
| | 1,028,000 | 112,000 | 1,140,000 |
| Valuation allowance | (1,028,000) | (112,000) | (1,140,000) |
| | ----- | ----- | ----- |
| Net Deferred tax asset | \$ -- ===== | \$ -- ===== | \$ -- ===== |
| Deferred tax liabilities | \$ -- ===== | \$ -- ===== | \$ -- ===== |
| | | | |
| | Year ended September 30, 2002 | | |
| | Federal | State | Total |
| Deferred tax assets: | | | |
| Other (current) | \$ 96,000 | \$ 35,000 | \$ 131,000 |
| Net operating loss carryforwards (non-current) | 932,000 | 77,000 | 1,009,000 |
| | ----- | ----- | ----- |
| | 1,028,000 | 112,000 | 1,140,000 |
| Valuation allowance | (1,028,000) | (112,000) | (1,140,000) |
| | ----- | ----- | ----- |
| Net Deferred tax asset | \$ -- ===== | \$ -- ===== | \$ -- ===== |

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| | | | |
|--------------------------|-----------------|-----------------|-------|
| | ===== | ===== | ===== |
| Deferred tax liabilities | \$ -- | \$ -- | \$ |
| | ===== | ===== | ===== |

During the years ended September 30, 2003 and 2002, 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.

CENTURY PARK PICTURES CORPORATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

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

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

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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 has effectively 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, 2004 and 2003 were approximately \$4,500 and \$10,300, respectively. Interest expense on the outstanding \$100,000 and \$400,000 in notes payable was approximately \$6,000 and \$26,000 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

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associated accrued interest of approximately \$36,956 and recognized a one-time gain on the technical forgiveness of these debts.

On December 3, 2003, the Company issued 787,100 shares of restricted, unregistered common stock as compensation for fees associated with the

12

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.

Net income (loss) for the six months ended March 31, 2004 and 2003, respectively, was approximately \$72,455 and \$(36,200). Earnings per share for the respective quarters ended March 31, 2004 and 2003 was \$0.00 and \$0.00 on the weighted-average post-reverse split 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, 2004 and September 30, 2003, respectively, the Company had working capital of approximately \$(396,000) and \$(1,091,500).

Management intends to continue to restrict expenditures with respect to the future development of entertainment properties and to market its completed properties. 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 liquidity. The Company has no material commitments for capital expenditures as of March 31, 2004 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

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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.

13

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 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 - CHANGES IN SECURITIES

None

ITEM 3 - DEFAULTS ON SENIOR SECURITIES

None

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

None

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ITEM 5 - OTHER INFORMATION

None

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

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.

REPORTS ON FORM 8-K

None

14

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: August 3, 2004

/s/ Thomas K. Scallen

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

15