

ARK RESOURCES LTD

Financial Statements for the Year Ended 31 March 2004

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ARK RESOURCES LTD

Directors Annual Report for the Year Ended 31 March 2004

The directors submit their report in respect of the financial year ended 31 March 2004:

Financial Statements

The financial statements for the year ended 31 March 2004 follow this report.

For and on behalf of the Board

..... Director

..... Director

Date

Resolution of Annual Meeting of Shareholders of
ARK RESOURCES LTD

For the Year Ended 31 March 2004

DULY PASSED BY ENTRY IN THE COMPANY'S MINUTE BOOK
PERSUANT TO SECTION 122 OF THE COMPANIES ACT 1993

RESOLVED:

Annual Accounts:

That the Annual Report and Statement of Accounts for the year ended 31 March 2004 be approved and adopted.

Auditor:

That Peter Reid, Chartered Accountant of Whakatane, be appointed auditor of the company for the ensuing year and the Directors be authorised to negotiate his fees.

Director's Remuneration:

That all amounts paid or credited to the Directors as salary, expenses or Directors' Fees, as recorded in the books of the company up to 31 March 2004 be and are hereby approved as being either reimbursement of expenses properly incurred or emoluments for services rendered to the company.

AND

That remuneration and/or fees be paid to the Directors in the ensuing year at a rate up to that paid or credited in the previous financial year, and that this amount be reviewed by the Shareholders for approval at the next Annual Meeting.

Dividend:

That, in accordance with the recommendation of Directors, no dividend be declared.

CONFIRMED BY SHAREHOLDERS:

..... Date

..... Date

..... Date

ARK RESOURCES LTD

Notes To and Forming Part of the Financial Statements For the Year Ended 31 March 2004

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Ark Resources Ltd (the entity) is a Limited Liability Company registered under the Companies Act 1993.

Differential Reporting

The entity qualifies for differential reporting exemptions as it is not publicly accountable as defined in the Framework of Differential Reporting , and the operation is not considered large when applying the tests contained within the Framework for Differential Reporting.

The entity has taken advantage of all differential reporting exemptions.

Measurement Base

Unless otherwise specified, the measurement base adopted is that of historical cost.

Specific Accounting Policies

The following accounting policies have been employed in the preparation of these financial statements.

Goods and Services Tax:

This entity is not registered for GST and all expenses are shown inclusive of GST paid, if any.

Valuation of Assets:

- * Cash on Hand and Bank Accounts are shown at the holding value.
- * Accounts receivable have been valued at expected realisable value.
- * Loans are shown at expected realisable value. No provision has been made for doubtful debts. All loans are secured by registered mortgages.

Liabilities:

Liabilities are recognised when the goods and services to which they relate are received.

Liabilities are carried at the amount of cash which is required to settle those liabilities.

Changes in Accounting Policy

There have been no material changes in Accounting Policies. All policies have been applied on bases consistent with those used in previous years.

2. ADVANCES FROM LIBERTY TRUST

Advances from Liberty Trust are secured by a debenture over the Company's assets.

ARK RESOURCES LTD

Notes To and Forming Part of the Financial Statements For the Year Ended 31 March 2004

3. RELATED PARTY TRANSACTIONS

The Entity has not undertaken any material transactions with related parties. No related party debts have been written off or forgiven during the year.

4. CAPITAL COMMITMENTS

Nil. (2003 = Nil)

5. CONTINGENT LIABILITIES

There are no contingent liabilities.

ARK RESOURCES LTD

Statement of Financial Performance For the Year Ended 31 March 2004

<u>2003</u>		<u>2004</u>
	<u>INCOME</u>	
-	Interest Received - Solicitors	1,317.74
3,766.84	Interest Received - Craig & Co	3,189.84
3,600.00	Mortgage Administration Fees	7,200.00
44,591.29	Mortgagors' Contributions	1,496.55
51,958.13		13,204.13
	<u>Less EXPENSES</u>	
17.04	Printing & Photocopying	-
468.88	Accountancy	114.75
253.00	Auditing	250.00
6.64	Stationery	72.90
1.62	General Expenses	15.00
-	Gifts	50.00
-	Tolls	198.84
-	Travel	334.80
542.14	Bank Fees & Interest	347.94
306.49	Accounting Software Fees	64.46
49,728.90	Interest - Liberty Trust	7,937.28
-	Loans Officer	2,400.00
51,324.71		11,785.97
\$633.42	NET INCOME OVER EXPENSES	\$1,418.16
-	Taxation Expense	178.53
\$633.42	NET INCOME AFTER TAXATION	\$1,239.63

Note: This Statement must be read in conjunction with the accompanying Notes to the Financial Statements and the Auditor's Report.

ARK RESOURCES LTD

Statement of Movements in Equity For the Year Ended 31 March 2004

<u>2003</u>		<u>2004</u>
(1,392.99)	Shareholders' Equity at 01/04/2003	(759.57)
Plus		
633.42	Net Revenue less Expenses	1,239.63
<u>(\$759.57)</u>	SHAREHOLDERS' EQUITY	<u>\$480.06</u>

Note: This Statement must be read in conjunction with the accompanying Notes to the Financial Statements and the Auditor's Report.

ARK RESOURCES LTD

Statement of Financial Position As at 31 March 2004

<u>2003</u>		<u>2004</u>
	<u>Current Assets</u>	
4,487.88	Westpac Cheque Account	1,675.41
118,139.42	Craig & Co - Investment A/c	67,459.13
141,200.00	Keam & Associates - Trust A/c	-
1,317.13	Resident Withholding Tax	1,645.17
265,144.43		70,779.71
	<u>Current Liabilities</u>	
36,971.55	Liberty Trust - Current Account	56,356.73
-	Provision for Taxation	178.53
36,971.55		56,535.26
228,172.88	Net Working Capital	14,244.45
	<u>Non-Current Assets</u>	
2,322,010.95	Loans Outstanding	2,721,379.01
	<u>Non Current Liabilities</u>	
2,550,943.40	Debenture - Liberty Trust	2,735,143.40
(\$759.57)	NET ASSETS	\$480.06
This is Represented by:		
	Shareholders' Equity	
60.00	<u>Share Capital</u>	60.00
	<u>Retained Profits</u>	
(1,452.99)	Balance at 01/04/2003	(819.57)
633.42	Net Revenue	1,239.63
(819.57)		420.06
(\$759.57)	SHAREHOLDERS' EQUITY	\$480.06

NOTE: This Statement is to be read in conjunction with the accompanying Notes to the Financial Statements and the Auditor's Report.

ARK RESOURCES LTD

Mortgage Report As at 31 March 2004

<u>2003</u>		<u>2004</u>
32,453.95	- Loan A/c	22,933.75
17,766.00	- Loan A/c	14,936.00
22,340.00	- Loan A/c	13,340.00
3,164.00	- Loan A/c	-
31,850.00	- Loan A/c	22,400.00
23,735.09	- Loan A/c	12,022.09
28,337.20	- Loan A/c	14,432.40
621.87	- Loan A/c	-
17,386.00	- Loan A/c	8,444.00
21,527.60	- Loan A/c	12,449.44
28,125.95	- Loan A/c	19,254.75
27,574.80	- Loan A/c	20,061.30
25,352.52	- Loan A/c	18,219.75
2,059.07	- Loan A/c	-
25,735.44	- Loan A/c	17,631.50
39,196.00	- Loan A/c	31,084.00
25,974.34	- Loan A/c	14,651.71
21,382.10	- Loan A/c	10,474.70
26,905.90	- Loan A/c	19,313.50
37,050.00	- Loan A/c	32,300.00
47,150.00	- Loan A/c	-
86,710.80	- Loan A/c	64,514.40
44,530.95	- Loan	33,294.75
20,823.90	- Loan	15,319.50
43,375.95	- Loan A/c	32,079.75
52,373.95	- Loan A/c	-
45,020.95	- Loan A/c	34,042.75
41,227.00	- Loan A/c	34,735.00
33,743.90	- Loan A/c	-
45,092.95	- Loan A/c	35,872.75
19,080.00	- Loan A/c	14,920.00
75,210.00	Loan	-
48,641.95	- Loan A/C	-
49,114.85	- Loan A/C	37,544.85
46,120.00	- Loan A/c	17,600.00
13,399.02	Loan A/c	(105.46)
52,877.00	- Loan A/c	40,555.00
53,513.00	- Loan A/c #1	42,463.00
58,300.88	- Loan A/c	50,104.64
58,892.95	- Loan	50,696.95
33,250.00	- Loan A/c #1	28,843.74
57,359.05	- Loan A/c	48,276.85
57,362.21	- Loan #2	48,034.98
58,076.05	Loan A/c	48,108.95
60,207.55	- Loan A	-
23,000.00	- LOAN A/c	32,940.00

NOTE: This Statement is to be read in conjunction with the accompanying Notes to the Financial Statements and the Auditor's Report.

ARK RESOURCES LTD

Mortgage Report As at 31 March 2004

<u>2003</u>		<u>2004</u>
129,942.34		104,759.92
61,697.00	- Loan A/c	51,845.00
46,174.98	- Loan A/c	37,674.90
62,959.20	Loan A/c	50,940.45
66,650.73	- Loan A/c	54,630.41
66,450.00	- Loan A/c	57,330.00
67,008.51	- Loan A/c	56,906.55
68,256.00	- Loan A/c #2	58,064.00
69,879.50		60,584.50
-		63,896.00
-		63,628.00
-		61,000.00
-		64,008.00
-		62,547.70
-		64,254.17
-		67,500.00
-		8,600.00
-		66,320.00
-		65,928.56
-		66,773.80
-		68,040.00
-		66,653.00
-		201,975.00
-		92,573.00
-		70,154.76
-		21,000.00
<u>\$2,322,010.95</u>	<u>TOTAL LOANS OUTSTANDING</u>	<u>\$2,721,379.01</u>

NOTE: This Statement is to be read in conjunction with the accompanying Notes to the Financial Statements and the Auditor's Report.