

# **ARK RESOURCES LTD**

## **Financial Statements for the Year Ended 31 March 2007**

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# ARK RESOURCES LTD

## Directors Annual Report for the Year Ended 31 March 2007

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The directors submit their report in respect of the financial year ended 31 March 2007:

**Financial Statements**

The financial statements for the year ended 31 March 2007 follow this report.

For and on behalf of the Board

..... Director

..... Director

Date .....

## AUDITOR'S REPORT.

### **To the Readers of the Financial Report of Ark Resources Ltd.**

I have audited the Financial Reports on pages 5 - 9 The Financial Reports provides information about the past performance of the Company and its financial position as at 31 March 2007 This information is stated in accordance with the accounting policies set out on pages 3 - 4.

### **Management Committee's Responsibility.**

The Executive Committee is responsible for the preparation of the financial statements which reflect the financial position of the Company as at 31 March 2007 and the results of the operations for the period ended on that date.

### **Auditor's Responsibility.**

It is my responsibility to express an independent opinion on the financial statements presented by the Executive Committee and to report my opinion to you.

### **Basis of Opinion.**

As an audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements, it also includes assessing; (1) the significant estimates and judgments made by the Executive in the preparation of the financial statements and (2) whether the accounting policies are appropriate to the Company I conducted my audit in accordance with generally accepted auditing standards. I planned and performed my audit so as to obtain all the information and explanations which I considered necessary. This was in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in my capacity as Auditor, I have no relationship with or interest in the Ark Resources Ltd.

### **Unqualified Opinion.**

I have obtained all the information and explanations I have required. In my opinion the Financial Report on Pages 5 - 9 fairly reflects the financial position of Ark Resources Ltd. as at the 31 March 2007 and the results of its operations for the period ended at that date.

My audit was completed on 31 May 2007 and my unqualified opinion is expressed on that date.

Peter A. Reid B.Com. C.A.  
Chartered Accountant,  
Whakatane.



Resolution of Annual Meeting of Shareholders of  
**ARK RESOURCES LTD**

For the Year Ended 31 March 2007

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 2007 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 2007 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 2007

### 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

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

Advances from Liberty Trust Auckland are secured by Directors letter of acknowledgement.

# **ARK RESOURCES LTD**

## **Notes To and Forming Part of the Financial Statements For the Year Ended 31 March 2007**

### **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. (2006 = Nil)

### **5. CONTINGENT LIABILITIES**

The entity has not granted any securities nor given any guarantees in respect of liabilities payable by it or by any other party.

# ARK RESOURCES LTD

## Statement of Financial Performance For the Year Ended 31 March 2007

<u>2006</u>			<u>2007</u>
	<u>INCOME</u>		
493.68	Interest Received - Solicitors	893.94	
4,142.69	Interest Received - Bank	4,530.25	
5,200.00	Mortgage Administration Fees	8,750.00	
<u>9,836.37</u>		<u>                    </u>	14,174.19
	<u>Less EXPENSES</u>		
45.00	Printing & Photocopying	12.15	
300.00	Auditing	300.00	
129.99	Stationery	-	
-	General Expenses	474.53	
50.00	Gifts	-	
148.54	Tolls	113.73	
453.93	Bank Fees & Interest	227.84	
99.53	Bank Connect Fees	50.32	
6,241.74	Interest - Liberty Trust	6,953.76	
2,200.00	Loans Officer	6,075.00	
<u>9,668.73</u>		<u>                    </u>	14,207.33
<u>\$167.64</u>	<b>NET INCOME OVER EXPENSES</b>		<u>(\$33.14)</u>
55.11	Taxation		-
<u>\$112.53</u>	<b>NET INCOME AFTER TAXATION</b>		<u>(\$33.14)</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 Movements in Equity For the Year Ended 31 March 2007

<u>2006</u>		<u>2007</u>
570.22	Shareholders' Equity at 01/04/2006	682.75
	Plus	
112.53	Net Revenue less Expenses	(33.14)
<u>\$682.75</u>	<b>SHAREHOLDERS' EQUITY</b>	<u>\$649.61</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 2007

<u>2006</u>		<u>2007</u>
	<u>Current Assets</u>	
40,892.70	Westpac Cheque Account	3,423.73
71,389.53	Call Investment A/c	6,045.63
1,559.63	Resident Withholding Tax	1,706.24
113,841.86		11,175.60
	<u>Current Liabilities</u>	
30.06	Accounts Payable	332.75
32,190.01	Liberty Trust - Current Account	76,031.01
-	LT Auckland - Current Account	134,646.96
55.11	Provision for Taxation	-
32,275.18		211,010.72
81,566.68	<b>Net Working Capital</b>	(199,835.12)
	<u>Non-Current Assets</u>	
3,189,047.71	Loans Outstanding	3,819,716.37
	<u>Non Current Liabilities</u>	
3,269,931.64	Debenture - Liberty Trust	3,619,231.64
\$682.75	<b>NET ASSETS</b>	\$649.61
This is Represented by:		
	<b>Shareholders' Equity</b>	
60.00	<u>Share Capital</u>	60.00
	<u>Retained Profits</u>	
510.22	Balance at 01/04/2006	622.75
112.53	Net Revenue	(33.14)
622.75		589.61
\$682.75	<b>SHAREHOLDERS' EQUITY</b>	\$649.61

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

## Lending Report As at 31 March 2007

<u>2006</u>		<u>2007</u>
4,517.35	<i>* Names deleted for privacy</i>	-
7,656.00		4,016.00
3,468.90		-
1,111.93		-
14,860.00		6,748.00
4,128.70		-
21,620.00		-
20,121.60		-
10,822.35		-
4,310.70		-
12,066.60		1,074.60
21,751.00		14,787.00
17,432.35		8,212.15
5,899.00		-
14,404.85		2,834.85
17,971.00		6,679.00
19,938.00		8,888.00
33,712.16		24,980.08
34,304.95		26,108.95
30,869.30		21,787.10
19,420.00		12,660.00
32,962.00		23,110.00
28,045.65		16,598.25
58,058.00		50,298.00
32,439.05		-
39,090.00		29,970.00
36,702.63		26,600.67
37,288.00		27,096.00
845.00		-
48,456.00		37,656.00
48,294.24		40,627.36
37,000.00		25,000.00
42,262.18		32,119.42
46,822.35		37,687.35
49,147.24		39,787.24
47,600.00		38,240.00
45,642.80		35,499.92
46,488.04		36,345.16
52,723.65		45,619.65
49,421.00		40,805.00
146,975.00		113,400.00
75,773.00		66,673.00
49,869.00		39,726.12
14,347.80		11,347.80
53,341.84		-
53,360.00		42,960.00

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

## Lending Report As at 31 March 2007

<u>2006</u>	<u>2007</u>
52,855.00	41,935.00
52,600.00	43,400.00
56,090.37	45,950.37
63,083.45	-
59,500.00	48,850.00
57,460.00	46,749.88
47,310.00	56,074.80
72,802.50	57,442.50
61,951.09	53,596.01
60,800.00	50,600.00
43,869.12	36,738.24
3,840.00	-
62,480.36	52,337.48
81,377.50	69,357.25
65,508.25	55,412.65
58,583.40	48,291.82
30,186.81	26,026.81
65,135.49	56,802.09
66,127.44	56,068.12
86,666.68	73,666.72
27,000.00	21,000.00
112,619.04	95,726.16
244,769.14	207,877.54
115,790.86	88,125.00
47,300.00	38,699.96
-	17,728.54
-	81,250.03
-	62,950.58
-	64,238.16
-	92,675.75
-	69,736.30
-	95,412.84
-	67,619.04
-	66,127.44
-	109,646.00
-	96,809.14
-	138,919.52
-	80,035.00
-	44,200.00
-	8,450.00
-	76,000.00
-	121,000.00
-	88,967.84
-	50,600.00
-	20,679.12
<u>\$3,189,047.71</u>	<u>\$3,819,516.37</u>
<u>TOTAL LOANS</u>	

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