

ARK RESOURCES LTD

Financial Statements for the Year Ended 31 March 2010

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Ark Resources Ltd

Directory For the Year Ended 31 March 2010

Ark Resources Limited is a limited liability company, incorporated in 1999. The Company's prime objective is the outworking of principles relating to finance from God's Word by providing interest free loans for homes and churches, to bring liberty and advance the Kingdom of God.

Address: PO Box 2211, Whakatane 3159
Phone: 07 304 8097

DIRECTORS

Evan Harvey (Chairman)
Mark Langridge (Secretary)
Kerryanne Dalglish (Treasurer)
Kathleen Deal
Kelvin Deal
Jonathan Segedin

ADMINISTRATION

Evan Harvey - Lending Officer
Mark Langridge - Secretary, Computer Modelling
Kerryanne Dalglish - Administrator & Treasurer
Kathleen Deal - Office Administration

AUDITOR

Peter Reid, Chartered Accountant

BANKERS

Westpac New Zealand Limited
Rabobank New Zealand

SOLICITORS

Keam & Associates, Tauranga

AUDITOR'S REPORT.

To the Directors, Ark Resources Limited.

I have audited the Financial Reports on pages 3 – 13. The Financial Report provides information about the past performance of the Ark Resources Limited and its financial position as at 31 March 2010. This information is stated in accordance with the accounting policies set out on page 5 and 6.

Directors Responsibilities .The Directors are responsible for the preparation of the financial statements which reflect the financial position of the Ark Resources Limited as at 31 March 2010 and the results of the operations for the year ended on that date.

Auditor's Responsibility. It is my responsibility to express an independent opinion on the financial statements presented by the Directors 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 Directors in the preparation of the financial statements and (2) whether the accounting policies are appropriate to the Ark Resources Limited.

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.

I have prepared the financial statements based on source documentation maintained by the Directors. The Directors have taken responsibility for the financial statements. Other than in my capacity as Auditor, I have no relationship with or interest in the Ark Resources Limited.

Unqualified Opinion.

I have obtained all the information and explanations I have required.

In my opinion proper accounting records have been kept by the Directors and the Financial Reports on Pages 3 – 13 , give a true and fair view and fairly reflects the financial position of Ark Resources Limited as at the 31 March 2010 and the results of its operations for the year ended at that date.

My audit was completed on 10 September 2010 and my unqualified opinion is expressed on that date

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



Ark Resources Ltd

Directors' Annual Report for the Year Ended 31 March 2010

The Directors hereby present their Annual Report including Financial Statements of the Company for the financial year ended 31 March 2010

Section 211 of the Companies Act 1993 requires the following disclosures:

a) Nature of the Business

The business of the Company is providing interest free loans for residential homes and churches. The nature of the Company's business has not changed during the year.

b) Financial Statements

The financial statements for the year ended 31 March 2010 follow this report. These are completed and signed in accordance with section 10 of the Financial Reporting Act 1993.

c) Auditor's Report

These Financial Statements are to be read in conjunction with the accompanying Notes to the Financial Statements and the Auditor's Report which is included in this Annual Report in accordance with Part XI of the Companies Act 1993.

d) Changes in Accounting Policies

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

e) Disclosure of Interests

Director's of the Company that have an interest in Liberty Trust, an entity with which the Company conducts business: Kelvin Deal & Jonathan Segedin, who are trustees of Liberty Trust.

No Director acquired or disposed of any interest in shares in the Company.

f) Directors Remuneration and Benefits

Our chairman, Evan Harvey, received professional remuneration during the financial year totalling \$6,100 (2009 = \$8,200) for services as Loans Officer. No other directors received remuneration.

In March 2007 the Company loaned to Mark Langridge \$150,600 secured by registered mortgage in the course of normal operations. The loan balance at 31 March 2010 was \$108,516 (2009 = \$126,163).

g) Employee Remuneration

No employee received remuneration and/ or any other benefits exceeding \$100,000 during the financial year. (2009 = Nil)

h) Donations Made

No donations were made by the Company during the financial year. (2009 = Nil)

Ark Resources Ltd

Directors' Annual Report for the Year Ended 31 March 2010

i) Directors

Directors at 31 March 2010:

Evan Harvey (Chairman)

Mark Langridge

Kerryanne Dagleish

Kathleen Deal

Kelvin Deal

Jonathan Segedin

No other person was a Director at any time during the financial year.

No Director acquired or disposed of any interest in shares in the Company.

j) Amounts Payable to Auditor

No amount was payable by the Company to the auditor of the Company for audit fees or other services at 31 March 2010. An amount of \$500.00 was paid for auditing services during the financial year. (2009 = \$300)

k) Signed on behalf of the Board of Directors:

For and on behalf of the Board

 Director

 Director

Date 17 May 2010

Ark Resources Ltd

Notes To and Forming Part of the Financial Statements For the Year Ended 31 March 2010

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

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

Date of Authorisation

The financial statements of the Company are for the year ended 31 March 2010. The financial statements were authorised for issue by the Board on 17 May 2010.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to IFRSs (NZ IFRSs) and other applicable Financial Reporting Standards, as appropriate for companies that qualify for, and apply, differential reporting concessions.

The financial statements are presented in New Zealand Dollars (NZD) rounded to the nearest dollar.

Differential Reporting

The Company qualifies for differential reporting exemptions as it is not an issuer and is not required to file financial statements with the Registrar of Companies and is not large as defined by the Financial Reporting Act 1993. The Company 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 Company 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:

The Company 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.

Ark Resources Ltd

Notes To and Forming Part of the Financial Statements For the Year Ended 31 March 2010

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

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. TAXATION

Taxation has been provided on the Company's assessable income.

3. RELATED PARTY TRANSACTIONS

The Company has a significant debt to Liberty Trust. Liberty Trust is a New Zealand registered charitable trust which seeks to teach and demonstrate the Bible's financial principles in order to relieve financial burdens and advance the Kingdom of God. The following directors of the Company are trustees of Liberty Trust: Kelvin Deal & Jonathan Segedin. The directors receive no income or benefit from Liberty Trust.

Advances from Liberty Trust are shown at cost, and are secured by a debenture over the assets of the Company. The debenture owed to Liberty Trust at 31 March 2009 was \$5,932,960.89 and further advances of \$710,037.26 were made throughout the year including interest of \$6,789.98. The debenture owed to Liberty Trust at 31 March 2010 was \$6,642,998.15.

4. CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

At the date of this report there are no known future commitments or contingent liabilities for which the Company may be liable. (2009 = Nil)

5. SUBSEQUENT EVENTS

There were no known subsequent events impacting on the financial statements reported for the year ended 31 March 2010. (2009 = Nil)

Ark Resources Ltd

Statement of Financial Performance For the Year Ended 31 March 2010

<u>2009</u>			<u>2010</u>
	<u>INCOME</u>		
5,044.46	Contributions from Borrowers	3,167.43	
1,392.66	Interest Received - Solicitors	1,085.72	
3,458.38	Interest Received - Bank	1,413.52	
12,200.00	Mortgage Administration Fees	8,400.00	
<u>22,095.50</u>			14,066.67
	<u>Less EXPENSES</u>		
300.00	Auditing	500.00	
-	Postage & Stationery	293.63	
118.41	Accountancy	15.00	
91.44	Tolls	83.83	
118.52	Bank Fees & Interest	32.89	
95.95	Bank Connect Fees	224.25	
13,021.72	Interest - Liberty Trust	6,789.98	
8,200.00	Loans Officer Fees	6,100.00	
<u>21,946.04</u>			14,039.58
<u>\$149.46</u>	NET INCOME OVER EXPENSES		<u>\$27.09</u>
44.70	Taxation		8.10
<u>\$104.76</u>	NET INCOME AFTER TAXATION		<u>\$18.99</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 As at 31 March 2010

<u>2009</u>			<u>2010</u>
	Shareholders' Equity		
60.00	<u>Share Capital</u>		60.00
	<u>Retained Profits</u>		
617.33	Balance at 01/04/2009	722.09	
104.76	Net Revenue	18.99	
<u>722.09</u>		<u>741.08</u>	741.08
<u>\$782.09</u>	SHAREHOLDERS' EQUITY		<u>\$801.08</u>

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

Statement of Financial Position As at 31 March 2010

<u>2009</u>		<u>2010</u>
	<u>Current Assets</u>	
8,801.36	Westpac Cheque Account	6,825.93
81,908.53	Call Investment A/c	65,723.73
1,606.17	Resident Withholding Tax	825.04
92,316.06		73,374.70
	<u>Current Liabilities</u>	
5,077.27	Liberty Trust - Current Account	33,193.86
44.70	Provision for Taxation	8.10
5,121.97		33,201.96
87,194.09	Net Working Capital	40,172.74
	<u>Non-Current Assets</u>	
5,846,548.89	Loans Outstanding	6,603,626.49
	<u>Non Current Liabilities</u>	
5,932,960.89	Debenture - Liberty Trust	6,642,998.15
\$782.09	NET ASSETS	\$801.08

This is Represented by:

Shareholders' Equity

60.00	<u>Share Capital</u>	60.00
	<u>Retained Profits</u>	
617.33	Balance at 01/04/2009	722.09
104.76	Net Revenue	18.99
722.09		741.08
\$782.09	SHAREHOLDERS' EQUITY	\$801.08


 Director


 Director

Date 17/5/10.....

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

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Ark Resources Ltd

Statement of Fund Flows For the Year Ended 31 March 2010

<u>2009</u>		<u>2010</u>
<u>\$2,266,391.48</u>	New Loan Advances	<u>\$2,408,664.00</u>
<u>These were Funded from:</u>		
104.76	Net Income after Taxation	18.99
1,341,499.87	Loan Repayments	1,651,586.40
693,502.95	Advances from Liberty Trust	738,153.85
228,171.19	Reduction in Bank Accounts	18,160.23
3,203.53	Taxation Receivable	744.53
(90.82)	Accounts Receivable & Payable	-
<u>\$2,266,391.48</u>		<u>\$2,408,644.00</u>

Note: This Statement must be read in conjunction with the accompanying Notes and Audit Report.

Ark Resources Ltd

Lending Report As at 31 March 2010

Note: Names hidden for privacy

<u>2009</u>		<u>2010</u>
387.00	141	-
6,980.08	153	-
9,716.95	154	1,520.95
3,929.25	156	-
30,440.00	160	23,680.00
32,618.00	166	23,438.00
11,730.00	168	-
6,396.75	169	-
6,712.00	170	-
16,056.00	172	5,256.00
28,237.28	173	19,252.64
11,833.90	176	1,691.14
28,367.35	177	15,367.35
19,947.24	178	9,547.24
15,214.16	181	5,071.28
16,059.40	182	1,916.52
31,411.65	183	24,307.65
23,573.00	184	14,957.00
19,440.36	187	-
4,872.80	188	-
29,760.00	190	16,760.00
20,095.00	191	9,175.00
22,600.00	192	12,200.00
25,670.37	194	20,177.87
28,650.00	196	18,250.00
31,065.00	197	-
22,149.88	198	13,384.88
40,276.10	199	-
26,722.50	200	-
36,876.89	201	28,517.33
30,200.00	202	20,000.00
22,476.48	203	15,345.60
32,051.72	205	21,908.84
42,038.50	206	28,925.50
35,221.45	207	25,125.85
27,708.66	208	17,417.08
17,546.81	209	13,386.81
40,388.33	210	31,435.37
38,068.12	211	28,548.20
47,666.80	212	34,666.84
9,000.00	213	3,000.00
61,940.40	214	45,047.52
134,094.34	215	97,202.74
21,499.88	217	12,899.84
81,382.50	218	63,312.50

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 2010

Note: Names hidden for privacy

<u>2009</u>		<u>2010</u>
11,899.90	219	-
55,250.11	220	42,250.15
43,952.64	222	33,809.88
63,818.35	223	49,389.65
48,022.14	224	37,165.06
70,012.92	225	57,312.96
47,324.16	226	37,172.16
49,421.52	227	41,068.56
72,112.00	228	54,088.00
67,951.54	229	54,822.74
95,776.64	230	74,205.20
56,875.00	231	45,295.00
33,600.00	232	28,400.00
6,457.00	233	-
52,050.76	234	41,193.64
86,428.00	235	69,142.00
62,107.73	236	47,279.69
126,162.90	237	108,515.82
9,430.00	238	3,952.58
35,886.05	239	28,602.05
25,401.50	240	21,116.50
39,849.72	241	31,809.72
38,021.24	242	32,021.24
152,000.00	243	122,000.00
136,281.00	244	123,373.34
11,905.28	247	4,762.52
18,517.58	249	-
4,880.74	250	-
56,925.65	251	16,130.29
72,114.20	252	62,191.16
67,496.00	253	57,368.00
165,927.00	254	134,499.00
70,991.90	255	59,617.10
126,857.20	257	-
65,760.00	258	55,920.00
28,951.49	259	33,731.67
56,600.00	260	46,200.00
57,476.16	261	45,491.44
63,607.83	262	52,327.83
64,651.30	263	55,537.95
70,384.98	264	60,856.18
71,261.80	265	59,547.40
85,656.59	266	77,820.59
22,038.20	267	18,181.16
75,877.23	268	62,877.23

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 2010

Note: Names hidden for privacy

<u>2009</u>		<u>2010</u>
74,097.20	269	62,525.60
101,377.75	270	84,712.75
127,542.96	271	108,667.92
43,515.74	272	36,180.04
84,570.00	273	73,070.00
151,621.16	274	130,046.00
42,178.60	275	34,892.92
61,702.36	276	50,714.24
99,178.12	277	85,009.60
-	278	79,528.75
44,743.12	279	38,368.12
128,683.07	280	108,093.83
18,537.50	281	15,537.50
55,000.02	282	45,000.06
86,250.00	284	73,250.00
102,191.04	285	87,590.76
87,531.36	286	76,725.44
297,416.67	288	254,416.71
91,722.50	289	78,436.50
63,642.87	290	54,214.35
92,000.00	291	78,857.24
-	292	140,653.74
-	293	123,689.68
-	294	104,046.58
-	295	28,536.80
-	296	85,714.26
-	297	90,178.58
-	298	109,476.16
-	299	129,941.20
-	300	143,809.52
-	301	124,241.72
-	302	159,239.59
-	303	81,592.25
-	304	163,961.58
-	305	143,235.06
-	307	216,061.22
-	308	102,671.22
-	309	41,000.00
-	310	150,000.00
<u>\$5,846,548.89</u>	<u>Total Loans Outstanding</u>	<u>\$6,603,626.49</u>

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