

ARK RESOURCES LTD

Financial Statements for the Year Ended 31 March 2006

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ARK RESOURCES LTD

Directors Annual Report for the Year Ended 31 March 2006

The directors submit their report in respect of the financial year ended 31 March 2006:

Financial Statements

The financial statements for the year ended 31 March 2006 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 2006

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 2006 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 2006 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 2006

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 2006

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. (2005 = 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 2006

<u>2005</u>		<u>2006</u>
	<u>INCOME</u>	
348.56	Interest Received - Solicitors	493.68
3,677.17	Interest Received - Craig & Co	4,142.69
6,400.00	Mortgage Administration Fees	5,200.00
10,425.73		9,836.37
	<u>Less EXPENSES</u>	
-	Printing & Photocopying	45.00
300.00	Auditing	300.00
5.57	Stationery	129.99
-	Gifts	50.00
178.54	Tolls	148.54
468.33	Bank Fees & Interest	453.93
122.56	Bank Connect Fees	99.53
6,816.16	Interest - Liberty Trust	6,241.74
2,400.00	Loans Officer	2,200.00
10,291.16		9,668.73
\$134.57	NET INCOME OVER EXPENSES	\$167.64
44.41	Taxation	55.11
\$90.16	NET INCOME AFTER TAXATION	\$112.53

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 2006

<u>2005</u>		<u>2006</u>
480.06	Shareholders' Equity at 01/04/2005	570.22
	Plus	
90.16	Net Revenue less Expenses	112.53
<u>\$570.22</u>	SHAREHOLDERS' EQUITY	<u>\$682.75</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 2006

<u>2005</u>		<u>2006</u>
	<u>Current Assets</u>	
1,480.46	Westpac Cheque Account	40,892.70
54,722.82	Craig & Co - Investment A/c	71,389.53
109.60	Accounts Receivable	-
2,964.32	Resident Withholding Tax	1,559.63
59,277.20		113,841.86
	<u>Current Liabilities</u>	
-	Accounts Payable	30.06
58,352.76	Liberty Trust - Current Account	32,190.01
222.94	Provision for Taxation	55.11
58,575.70		32,275.18
701.50	Net Working Capital	81,566.68
	<u>Non-Current Assets</u>	
2,953,739.75	Loans Outstanding	3,189,047.71
	<u>Non Current Liabilities</u>	
2,953,871.03	Debenture - Liberty Trust	3,269,931.64
\$570.22	NET ASSETS	\$682.75
This is Represented by:		
	Shareholders' Equity	
60.00	<u>Share Capital</u>	60.00
	<u>Retained Profits</u>	
420.06	Balance at 01/04/2005	510.22
90.16	Net Revenue	112.53
510.22		622.75
\$570.22	SHAREHOLDERS' EQUITY	\$682.75

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 2006

<u>2005</u>			<u>2006</u>
13,725.55	101	* Names deleted for privacy	4,517.35
11,296.00	103		7,656.00
2,840.00	106		-
527.60	116		-
3,371.28	120		-
8,558.55	121		-
11,765.10	122		3,468.90
11,195.31	125		-
9,215.87	128		1,111.93
22,972.00	129		14,860.00
11,721.10	132		4,128.70
26,045.00	133		21,620.00
42,318.00	135		20,121.60
22,058.55	136		10,822.35
9,815.10	137		4,310.70
20,783.55	138		-
23,058.60	140		12,066.60
28,243.00	141		21,751.00
26,652.55	144		17,432.35
10,760.00	145		5,899.00
25,974.85	148		14,404.85
29,263.00	151		17,971.00
31,413.00	152		19,938.00
41,908.40	153		33,712.16
42,500.95	154		34,304.95
22,187.46	155		-
39,194.65	156		30,869.30
37,859.82	157		-
25,920.00	160		19,420.00
42,814.00	162		32,962.00
29,174.82	163		-
39,493.05	165		28,045.65
65,338.00	166		58,058.00
43,534.73	167		32,439.05
48,210.00	168		39,090.00
46,804.59	169		36,702.63
47,872.00	170		37,288.00
49,599.50	171		845.00
56,792.00	172		48,456.00
55,961.12	173		48,294.24
49,000.00	174		37,000.00
55,608.00	175		-
52,404.94	176		42,262.18
55,902.19	177		46,822.35
58,507.24	178		49,147.24
5,000.00	179		-

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 2006

<u>2005</u>			<u>2006</u>
56,960.00	180	* Names deleted for privacy	47,600.00
55,785.68	181		45,642.80
56,630.92	182		46,488.04
59,936.00	183		52,723.65
58,037.00	184		49,421.00
146,975.00	185		146,975.00
84,173.00	186		75,773.00
60,011.88	187		49,869.00
17,347.80	188		14,347.80
63,484.60	189		53,341.84
63,760.00	190		53,360.00
63,775.00	191		52,855.00
63,000.00	192		52,600.00
30,725.00	193		-
66,857.60	194		56,090.37
71,989.25	195		63,083.45
69,900.00	196		59,500.00
33,140.00	197		-
69,220.00	198		57,460.00
54,520.00	199		47,310.00
91,350.00	200		72,802.50
71,000.00	201		61,951.09
71,000.00	202		60,800.00
51,000.00	203		43,869.12
8,000.00	204		3,840.00
-	205		62,480.36
-	206		81,377.50
-	207		65,508.25
-	208		58,583.40
-	209		30,186.81
-	210		65,135.49
-	211		66,127.44
-	212		86,666.68
-	213		27,000.00
-	214		112,619.04
-	215		244,769.14
-	216		115,790.86
-	217		47,300.00
<u>\$2,953,739.75</u>		<u>TOTAL LOANS</u>	<u>\$3,189,047.71</u>

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