ARK DEVELOPMENT INC
Form 10-Q/A
August 20, 2008

United States

Securities and Exchange Commission

Washington, DC 20549

FORM 10Q SB/A

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE

SECURITIES AND EXCHANGE ACT OF 1934

For the quarterly period ended April 30, 2008

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE

EXCHANGE ACT

Commission File Number 000-53335

ARK DEVELOPMENT, INC.

Exact name of small business issuer as specified in its charter

Nevada **20-5965988**

(State or other jurisdiction of

I.R.S. Employer

incorporation or organization)

Identification Number

4225 New Forrest Drive, Plano, Texas 75093

(Address of principal executive office)

(792) 612-2731

Issuer's telephone number

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PAST FIVE YEARS

Check whether the registrant filed all documents and reports required

To be filed by Section 12, 13 or 15 (d) of the Exchange Act after the distribution of

Securities under a plan confirmed by a court. Yes ____ No ____

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the Issuer's

Common equity as of the last practicable date: 4,850,000 shares

Transitional Small Business Disclosure Format (check one) Yes ___ No _X

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [X] No [__]

As of the date of this report the Registrant had 4,850,000 shares issued and outstanding

Item 1.

ARK DEVELOPMENT, INC.

(An Exploration Stage Company)

INTERIM FINANCIAL STATEMENTS

April 30, 2008

(Unaudited)

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ARK DEVELOPMENT, INC.

(An Exploration Stage Company)

BALANCE SHEETS

April 30, 2008 and October 31 2007

(Prepared by Management)

ASSETS

	Apr 30, 2008	Oct.31, 2007
Current Assets:		
Cash	$ 2,357	$ 13,484
Total Assets	$ 2,357	$ 13,484

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

Current Liabilities:	-	-
Total Current Liabilities	-	-
Stockholders' Equity (Deficit):		
Preferred stock, $.001 par value; authorized 5,000,000, none issued	-	-
Common stock, $.001 par value; 70,000,000 shares authorized		
4,650,000 shares issued and outstanding	4,850	4,850
Additional paid in capital	46,650	46,650
Sock subscription receivable	-	(4,000)
Accumulated deficit	(49,143)	(34,016)
Total Stockholders' Equity (Deficit)	2,357	13,484
Total Liabilities and Stockholders' Equity (Deficit)	$ 2,357	$ 13,484

SEE ATTACHED NOTES

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ARK DEVELOPMENT, INC.

(An Exploration Stage Company)

STATEMENTS OF OPERATIONS

for the three and six months periods ended April 30, 2008 and 2007

and for the period October 9, 2006 (Inception) to April 30, 2008

(Prepared by Management)

	For the three months ended Apr 30, 2008	For the three months ended Apr 30, 2007	For the six months ended Apr 30, 2008	For the six months ended Apr 30, 2007	From October 9, 2006 (Date of inception) to Oct 31, 2007	From October 9, 2006 (Inception) to Apr 30 2008
Revenue:	$ -		$ -		$ -	$ -
Total Revenue	-	-	-	-	-	-
Operating Expenses:						
Exploration costs	-	-	-	10,000	10,000	10,000
General & administrative	13,298	10	15,127	10	24,016	39,143
Total Operating Expenses	13,298	10	15,127	10,010	34,016	49,143
NET LOSS	$ (13,298)	$ (10)	$ (15,127)	$ (10,010)	$ (34,016)	$ 49,143)

Weighted Average Shares					
Common Stock Outstanding	**4,850,000**	**2,800,000**	**4,850,000**	**2,800,000**	**4,850,000**
Net Loss Per Share					
(Basic and Fully Dilutive)	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ (0.01)**

SEE ATTACHED NOTES

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ARK DEVELOPMENT, INC.

(An Exploration Stage Company)

STATEMENT OF CASH FLOWS

for the three and six months ended April 30, 2008 and 2007

and for the period October 9, 2006 (Inception) to April 30, 2008

(Prepared by Management)

	For the three months ended Apr 30, 2008	**For the three months ended Apr 30, 2007**	**For the six months ended Apr 30, 2008**	**For the six months ended Apr 30, 2007**	**From Octobe (Date of inc to Octobe 2007**
Cash Flows Used in Operating Activities:					
Net Loss	**$ (13,298)**	**$ (10)**	**$ (15,127)**	**$ (10,010)**	**$**
Adjustments to reconcile net (loss) to net cash provided by operating activites:					
Issuance of stock for services rendered	**-**	**-**	**-**	**-**	
Issuance of stock for Lease	**-**	**-**	**-**	**5,000**	
Related party loan		**(5,000)**		**-**	
Net Cash Used in Operating Activities	**(13,298)**	**(5,010)**	**(15,127)**	**(5,010)**	
	-	-	-	-	

Cash Flows from Investing Activities:					
Cash Flows from Financing Activities:					
Payment of stock subscription		-	4,000	-	
Issuance of common stock for cash	-	13,000	-	13,000	
Net Cash Provided by Financing Activities	-	13,000	4,000	13,000	
Net Increase (Decrease) in Cash	(13,298)	7,990	(11,127)	7,990	
Cash at Beginning of Year	15,655	-	13,484	-	
Cash at End of Year	$ 2,357	$ 7,990	$ 2,357	$ 7,990	$
Non-Cash Investing & Financing Activities					
Issuance of stock for management services rendered	$ -	$ -	$ -	$ -	$
Issuance of stock for Lease	$ -	$ 5,000	$ -	$ 5,000	$
Issuance of stock for	$ -	$ 4,000	$ -	$ 4,000	$

Sock
subscription
receivable

SEE ATTACHED NOTES

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ARK DEVELOPMENT, INC.

(AN EXPLORATION STAGE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2008

(unaudited)

NOTE 1 NATURE OF BUSINESS AND BASIS OF PRESENTATION

Ark Development, Inc. (the Company) was incorporated under the laws of the State of Nevada on October 9, 2006. The Company s activities to date have been limited to organization and capital formation. The Company is an exploration stage company and has acquired a oil and gas lease for exploration and formulated a business plan to investigate the possibilities of a viable mineral deposit. The Company has adopted October 31 as its fiscal year end.

These financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in US dollars.

The accompanying unaudited financial statements included herein have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-QSB and Item 310(b) of Regulation S-B. They do not include all information and notes required by generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there has been no material change in the information disclosed in the notes to financial statements included in the report on Form S-1 of Ark Development, Inc. for the year ended October 31, 2007. In the opinion of management, all adjustments considered necessary for a fair presentation of the results for the interim periods have been made and are of a normal, recurring nature. Operating results for the three months ended January 31, 2008 are not necessarily indicative of the results that may be expected for any interim period or the entire year. For further information, these financial statements and the related notes should be read in conjunction with the Company s audited financial statements for the year ended October 31, 2007 included in the Company s report on Form S-1.

NOTE 2 NATURE OF SIGNIFICANT ACCOUNTING POLICIES

<u>CASH AND CASH EQUIVALENTS</u>

The Company considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

REVENUE RECOGNITION

The Company considers revenue to be recognized at the time the service is performed.

USE OF ESTIMATES

The preparation of the Company s financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company s short-term financial instruments consist of cash and cash equivalents and accounts payable. The carrying amounts of these financial instruments approximate fair value because of their short-term maturities. Financial instruments that potentially subject the Company to a concentration of credit risk consist principally of cash. During the year the Company did not maintain cash deposits at financial institution in excess of the $100,000 limit covered by the Federal Deposit Insurance Corporation. The Company does not hold or issue financial instruments for trading purposes nor does it hold or issue interest rate or leveraged derivative financial instruments.

EARNINGS PER SHARE

Basic Earnings per Share (EPS) is computed by dividing net income available to common stockholders by the weighted average number of common stock shares outstanding during the year. Diluted EPS is computed by dividing net income available to common stockholders by the weighted-average number of common stock shares outstanding during the year plus potential dilutive instruments such as stock options and warrants. The effect of stock options on diluted EPS is determined through the application of the treasury stock method, whereby proceeds received by the Company based on assumed exercises are hypothetically used to repurchase the Company s common stock at the average market price during the period. Loss per share is unchanged on a diluted basis as the Company does not have any common stock equivalents outstanding as of January 31, 2008.

INCOME TAXES

The Company uses the asset and liability method of accounting for income taxes as required by SFAS No. 109 Accounting for Income Taxes . SFAS 109 requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of certain assets and liabilities. Deferred income tax assets and liabilities are computed annually for the difference between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period, plus or minus the change during the period in deferred tax assets and liabilities.

Deferred income taxes may arise from temporary differences resulting from income and expanse items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of the assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse. As of January 31, 2008, the Company had a net operating loss carryforward of $35,845. The related deferred tax asset of approximately $12,500 has been fully offset by a valuation allowance due to the uncertainty of the Company being able to realize the benefit in future years.

CONCENTRATION OF CREDIT RISK

The Company does not have any concentration of financial credit risk.

RECENT ACCOUNTING PRONOUNCEMENTS

The Company does not expect that the adoption of other recent accounting pronouncements will have a material impact to its financial statements.

NOTE 3 OIL AND GAS LEASE

The Company entered into the purchase of an oil & gas lease located in Palo Pinto County, Texas on January 3, 2007. This lease was acquired from a Company engaged in the exploration and development of oil and gas properties. The Company purchased this lease by issuing 500,000 shares of common stock valued at $.01 per share and by payment of cash in the amount of $ 5,000 for a total purchase price of $ 10,000. After the acquisition of this lease, management performed an impairment test to determine the carrying value of this oil and gas lease. Management determined that there was no reasonable method to value the claims and has impaired the cost of this lease and recorded the expense during the period ended October 31, 2007. This amount has been reflected in the statement of operations as impairment of oil and gas property.

NOTE 4 COMMON STOCK

The Company issued 500,000 shares of its common stock in October 2006 in exchange for services rendered, valued at $5,000.

During the year ended October 31, 2007 the Company issued 3,450,000 shares of its common stock in exchange for cash. 3,300,000 of these shares were valued at $.01 and 150,000 of these shares were valued at $.03 for total aggregate cash received of $37,500.

Also, during the year ended October 31, 2007, the Company issued 400,000 shares of common stock under stock subscription agreements, at $.01 per share, for an aggregate value of $4,000. These amounts are recorded as stock subscription receivables in the financial statements.

On December 4, 2007 the Company received $4,000 as payment for a stock subscription issued in the prior period.

NOTE 5 GOING CONCERN

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As shown in the accompanying financial statements, the Company has no sales and has incurred a net loss of $35,845 since inception. The future of the Company is dependent upon its ability to obtain financing and upon future profitable operations from the development of its mineral properties. Management has plans to seek additional capital through a private placement and public offering of its common stock. The financial statements do not include any adjustments relating to the recoverability and classifications of recorded assets, or the amounts of and the classification of liabilities that might be necessary in the event the Company cannot continue in existence.

Item 2.

Managements discussion and Plan of Operations

We have acquired approximately 160 net acres in the Barlett Shale in Palo Pinto County of Texas, near Grand Prairie, Texas, on which we have a 100% net revenue interest, which is a pure exploration play.

Thus far, our focus has been on technical and geological study and preparation for test well drilling. We plan the operations for remainder of 2008 to be focused on the drilling of one test well on the Grand Prairie property located in the Barnett Shale Zone to prove out the resources. The completion of this task will require additional capital beyond what we currently have on hand.

The key considerations in the established areas of the Barnett Shale are related primarily to operational and engineering issues (completion methods, production infrastructure, etc). Unless there is strong technical evidence of a possible major undeveloped area, we are planning on investing only in the established production areas in the Barnett. A particular focus will be given to selecting projects that have short pipeline connection timeframes. The working interests achieved in these new projects will vary depending on the acreage tracts available and the business risks attributed to each project.

At the point that the test wells are complete, we plan to seek additional investment capital to sufficiently expand drilling operations on our initial Grand Prairie acreage to the seams not being exploited by the initial wells. Ark will undertake to maximize production from the initial wells while continuing to drill additional wells on new acreage that is acquired.

For the next twelve months that follow, we expect to pursue oil and gas operations on some or all of our property, including the acquisition of additional acreage through leasing, farm-ins or option and participation agreements in the drilling of oil and gas wells. We intend to continue to evaluate additional opportunities in areas where we feel there is potential for oil and gas reserves and production and may participate in areas other than those already identified, although we cannot assure that additional opportunities will be available, or if we participate in additional opportunities, that those opportunities will be successful.

Gas wells have production rates that naturally decline over time, and that decline must be replaced to maintain or increase total gas production. The US consumes about 22 tcf per year, and this is expected to grow to 25 tcf per year within 10 years.

Our current cash position is not sufficient to fund our cash requirements during the next twelve months, including operations and capital expenditures. We intend to seek joint ventures or obtain equity and/or debt financing to support our current and proposed oil and gas operations and capital expenditures. We cannot assure that continued funding will be available.

Our future financial results will depend primarily on (1) our ability to discover or produce commercial quantities of oil and gas; (2) the market price for oil and gas; (3) our ability to continue to source and screen potential projects; and (4) our ability to fully implement our exploration and development program with respect to these and other matters. We cannot assure that we will be successful in any of these activities or that the prices of oil and gas prevailing at the time of production will be at a level allowing for profitable production

We have not entered into commodity swap arrangements or hedging transactions. Although we have no current plans to do so, we may enter into commodity swap and/or hedging transactions in the future in conjunction with oil and gas production. We have no off-balance sheet arrangements.

Liquidity and Capital Resources

We will require additional financing in order to complete our stated plan of operations for the next twelve months. We believe that we will require additional financing to carry out our intended objectives during the next twelve months. There can be no assurance, however, that such financing will be available or, if it is available, that we will be able to structure such financing on terms acceptable to us and that it will be sufficient to fund our cash requirements until we can reach a level of profitable operations and positive cash flows. If we are unable to obtain the financing necessary to support our operations, we may be unable to continue as a going concern. We currently have no firm commitments for any additional capital.

Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses, fail to collect significant amounts owed to us, or experience unexpected cash requirements that would force us to seek alternative financing. Further, if we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our shares of common stock. If additional financing is not available or is not available on acceptable terms, we will have to curtail our operations.

We presently do not have any available credit, bank financing or other external sources of liquidity. Due to our brief history and historical operating losses, our operations have not been a source of liquidity. We will need to obtain additional capital in order to expand operations and become profitable. In order to obtain capital, we may need to sell additional shares of our common stock or borrow funds from private lenders. There can be no assurance that we will be successful in obtaining additional funding.

To date, we have generated minimal revenues and have incurred operating losses in every quarter. Our registered independent auditors have stated in their report dated November 15, 2007, that we are an early exploration company and have not generated revenues from operations. These factors among others may raise substantial doubt about our ability to continue as a going concern.

OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Changes in Securities

None

Item 3. Defaults Upon Senior Securities

Not Applicable

Item 5. Other Events

None

Item 6. Exhibits and Reports on Form 8K

Exhibit 31.1 Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 and 906 of the Sarbanes-Oxley Act of 2003.

Exhibit 31.2 Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 and 906 of the Sarbanes-Oxley Act of 2003.

Exhibit 32.2 Certifications of CEO And CFO Pursuant To Section 906 Of The Sarbanes-Oxley Act

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

ARK DEVELOPMENT, INC.

Dated August 20, 2008

/s/ Noah Clark

Noah Clark, President, Director and Chief Executive Officer

Secretary/Treasurer, Director and Principal Accounting Officer

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