SKREEM ENTERTAINMENT CORP
Form 10QSB/A
March 23, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB/A
Amendment No. 1

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2004

OR

[ ] TRANSITION REPORT UNDER SECTION 13 OF 15(d) OF THE EXCHANGE ACT OF 1934

From the transition period from ____________ to ___________.

Commission File Number 0-22236

SKREEM ENTERTAINMENT CORPORATION
(Exact name of small business issuer as specified in its charter)

Delaware	33-0565710
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

11637 Orpington Street, Orlando, Florida 32817
(Address of principal executive offices)

(407) 207-0400
(Issuer's telephone number)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Yes |X| No |_|

Class	Shares Outstanding	Date
Common, $.001 par value	23,107,856	January 31, 2005

SKREEM ENTERTAINMENT CORPORATION
INDEX

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Condensed Balance Sheet - December 31, 2004 (unaudited)..........

Consolidated Condensed Statements of Operations (unaudited) - For the nine and three months ended December 31, 2004 and 2003 and for the period from inception (August 19, 1999) to December 31, 2004..............................

Consolidated Condensed Statements of changes in Shareholders' Deficit (unaudite - For the period from inception (August 19, 1999) to December 31, 2004.........

Consolidated Condensed Statements of Cash Flows (unaudited) - For the nine months ended December 31, 2004 and 2003 and for the period from inception (August 19, 1999) to December 31, 2004...

Notes to Consolidated Condensed Financial Statements (unaudited)..............

Item 2. Management's Discussion and Analysis or Plan of Operation...

Item 3. Controls and Procedures...

PART II - OTHER INFORMATION...

Item 1. Legal Proceedings...

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds...................

Item 3. Defaults Upon Senior Securities.......................................

Item 4. Submission of Matters to a Vote of Security Holders...........................

Item 5. Other Information...

Item 6. Exhibits..

SIGNATURES..

Skreem Entertainment Corporation
(A Development Stage Company)
Consolidated Condensed Balance Sheet
December 31, 2004
(Unaudited)

ASSETS	
Current Assets	
Cash and cash equivalents	$ 24,962
Total Current Assets	24,962
Property and Equipment, net	9,001
Deposits	19,921
Total Assets	$ 53,884
LIABILITIES AND SHAREHOLDERS ' DEFICIT	
Current Liabilities	
Accounts payable and accrued liabilities	165,623
Deferred revenue	31,094
Accrued interest payable - shareholder and affiliates	57,477
Notes payable - shareholder	459,000
Notes payable - affiliates	535,593
Notes payable - others	261,887
Total Current Liabilities	1,510,674
Shareholders' Deficit	
Prefer red stock, par value $0.001, 1,000,000 shares authorized, no shares issued and outstanding	-
Common stock, par value $0.001, 50,000,000 shares authorized, 23,107,856 shares issued and outstanding	23,108
Additional Paid In Capital	1,860,824
Deficit accumulated in the development stage	(3,340,722)
Total Shareholders' Deficit	(1,456,790)
Total Liabilities and Deficit	$ 53,884

The accompanying notes are an integral part of these condensed financial statements.

Skreem Entertainment Corporation
(A Development Stage Company)

Consolidated Condensed Statements of Operations
For Nine Months Ended December 31, 2004 and 2003
And Period from August 19, 1999 (Inception) to December 31, 2004
(Unaudited)

	9 Months Ended December 31, 2004	9 Months Ended December 31, 2003	Inception to December 31, 2004
Revenues	$ 13,961	$ 176	$ 16,886
Expenses			
Operating expenses	942,706	439,275	2,042,635
General and administrative	169,220	55,012	427,182
Salaries and benefits	54,811	64,000	477,520
Impairment of loan receivable	-	-	130,000
Total expense	1,166,737	558,287	3,077,337
Loss from Operations	(1,152,776)	(558,111)	(3,060,451)
Other Income / (Expenses)			
Interest expense	(51,282)	(48,383)	(280,271)
Net Loss	$(1,204,058)	$(606,494)	$(3,340,722)
Weighted Average Shares Outstanding	25,371,995	13,654,545 (1)	
Loss Per Share - basic and diluted	$ (0.05)	$ (0.04)	

(1) Weighted average shares outstanding for nine months ended December 31, 2003 reflects equivalent shares issued for reverse merger transaction and is for comparative purposes only.

The accompanying notes are an integral part of these condensed financial statements.

4

Skreem Entertainment Corporation
(A Development Stage Company)
Consolidated Condensed Statements of Operations
For Three Months Ended December 31, 2004 and 2003

(Unaudited)

	3 Months Ended December 31, 2004	3 Months Ended December 31, 2003
Revenues	$ 13,961	$ -
Expenses		
Operating expenses	348,217	135,492
General and administrative	35,996	32,891
Salaries and benefits	18,075	20,203
Total expense	402,288	188,586
Loss from Operations	(388,327)	(188,586)
Other Income / (Expenses)		
Interest expense	(24,342)	(5,413)
Net Loss	$(412,669)	$(193,999)
Weighted Average Shares Outstanding	23,298,232	22,000,000 (1)
Loss Per Share - basic and diluted	$ (0.02)	$ (0.01)

(1) Weighted average shares outstanding for three months ended December 31, 2003 reflects equivalent shares issued for reverse merger transaction and is for comparative purposes only.

The accompanying notes are an integral part of these condensed financial statements.

5

SKREEM ENTERTAINMENT CORPORATION
(A Development Stage Company)
CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
FROM AUGUST 19, 1999 (DATE OF INCEPTION) TO DECEMBER 31, 2004

	Common Stock		Paid In	Retained
	Shares	Amount	Capital	Deficit

Balance at inception, August 19, 1999	-	$ -	$ -	-	
Issuance of common stock	20,000	20	-	-	
Net Loss	-	-	-	(84,021)	
Balance at December 31, 1999	20,000	20	-	(84,021)	
Net loss	-	-	-	(230,879)	
Balance at December 31, 2000	20,000	20	-	(314,900)	
Net loss	-	-	-	(494,816)	
Balance at December 31, 2001	20,000	20	-	(809,716)	
Net loss	-	-	-	(384,590)	
Balance at December 31, 2002	20,000	20	-	(1,194,306)	
Reclassification of debt to equity	43,000	43	1,581,941	-	
Net loss	-	-	-	(736,364)	
Balance at December 31, 2003	63,000	63	1,581,941	(1,930,670)	
Effect of issuance of common stock and recapitilization in reverse acquisition transaction	25,943,925	25,944	(25,944)	-	
Net loss	-	-	-	(205,994)	
Balance at March 31, 2004	26,006,925	26,007	1,555,997	(2,136,664)	
Proceeds from issuance of common stock	603,856	604	301,324	-	
Cancellation of shares	(3,502,925)	(3,503)	3,503	-	
Net loss	-	-	-	(1,204,058)	
Balance at December 31, 2004	23,107,856	$ 23,108	$ 1,860,824	$ (3,340,722)	$

The accompanying notes are an integral part of these condensed financial statements

Skreem Entertainment Corporation
(A Development Stage Company)
Consolidated Condensed Statements of Cash Flows
For Nine Months Ended December 31, 2004 and 2003

And Period from August 19, 1999 (Inception) to December 31, 2004
(Unaudited)

	9 Months Ended December 31, 2004	9 Months Ended December 31, 2003	D
Cash Flows from Operating Activities			
Net Loss	$ (1,204,058)	$ (606,494)	
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Depreciation	9,334	4,665	
Impairment of loan receivable	-	-	
Accrued interest payable converted to equity	-	-	
(Increase) Decrease in Operating assets and liabilities:			
Prepaid expenses	-	(4,408)	
Deposits	-	(19,921)	
Accounts payable	122,482	11,306	
Deferred revenue	31,094	-	
Accrued interest payable	41,820	56,865	
Total Adjustments	204,730	48,507	
Net Cash Used in Operating Activities	(999,328)	(557,987)	
Cash Flows from Investing Activities			
Payments for purchase of equipment	(11,440)	(1,347)	
Loan receivable	-	-	
Net Cash Used in Investing Activities	(11,440)	(1,347)	
Cash Flows from Financing Activities			
Proceeds from issuance of stock	301,929	-	
Proceeds from notes payable - other	265,000	-	
Proceeds from notes payable - shareholder	459,000	-	
Proceeds from notes payable - affiliates	75,000	572,000	
Principal payments on notes payable to others	(3,113)	-	
Principal payments on notes payable to affiliates	(65,000)	-	
Net Cash Provided by Financing Activities	1,032,816	572,000	
Net increase in cash and cash equivalents	22,048	12,666	
Cash and cash equivalents at beginning of period	2,914	1,936	
Cash and cash equivalents at end of period	$ 24,962	$ 14,602	

The accompanying notes are an integral part of these condensed financial statements.

Skreem Entertainment Corporation
Notes to the Unaudited Consolidated Condensed Financial Statements
From August 19, 1999 (Date of Inception) to December 31, 2004

Note 1 - BASIS OF PRESENTATION

The accompanying unaudited consolidated condensed financial statements of Skreem Entertainment Corporation have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10QSB and Item 310(b) of Regulation S-B. They do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair presentation, have been included in the accompanying unaudited consolidated financial statements.

Operating results for the periods presented are not necessarily indicative of the results that may be expected for the full year.

These unaudited consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and footnotes, which are included as part of consolidated financial statements as of March 31, 2004 included in the Company's Form 10KSB.

Note 2 - ACCOUNTING POLICY FOR REVENUE RECOGNITION

Revenue is recognized in accordance with Staff Accounting Bulletin No. 104 (SAB 104) when persuasive evidence of an arrangement exists, the price to the buyer is fixed or determinable; delivery has occurred or services have been rendered or the license period has begun; and collectibility is reasonably assured.

Revenue from the distribution of recordings under license and distribution agreements is recognized as earned under the criteria established by Statement of Financial Accounting Standard No 50. Revenue is generally recognized when the Company receives an "accounting" of recordings sold with payment from the licensee. In the event the Company has not received an "accounting" from the licensee and if the Company has information related to the licensed use of recordings that would result in the revenue being fixed and determinable, and collection is reasonably assured, then revenue is recognized in the periods in which the license revenue is earned. Minimum guarantees (advances) received from licensees are recorded as deferred revenue and are amortized over the performance period, which is generally the period covered by the agreement.

Note 3 - NOTES PAYABLE

Shareholder

On May 26, 2004 the Company borrowed $100,000 from Sugarcreek Capital, LLC. The terms of the note call for repayment of $104,000 on or before July 30, 2004. As security for the loan, Jeffrey D. Martin, a major stockholder, put up his 1/3 interest in Osceola Partners. On August 19, 2004 the note payable to Sugarcreek Capital, LLC was transferred to Jeffrey D. Martin, a major stockholder, in exchange for his 1/3 interest in Osceola Partners and is payable on demand.

Since May 24, 2004 Jeffrey D. Martin, a major stockholder has loaned the Company $359,000. The notes are payable on demand and bear interest at the rate of 8% per annum. Accrued interest at December 31, 2004 was $6,467. The dates and amounts of these individual note agreements entered into during the nine months ended December 31, 2004 are as follows:

Date of Note	Amount
May 24, 2004	$75,000
July 2, 2004	30,000
July 14, 2004	20,000
August 26, 2004	5,000
October 6, 2004	50,000
October 26, 2004	10,000
November 4, 2004	80,000
November 11, 2004	20,000
November 22, 2004	15,000
December 3, 2004	10,000
December 9, 2004	20,000
December 13, 2004	20,000
December 16, 2004	_ 4,000
Total	$359,000

Affiliates

On November 18, 2004, the Company borrowed $25,000 (unsecured) from Jeffrey Martin Real Estate Co. The note bears interest at the rate of 8% per annum. Jeffrey Martin Real Estate Co. is owned by Jeffrey D. Martin, a major shareholder of the Company.

Since April 6, 2004, the Company has borrowed an additional $50,000 from Martin Consultants, Inc. The notes bear interest at the rate of 8% per annum. The total balance of the notes payable to Martin Consultants, Inc. was $471,000 at December 31, 2004. Martin Consultants, Inc. is owned by Jeffrey D. Martin, a major shareholder of the Company. The dates and amounts of these individual note agreements entered into during the nine months ended December 31, 2004 are as follows:

Date of Note	Amount
April 6, 2004	$10,000
April 12, 2004	10,000
July 23, 2004	20,000
July 30, 2004	10,000
Total	$50,000

Others

On August 19, 2004 the Company borrowed $200,000 from Sugarcreek Capital, LLC. The Note is payable on December 30, 2004 and bears interest at the rate of 8% per annum. The note has been personally guaranteed by Jeffrey D. Martin, a major shareholder of the Company. Accrued interest as of December 31, 2004 was $5,742.

On August 3, 2004 the Company borrowed $50,000 through a line of credit with an individual. Interest on the line of credit varies monthly. The amount is payable on demand and the interest rate was approximately 6.5% at December 31, 2004. The line of credit has been personally guaranteed by Jeffrey D. Martin, a major shareholder of the Company.

On October 4, 2004, the Company borrowed $15,000 from Market Management, Inc. The note is unsecured, payable on demand, and bears interest at the rate of 6% per annum.

Note 4 - GOING CONCERN

The accompanying financial statement has been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company sustained losses of $1,204,058, at December 31, 2004. The Company had an accumulated deficit of $3,340,722 at December 31, 2004. These factors raise substantial doubt about the ability of the Company to continue as a going concern for a reasonable period of time. The Company is highly dependent on its ability to continue to obtain investment capital and loans from an affiliate and major shareholder in order to fund the current and planned operating levels. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to continue receiving investment capital from an affiliate and obtaining loans to complete promotion of the Company's artists, continue production of music and achieve a level of success that will enable it to sustain its operations. No assurance can be given that the Company will be successful in these efforts.

Note 5 - PRIVATE PLACEMENT MEMORANDUM

The Company has offered a Private Placement Memorandum ("PPM") which offers for sale a maximum of 3,000,000 and a minimum of 1,000,000 shares of its common stock, $.001 par value at $.50 per share ("the Offering"). The shares are offered on a "best efforts" basis. The Offering will be made in reliance upon an exemption from registration under the federal securities laws provided by Regulation D as promulgated by the United States Securities and Exchange Commission ("SEC"). The Offering will terminate upon the earlier of (i) the sale of the 3,000,000 shares or (ii) May 31, 2004 unless extended by the Company for one hundred and twenty days. The company did extend the offering for 120 days and issued 603,856 shares with proceeds of $301,928. The Company amended the PPM reducing the share minimum to 100,000 shares. The offering concluded after the 120 day extension.

9

Note 6 - DISTRIBUTION AND SERVICE AGREEMENT

During May 2004, the company entered into a 5.5 year Distribution and Service Agreement with Cheyenne Records GmbH (Cheyenne). The agreement grants Cheyenne certain exclusive rights to distribute and sell recordings in Germany, Switzerland and Austria . Cheyenne shall receive a distribution and service fee of 45% of all net receipts (gross receipts less Value Added Tax of approximately 16%). In addition, Cheyenne will perform certain services including booking commercial concerts and concert tours, securing personal appearances of "3rd Wish", securing advertising, endorsements and related activities of "3rd Wish", and music publishing/subpublishing throughout the territory. In consideration for these services except music publishing/subpublishing, Cheyenne shall receive 35% of all net receipts paid by third parties. The Company/Cheyenne shall split music publishing revenues on a 75%/25% basis. Cheyenne reported that as of December 31, 2004 approximately 207,000 copies of the "3rd Wish" recordings had been shipped. As of December 31, 2004 and through the date of the 10QSB filing, Cheyenne has not provided the Company with an accounting; therefore, no revenue has been recognized in connection with the copies shipped.

Note 7 - LICENSE AGREEMENTS

On October 11, 2004, the Company entered into a fifteen year license with Three8 Music Limited (Three8). The license agreement grants Three8 all rights to the single release by "3rd Wish" entitled "Obsession" in the United Kingdom and Eire. The Company shall receive royalties of 19% calculated on 100% sales of Three8's published dealer price less certain packaging deductions. In addition, for any third party licensing or digital delivery, the Company shall receive 50% of Three8's net royalty receipts received by Three8 in the United Kingdom. In connection with the license agreement, the Company received an advance of $15,000. The Company initially recorded the advance as deferred revenue and will recognize the advance as revenue as the license fees are earned under the agreement. At December 31, 2004, the Company recorded deferred revenue and license fees of $167 and $14,833 respectively related to this agreement.

On November 12, 2004, the Company entered into a five year license agreement with NRJ Music (NRJ). The license agreement grants NRJ the exclusive right to the audio and/or audiovisual recordings of "3rd Wish" for the purpose of reproducing them on all media in France, Dom Tom, Andorra, Monaco, and Belgium. In consideration of the exclusive rights granted, NJR shall pay the Company a royalty for sales (less returns) of 19-22% in France, Dom Tom, Andorra and Monaco and 13-15% in Belgium. In addition the Company may earn additional royalties related to phonograms, videograms, and other digital media as defined in the agreement. In connection with the license agreement, the Company received an advance of $16,822. The Company initially recorded the advance as deferred revenue and will recognize the advance as revenue as the license fees are earned under the agreement. At December 31, 2004, the Company recorded deferred revenue and license fees of $561 and $16,261, respectively related to this agreement.

On November 26, 2004, the Company entered into a five year license agreement with Shock Records Pty Ltd (Shock). The license agreement grants Shock the exclusive right to the single release by "3rd Wish" entitled "Obsession" in Australia and New Zealand. The Company shall receive royalties of 18-22% of the net sales which excludes any sales tax and includes any discounts. Shock retains the right to license the recording for third party, compilation and synchronization use in the territory and the Company shall receive 50% of any third party income. Shock retains exclusive right to copy, extract, digitally encode, sell, distribute, and otherwise exploit the recording in digital format via any interactive technology.

On December 14, 2004, the Company entered into a three year license agreement with NMC Music Ltd. (NMC). The license agreement grants NMC exclusive rights to the single release by "3rd Wish" entitled "obsession" in Israel. The Company shall receive royalties of 18% calculated on 100% of net sales.

Note 8 - MUSIC VIDEO PRODUCTION AGREEMENTS

During May 2004, the Company entered into a Music Video Production agreement with 1171 Production Group (Production Company). Production Company produced a music video embodying the performance by "3rd Wish". In consideration for services rendered by Production Company, the Company agreed to pay $100,000 upon the terms and conditions set forth in the agreement. In connection with the music video, the Company has agreed to pay $40,000 to a third party for the performance of "Baby Bash" in the music video. As of December 31, 2004, all contractual obligations have been completed and the Company recorded video production expenses of $140,000 related to this agreement.

On September 14, 2004, the Company entered into a music video production agreement with 1171 Production Group (Production Company). Production Company produced a music video embodying the performance by "3rd Wish" of the musical composition entitled "Nina". In consideration for services rendered by Production Company the Company has agreed to pay $116,525 upon the terms and Conditions set forth in the agreement. As of December 31, 2004, all contractual obligations have been completed and the Company recorded video production expenses of $116,525 related to this agreement.

Note 9 - CONTENT LICENSE AGREEMENT

On September 10, 2004, the Company entered into a Content License Agreement with JAMBA!AG (JAMBA)for the distribution of mobile content including ring tones, wallpaper, and logos through the JAMBA service and JAMBA Network. The Content License Agreement is non-exclusive and covers the territories of Germany, Switzerland, and Austria. The term of the agreement commences on the date of the agreement and terminates upon a three month written notice by either party. In consideration of the authorizations granted to JAMBA in the agreement, JAMBA wil pay the Company a license fee from all paid and successfully completed downloads of content by end users as set forth in the agreement, which shall be calculated from the net revenue (revenue less value added tax). The Company has not recorded any revenue related to this agreement during the nine months ended December 31, 2004. In accordance with SAB 104, the Company will record revenue related to the Content License Agreement when the license revenue is fixed or determinable and collectibility is reasonably assured.

Note 10 - COMMON STOCK

On October 6, 2004, 3,502,925 shares of common stock were returned to the treasury and cancelled.

Note 11 - MAJOR CUSTOMERS

During the three and nine months ended December 31, 2004 the Company had three customers who individually accounted for over 10% of the Company's total revenues as follows:

Customer A	50%
Customer B	30%
Customer C	15%

Note 12 - SUBSEQUENT EVENTS

On January 6, 2005, the Company entered into a Music Publishing Agreement, a Personal Management Agreement and an Exclusive Artist Recording Agreement with Patrick Williams, an artist also known as "PATMOE".

On January 17, 2005, the Company entered into a three year license agreement with Megaliner Records (Megaliner). The license agreement grants Megaliner exclusive rights to the single release by "3rd Wish" entitled "Obsession" including all available remixes. The territories covered by the license agreement with Megaliner includes Russia, Azerbaijan, Armenia, Georgia, Moldova, Kazakstan, Krygystan, Tajikistan, Uzbekistan, Turkmenistan, Ukraine, Republic of Belarus, Lithuania, Lativa and Estonia. The Company shall receive royalties of 20% of the published dealer price with no deductions allowed. In addition the Company/Megaliner shall split any third party income and broadcasing income on a 60%/40% basis.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

From the time a record or CD is distributed, to the time the company collects its share of the proceeds from sale, is approximately nine months. This delay occurs because, although a record or CD is distributed, a number of records or CDs are returned and a sale figure cannot be accurately booked as of the date of distribution. Accordingly, the Company should see a significant increase in revenues during the quarterly period ending on March 31, 2005 because from July 26, 2004 to November 1, 2004, the Company distributed approximately 207,000 records and CDs of "3rd Wish" recordings. Based on current pricing, the Company should receive approximately $2.57 per record and/or CD.

The Company has entered into various license agreements which grant certain exclusive rights to sell and distribute certain recordings by "3rd Wish". The table below sets forth the parties and territories covered by these license agreements:

Party(Licensee)	Territories
Cheyenne Records	Germany, Switzerland and Austria
Three 8 Music Limited	UK, Eire
Shock Records Pty Ltd	Australia, New Zealand
NRJ Music	France, Andorra, Monaco, Belgium
Megaliner Records	Russia, Azerbaijan, Armenia, Georgia, Moldova, Kazakstan, Kyrgyzstan, Tajikistan, Uzbekistan, Turkmenistan, Ukraine, Republic of Belarus, Lithuania, Latvia, Estonia
NMC Music Ltd.	Israel

Revenue is recognized in accordance with Staff Accounting Bulleting No. 104 (SAB 104) when persuasive evidence of an arrangement exists, the price to the buyer is fixed or determinable; delivery had occurred or services have been rendered or the license period has begun; and collectibility is reasonably assured.

Revenue from the distribution of recordings under license and distribution agreements is recognized as earned under the criteria established by Statement of Financial Accounting Standard No. 50. Revenue is generally recognized when the Company receives an "accounting" of recordings sold with payment from the licensee. In the event the Company has not received an "accounting" from the licensee and if the Company has information related to the licensed use of recordings that would result in the revenue being fixed and determinable, and collection is reasonably assured, then revenue is recognized in the periods in which the license revenue is earned. Minimum guarantees (advances) received from licensees are recorded as deferred revenue and are amortized over the performance period, which is generally the period covered by the agreement.

Three Month Period Ended December 31, 2004 and 2003

Revenues - The Company recorded revenue of $13,961 for the three months ended December 31, 2004. The revenue for this period consists of $13,233 from live performances and $728 from licensing. There was no revenue during the three months ended December 31, 2003.

Operating expenses - Operating expenses for the three months ended December 31, 2004 were $348,217, an increase of $212,725 or 157% from the $135,492 for the corresponding period of the prior year. This increase resulted from increased production expenses related to the Video Shoot and Recordings of $42,313, increased travel expenses and support for the artists in Germany of $27,359, an increase in advertising expenses of $54,081, an increase in promotional expenses of $78,449, and an increase in web related expenses of $10,523.

General and Administrative Expenses - General and administrative expenses increased by $3,105 or 9.44% to $35,996 for the three months ended December 31, 2004 from $32,891 for the corresponding period of the prior year. This increase is primarily attributable to an increase in legal and accounting fees of $1,410 and an increase in other general and administrative expenses of $5,138, which was partially offset by a decrease in depreciation and amortization expense of $3,443.

Salaries and Benefits - Salaries and benefits for the three months ended December 31, 2004 were $18,075, a decrease of $2,128 or 10.53% from the $20,203 for the corresponding period of the prior year. This decrease is due to having fewer employees during the three months ended December 31, 2004.

Interest Expense - Interest expense increased by $18,929 or 349.70% to $24,342 for the three months ended December 31, 2004 from $5,413 for the corresponding period of the prior year. This increase is attributable to having additional debt outstanding during the three months ended December 31, 2004.

For Nine Month Period Ended December 31, 2004 and 2003

Revenues - The Company had revenue in the amount of $13,961 for the nine months ended December 31, 2004. The revenue for this period consists of $13,233 from live performances and $728 from licensing. For the nine months ended December 31, 2003, the Company had revenues of $176.

Operating expenses - Operating expenses for the nine months ended December 31, 2004 were $942,706, an increase of $503,431 or 115% from the $439,275 for the corresponding period of the prior year. This increase resulted from increased production expenses related to the Video Shoot and Recordings of $277,709 increased travel expenses and support for the artists in Germany of $69,316, an increase in advertising expenses of $116,751, an increase in promotional expenses of $17,454, and an increase in web related expenses of $22,201.

General and Administrative Expenses - General and administrative expenses increased by $114,208 or 207.61% to $169,220 for the nine months ended December 31, 2004 from $55,012 for the corresponding period of the prior year. This increase is primarily attributable to an increase in legal and accounting fees of $114,424, and an increase in other general and administrative expenses of $1,309, which was partially offset by a decrease in depreciation and amortization of $1,525.

Salaries and Benefits - Salaries and benefits for the nine months ended December 31, 2004 were $54,811, a decrease of $9,189 or 14.36% from the $64,000 for the corresponding period of the prior year. This decrease is due to having fewer employees during the nine months ended December 31, 2004.

Interest Expense - Interest expense increased by $2,899 or 5.99% to $51,282 for the nine months ended December 31, 2004 from $48,383 for the corresponding period of the prior year. This increase is attributable to having additional debt outstanding for the nine months ended December 31, 2004.

Liquidity and Capital Resources

As of December 31, 2004, the Company had cash of $24,962 and a deficit in working capital of $1,485,712. This compares with cash of $2,914 and a deficit in working capital of $581,477 as of March 31, 2004.

Cash used in operations increased by $441,341 to $999,328 for the nine months ended December 31, 2004 from $557,987 for the corresponding period of the prior year. The increase is principally attributable to an increase in the net loss of $597,564 which was partially offset by a net increase in the change in accounts payable and deferred revenue of $111,176 and $31,094, respectively.

Cash used in investment activities for the nine months ended December 31, 2004 was $11,440 for the purchase of equipment. For the nine months ended December 31, 2003, the Company used $1,347 for the purchase of equipment.

Cash provided by financing activities for the nine months ended December 31, 2004 was $1,032,816, $301,929 from the sale of shares, and $799,000 from the issuance of promissory notes. The Company used 65,000 to repay promissory notes to affiliates and $3,113 to repay promissory notes to third parties. This compares with $572,000 of cash being provided from financing activities during the nine months ended December 31, 2003, all from issuance of promissory notes.

Historically, the Company has been funded by the sale of its shares and loans from its Shareholders. However, the Company's continuation as a going concern is dependent upon its ability to continue receiving investment capital and obtaining loans to complete promotion of the Company's artists, continue production of music and achieve a level of success that will enable it to sustain its operations. No assurance can be given that the Company will be successful in these efforts.

ITEM 3. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures under the supervision of and with the participation of our Chief Executive Officer ("CEO") and our Chief Financial Officer ("CFO"). Based on this evaluation, our management, including our CFO and CEO, concluded that our disclosure controls and procedures were effective, and that there have been no significant changes in our internal controls or in other factors that could significantly affect internal controls subsequent to the evaluation.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEDINGS

None

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the nine months ended December 31, 2004, the Company sold 603,856 shares of its common stock for a net of $301,928. All of the proceeds have been used to fund working capital.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Number	Description
10.1	Exclusive Artist Recording Agreement - Patrick Williams
10.2	Music Publishing Agreement - Patrick Williams
10.3	Personal Management Agreement - Patrick Williams
10.4	Personal Management Agreement - Alex Acosta
10.5	Personal Management Agreement - Justin Martin
10.6	Personal Management Agreement - Enrique Gonzalez
10.7	Music Publishing Agreement - Alex Acosta
10.8	Music Publishing Agreement - Justin Martin
10.9	Music Publishing Agreement - Enrique Gonzalez
10.10	Exclusive Artist Recording Agreement - Justin Martin

10.11 Exclusive Artist Recording Agreement - Enrique Gonzalez
10.12 Exclusive Artist Recording Agreement - Alex Acosta
10.13 Content License Agreement - Jamba!AG
10.14 License Agreement - NRJ Music
10.15 Personal Management Agreement - Patrick Williams
10.18*License Agreement - Cheyenne Records
10.19*License Agreement - NMC Music Ltd.
31.1**Certification of Chief Executive Officer of Skreem Entertainment Corporation Required by Rule 13a-14(1) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2**Certification of Chief Financial Officer of Skreem Entertainment Corporation Required by Rule 13a-14(1) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**Certification of Chief Executive Officer of Skreem Entertainment Corporation Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 Of 18 U.S.C. 63
32.2**Certification of Chief Financial Officer of Skreem Entertainment Corporation Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 Of 18 U.S.C. 63

* Previously filed
** To be filed

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

SKREEM ENTERTAINMENT CORPORATION

Date: March 22, 2005 By: /s/ Charles Camorata

Charles Camorata
Principal Executive Officer

Date: March 22, 2005 By: /s/ Karen Pollino

Karen Pollino
Chief Financial Officer