SKREEM ENTERTAINMENT CORP
Form 10QSB
November 14, 2006

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended September 30, 2006

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 |_|

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

Class	Shares Outstanding	Date
Common, $.001 par value	25,576,292	October --, 2006

Transitional Small Business Disclosure Format (Check one): Yes I I No IXI

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SKREEM ENTERTAINMENT CORPORATION
(A DEVELOPMENT STAGE COMPANY)
UNAUDITED CONSOLIDATED BALANCE SHEET
September 30, 2006

ASSETS

Current assets:	
Cash and Cash equivalents	$ 6,008
Interest receivable	1,093
Total current assets	7,101
Note receivable	100,000
Property and equipment, net	6,966
Debt issuance costs	5,000
Total assets	$ 119,067

LIABILITIES AND SHAREHOLDERS' DEFICIT

Current liabilities:	
Accounts payable and accrued liabilities	$ 215,038
Related party payable	9,254
Deferred revenue	27,212
Notes payable - shareholder	154,519
Total current liabilities	406,023
Shareholders' deficit:	
Preferred shares - $0.001 par value; 1,000,000 authorized, no shares issued or outstanding	-
Common shares - $0.001 par value; 50,000,000 authorized; 25,576,292 shares issued and outstanding	25,576
Additional paid - in capital	5,863,471
Losses accumulated in the development stage	(6,176,003)
Total shareholders' deficit	(286,956)
Total liabilities and shareholders' deficit	$ 119,067

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

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SKREEM ENTERTAINMENT CORPORATION
(A DEVELOPMENT STAGE COMPANY)
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
For the Six Months Ended September 30, 2006 and 2005 and for the Period From Inception, August 19, 1999, to September 30, 2006

	Six Months Ended		Inception to
	September 30, 2006	September 30, 2005	September 30, 2006
Revenue	$ 31,447	$ 24,397	$ 220,172
Revenue - related party	126,100	-	126,100
Total Revenue	157,547	24,397	346,272
Expenses			
Operating	(921,152)	(564,505)	(4,246,514)
General and administrative	(257,975)	(217,660)	(1,614,394)
Impairment of loan receivable	-	-	(130,000)
Total expenses	(1,179,127)	(782,165)	(5,990,908)
Loss from operations	(1,021,580)	(757,768)	(5,644,636)
Interest expense	(48,760)	(77,092)	(531,367)
Net loss	$ (1,070,340)	$ (834,860)	$ (6,176,003)
Weighted Average Shares Outstanding - basic and diluted	24,726,300	23,107,856	
Loss Per Share - basic and diluted	$ (0.04)	$ (0.04)	

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

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SKREEM ENTERTAINMENT CORPORATION
(A DEVELOPMENT STAGE COMPANY)
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS For the Three Months Ended September 30, 2006 and 2005

	Three Months Ended September 30, 2006	Three Months Ended September 30, 2005
Revenue	$ 1,753	$ 1,637
Revenue - related party	89,100	-
Total Revenue	90,853	1,637
Expenses		
Operating	(598,047)	(201,682)
General and administrative	(108,624)	(111,493)
Impairment of loan receivable	-	-
Total expenses	(706,671)	(313,175)
Loss from operations	(615,818)	(311,538)
Interest expense	(20,985)	(40,585)
Net loss	$ (636,803)	$ (352,123)
Weighted Average Shares Outstanding - basic and diluted	24,838,907	23,107,856
Loss Per Share - basic and diluted	$ (0.03)	$ (0.02)

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

SKREEM ENTERTAINMENT CORPORATION
(A DEVELOPMENT STAGE COMPANY)
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT For the period from inception, August 19, 1999, to September 30, 2006

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	During the Development Stage	A
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	1,581,940	-	
Net loss	-	-	-	(736,364)	
Balance at December 31, 2003	63,000	63	1,581,940	(1,930,670)	
Effect of issuance of common stock and recapitalization in a reverse acquisition transaction	25,943,925	25,944	(25,944)	-	
Net loss	-	-	-	(205,994)	
Balance at March 31, 2004	26,006,925	26,007	1,555,996	(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	-	-	-	(1,592,469)	(1
Balance at March 31, 2005	23,107,856	23,108	1,860,823	(3,729,133)	(1
Proceeds from issuance of common stock	276,400	276	276,124	-	
Stock issued for accounts payable	50,000	50	49,950	-	
Stock issued for conversion of debt	1,050,000	1,050	1,048,950	-	1
Net loss	-	-	-	(1,376,529)	(1
Balance at March 31, 2006	24,484,256	24,484	3,235,847	(5,105,662)	(1
Proceeds from issuance of common stock	24,694	25	24,670	-	
Stock issued for services	250,000	250	249,750	-	
Net loss	-	-	-	(433,538)	
Balance at June 30, 2006	24,758,950	24,759	3,510,267	(5,539,200)	(2
Stock issued for conversion of debt	817,342	817	1,838,204	-	1
Expense paid by shareholder	-	-	515,000	-	
Net loss	-	-	-	(636,803)	
Balance at September 30, 2006	25,576,292	$ 25,576	$5,863,471	$(6,176,003)	$

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

SKREEM ENTERTAINMENT CORPORATION
(A DEVELOPMENT STAGE COMPANY)
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Six Months Ended September 30, 2006 and 2005 and for the Period From Inception, August 19, 1999, to September 30, 2006

	Six months Ended September 30, 2006	Six months Ended September 30, 2005
Cash Flows from Operating Activities:		
Net loss	$(1,070,340)	$ (834,860)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	2,094	1,819
Impairment of loan receivable	-	-
Accrued interest converted to equity	33,439	-
Expenses paid by shareholder and affiliate	515,000	35,000
Stock issued for services	250,000	-
Changes in operating assets and liabilities:		
Increase in interests receivable	(1,093)	-
Decrease in accounts receivable	-	114,257
Decrease in prepaid expenses and deposits	-	8,908
Increase in accounts payable and accrued liabilities	41,629	177,555
(Decrease) increase in interest payable to affiliates	-	54,309
Increase (decrease) in deferred revenue	2,712	(9,520)
Net cash used in operating activities	(226,559)	(452,532)
Cash Flows from Investing Activities		
Payments for purchase of property and equipment	(2,030)	(864)
Loan receivable	(100,000)	-
Net cash used in investing activities	(102,030)	(864)
Cash Flows from Financing Activities		
Proceeds from issuance of common stock	24,695	-
Proceeds from notes payable - other	-	-
Proceeds from notes payable - shareholder	191,700	448,000
Proceeds from notes payable - affiliate	63,000	-
Principal payments on notes payable - affiliate	-	(50,000)
Principal payments on notes payable - other	-	15,000
Principal payments on notes payable - shareholder	(2,181)	-
Debt issuance costs	(5,000)	-
Net cash provided by financing activities	272,214	413,000
Net increase (decrease) in cash and cash equivalents	(56,375)	(40,396)
Cash and cash equivalents, beginning of period	62,383	52,195
Cash and cash equivalents, end of period	$ 6,008	$ 11,799

The accompanying notes are an integral part of these unaudited consolidated financial statements

SKREEM ENTERTAINMENT CORPORATION
(A DEVELOPMENT STAGE COMPANY)
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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 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, 2006 included in Skreem's Form 10KSB.

Note 2 - ACCOUNTING POLICY FOR REVENUE RECOGNITION

Revenue is recognized 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 collect ability 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 Skreem receives an "accounting" of recordings sold with payment from the licensee. In the event Skreem has not received an "accounting" from the licensee and if Skreem 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 - RELATED PARTIES

Shareholder

During the quarter ended June 30, 2006, Jeffrey D. Martin, a major stockholder loaned Skreem $30,000 with two promissory notes of $20,000 and $10,000. The notes are payable on demand and bear interest at the rate of 8% and 17.49%, respectively.
Interest on the notes begins to accrue on July 1, 2006. The notes are secured by the assets of Skreem.

During the quarter ended September 30, 2006, Jeffrey D. Martin, a major stockholder loaned Skreem $146,700 with two promissory notes. The notes are payable on demand. The $126,700 note bears interest at the rate of 8% and interest on this note begins to accrue on October 1, 2006. The $20,000 note bears interest at approximately 17.49% per annum. The notes are secured by the assets of Skreem.

On August 31, 2006, notes payable to Jeffrey Martin totaling $591,770 and related interest payable of $79,164 were converted to 298,193 shares of common stock at $2.25 per share. Due to the related party mature of the transaction, no gain was recorded for the difference between the conversion price and the market price at the date of conversion.

Affiliates

During the quarter needed June 30, 2006, Skreem borrowed $40,000 from Martin Consultants, Inc. The note is payable on demand and bears interest at a rate of 8% per annum. Interest on this note begins to accrue on July 1, 2006. Martin Consultants, Inc. is 100% owned by Jeffery D. Martin.

On August 31, 2006, notes payable to affiliates (Martin Consultants, Inc., JT Investments, and AM-PAC Investments) totaling $996,620 and related interest payable of $171,466 were converted to 519,149 shares of common stock at $2.25 per share. Due to the related party nature of the transaction, no gain was recorded for the difference between the conversion price and the market price at the date of conversion.

Note 4 - GOING CONCERN

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Skreem sustained losses of $ 1,070,340 for the six-months ended September 30, 2006. Skreem had an accumulated deficit of $6,176,003 at September 30, 2006. These factors raise substantial doubt about the ability of Skreem to continue as a going concern for a reasonable period of time. Skreem is highly dependent on its ability to continue to obtain investment capital and loans from a major shareholder and an affiliate 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 Skreem be unable to continue as a going concern. Skreem's continuation as a going concern is dependent upon its ability to continue receiving investment capital from a shareholder and an affiliate and obtaining loans to complete promotion of Skreem'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 Skreem will be successful in these efforts.

Note 5 - PRODUCTION AGREEMENT

On June 13, 2006, Skreem entered into an agreement with 1171 Productions (1171) for the purpose of creating interest in and securing meeting opportunities of the "Star Maker" reality series. Skreem shall pay a commission of 5% of the net profits of the "Star Maker" series worldwide. In addition, Skreem agrees to use 1171 in the production of the series. Skreem has not recorded any transactions related to this agreement.

Note 6 - LICENSE AGREEMENT

During the quarter ended June 30, 2006, Skreem hired Zero Degrees Entertainment

(Zero) under a 5-year agreement which grants Zero certain exclusive rights to distribute and sell recordings of the artist "3rd Wish" in France. Skreem shall receive royalties of 17% to 20% calculated on 100% net sales. In addition, Skreem may earn third party and other income as defined in the agreement. Skreem has not recorded any transactions related to this agreement.

Note 7 - ADVERTISING AND PROMOTIONAL SERVICE AGREEMENT

On May 24, 2006, Skreem hired Hobson, Bowerstock, & Associates, LLC (HLB) under a one-year agreement to prepare and implement a promotional campaign in exchange for 1,000,000 shares of common stock. During the quarter ended June 30, 2006, Skreem issued 250,000 shares and recorded advertising expense of $250,000 in accordance with EITF 96-18. During the quarter ended September 30, 2006, Skreem's shareholder paid the shares directly and Skreem recorded advertising expense with an offset to paid-in capital of $515,000 in accordance with EITF 96-18 and SAB 107 Topic 5.T.

Note 8 - RELATED PARTY REVENUE

During the quarter ended June 30, 2006, there were unsold recordings returned to Skreem by Cheyenne Records. Am-Pac Investment purchased these remaining recordings and Skreem recorded this sale as related party revenue during the quarters ended June 30, 2006 and September 30, 2006. Am-Pac is owned by Jeffery Martin.

Note 9 -STRATEGIC RESEARCH & ANALYSIS AGREEMENT

On July 1, 2006, Skreem hired Sterling LLC under a 2-year agreement to do research, market review and strategic analysis and to provide review and planning services in exchange for 3,000 shares per month for year one and 5,000 shares per month for year two, and additional incentives as described in the agreement. In accordance with EITF 96-18, Skreem recorded total expense of $17,550 for the quarter ended September 30, 2006.

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Note 10 - DISTRIBUTION AGREEMENT

On July 7, 2006, Skreem hired MD Lavert & Associates dba Nothing Else Works (NEW) which grants NEW exclusive rights to distribute designated albums for Skreem in the U.S. and Canada. NEW shall retain a retail marketing and distributing fee of 25% per artist of Skreem's whole sale price from sales of albums. Skreem has not recorded any transactions related to this agreement.

Note 11 - NOTE RECEIVABLE

On September 12, 2006, Skreem agreed to loan $500,000 to Weaver Interactive, Inc. Skreem advanced $100,000 immediately and promised another $400,000 within five(5) days of Skreem's receipt of a US GAAP audit of Weaver. The note bears interest at 21% and shall be payable at the maturity date of September 12, 2008. As of November 9, 2006, no audit of Weaver has been received.

Note 12 - SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

During the six months ended September 30, 2006 and 2005, approximately $15,000 and $22,000 was paid for interest, respectively. No cash was paid for income taxes during these periods.

During the six months ended September 30, 2006, Skreem issued 817,342 shares of common stock for the conversion of related party debt of $1,839,021 to equity.

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

Plan of Operation

The Company plans to continue operations by developing current acts into successful music performing and recording acts. The Company has been actively promoting three acts, "3rd Wish", "Pat Moe" and "Willie Will". These three acts will tour, perform, make public appearances, and continue to record as opportunities are located. The Company is uncertain as to when these acts may enter the U.S. market. As of September 30, 2006, none of the Company's acts has received gold records for album sales.

The countries in which the Company has been promoting its acts are as follows:

Pat Moe	3rd Wish
Germany, Switzerland, Austria	Germany, Switzerland and Austria
	UK, Eire, Australia,
	New Zealand, France
	Andorra, Monaco, Belgium, Russia, Azerbaijan,
	Armenia, Georgia,
	Moldova
	Kazakstan, Krygyzstan, Tajikistan, Uzbekistan,
	Turkmenistan,
	Ukraine, Republic of Belarus, Lithuania, Latvia,
	Estonia,
	Israel, Portugal

The Company's cash balance is insufficient to satisfy the Company's cash requirements for the next 12 months. The Company believes it can satisfy it's cash requirements for 6 months with current cash and receivables. The Company is dependent on continued receipt of revenues and will need outside funding from the sale of shares or debt financing in order to continue operations beyond that.

The Company does not anticipate acquiring any significant equipment during the next twelve months.

The Company does not anticipate any significant changes in the number of employees in the next twelve months. The Company has two full time employees.

The Company has entered into various license agreements that grant certain exclusive rights to sell and distribute certain recordings by "3rd Wish". Approximately 18% of the Company's revenue for the quarter ended September 30, 2006 came from the Cheyenne Records agreement. During the quarter ended September 30, 2006, there were unsold recordings returned to the Company by Cheyenne Records. A related party purchased these remaining recordings which represent approximately 80% of the total revenue. The remaining contracts represent, individually, less than 1% of revenue.
The table below sets forth the parties, material terms, and territories covered by these license agreements:

Party(Licensee)	Territories
Cheyenne Records	Germany, Switzerland and Austria

Our agreement with Cheyenne Records provide that Cheyenne will market and sell 3rd Wish's recordings for a period of 5 years beginning in March 2004. Cheyenne will retain approximately 25% to 45% of revenue from distribution and sales and the Company will pay the costs of production. The term of the contract is 5.5 years from May 2004.

Three 8 Music Limited — UK, Eire

Our agreement with Three 8 provides that they will receive royalties from 3rd Wish's first three singles released. Royalties are 19% on record sales and 50% on third party licensing. The term of the contract is 15 years from October 2004.

Shock Records Pty Ltd — Australia, New Zealand

Our agreement with Shock Records provides for royalties of 18-22% on album sales and 50% to Shock for third party licensing. The term of the contract is approximately 5 years from January 2005.

NRJ Music — France, Andorra, Monaco, Belgium

Our agreement with NRJ provides for royalties of 13-22% for record sales. The Company will bear the costs of production, the term is 5 years from January 2005.

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Megaliner Records — Russia, Azerbaijan, Armenia, Georgia, Moldova, Kazakstan, Kyrgyzstan, Tajikistan, Uzbekistan, Turkmenistan, Ukraine, Republic of Belarus, Lithuania, Latvia, Estonia

Our agreement with Megaliner provides Megaliner with 20% of income from record sales and 60% of third party licensing and broadcasting revenue. The term is three years.

NMC Music Ltd. — Israel

NMC will receive royalties of approximately 18% of all record sales. The contract expires in December 2009.

Vidisco — Portugal

Vidisco will receive a royalty of approximately 18% of all record sales. The contract expires in January of 2010.

Zero Degrees — France

Zero will receive a royalty of approximately 17-20% of record sales. The contract Expires in 2011.

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 collect ability 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.

Results of Operations for the Six Months Ended September 30, 2006
as Compared to the Six Months Ended September 30, 2005

Revenues - The Company recorded revenue of $157,547 and $24,397 for the six months ended September 30, 2006 and September 30, 2005, respectively. The revenue for the six months ended September 30, 2006 consists of earnings of $31,447 from Licensing agreements to distribute 3rd Wish's music and sales of recordings to a related party of $126,100. Revenue for the six months ended September 30, 2005 consists of earnings from licensing agreements to distribute "3rd Wish" consists of $23,415 and live performances of $982.

Operating expenses - Operating expenses for the six months ended September 30, 2006 were $921,152, an increase of $356,647 or 63% from $564,505 for the corresponding period ended September 30, 2005. The increase is primarily due to the significant increase in advertising expense of $768,238 offset by a net decrease in touring, travel, promotion and support for artist of approximately $412,000.

General and Administrative Expenses - General and administrative expenses increased by $40,315 or 19% to $257,975 for the six months ended September 30, 2006 from $217,660 for the corresponding period ended September 30, 2005. This increase is primarily attributable to an increase in salaries, delivery expense, and other general and administrative expenses offset by a decrease in professional fees and miscellaneous expenses.

Interest Expense - Interest expense decreased by $28,332 or 36.75% to $48,760 for the six months ended September 30, 2006 from $77,092 for the corresponding period of the prior year. This decrease is attributable to having less debt outstanding during the six months ended September 30, 2006 and the Company's major shareholder and his affiliate converted a substantial amount of loans to equity.

Results of Operations for the Three Months Ended September 30, 2006
as Compared to the Three Months Ended September 30, 2005

Revenues - The Company recorded revenue of $90,853 and $1,637 for the three months ended September 30, 2006 and September 30, 2005, respectively. The revenue for the three months ended September 30, 2006 consists of earnings from Licensing agreements to distribute 3rd Wish's music of $1,753 and sales of recordings to a related party of $89,100.

Operating expenses - Operating expenses for the three months ended September 30, 2006 were $598,047, an increase of $396,365 or 197% from $201,682 for the corresponding period ended September 30, 2005. The increase is primarily due to the significant increase in advertising expense of $516,812 offset by a net decrease in touring, travel, promotion, and support for artists of approximately

$315,000.

General and Administrative Expenses - General and administrative expenses decreased by $2,869 or 3% to $108,624 for the three months ended September 30, 2006 from $111,493 for the corresponding period ended September 30, 2005. This decrease is attributable to a decrease in overall general and administrative expenses.

Interest Expense - Interest expense decreased by $19,600 or 48.3% to $20,985 for the three months ended September 30, 2006 from $40,585 for the corresponding period of the prior year. This decrease is attributable to having less debt outstanding during the three months ended September 30, 2006 and the Company's major shareholder and his affiliate converted a substantial amount of loans to equity.

Liquidity and Capital Resources

As of September 30, 2006, the Company had cash of $6,008 and a deficit in working capital of $398,922. This compares with cash of $62,383 and a deficit in working capital of $1,852,361 as of March 31, 2006.

Cash used in operations decreased by $225,973 to $226,559 for the six months ended September 30, 2006 from $452,532 for the corresponding period of the prior year. The decrease is attributable to a significant increase in non-cash expenses of $763,714, offset by a decrease in changes in operating assets and liabilities of $302,261 and an increase in net loss of $235,480.

Cash used in investing activities for the six months ended September 30, 2006 was $102,030, which is due to a loan to Weaver Interactive, Inc. of $100,000 and the equipment purchases of $2,030.

Cash provided financing activities for the six months ended September 30, 2006 was $272,214, which is primarily from the issuance of promissory notes of $254,700 and common stock of $24,695. This compares with $413,000 of cash being provided from financing activities during the six months ended September 30, 2005, all from the 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

None

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
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: November 14, 2006 By: /s/ Charles Camorata

Charles Camorata

Principal Executive Officer

Date: November 14, 2006 By: /s/ Karen Pollino

Karen Pollino
Chief Financial Officer

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Exhibit31.1

Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Charles Camorata, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Skreem Entertainment Corporation

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: November 14, 2006

By: /s/ Charles Camorata
Charles Camorata
Chief Executive Officer

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Exhibit31.2

Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Karen Pollino, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Skreem Entertainment Corporation

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: November 14, 2006

By: /s/ Karen Pollino
Karen Pollino
Chief Financial Officer

Exhibit 32.1

Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF TEHE SARBANES-OXLEY ACT OF 2002

I, Charles Camorata, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Skreem Entertainment Corporation on Form 10-QSB for the quarterly period ended September 30, 2006 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-QSB fairly presents in all material respects the financial condition and results of operations of Skreem Entertainment Corporation

By: /s/ Charles Camorata
Name: Charles Camorata
Title: Chief Executive Officer
November 14, 2006

Exhibit 32.2

Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF TEHE SARBANES-OXLEY ACT OF 2002

I, Karen Pollino, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Skreem Entertainment Corporation on Form 10-QSB for the quarterly period ended September 30, 2006 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-QSB fairly presents in all material respects the financial condition and results of operations of Skreem Entertainment Corporation

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By: /s/ Karen Pollino
Name: Karen Pollino
Title: Chief Financial Officer
November 14, 2006