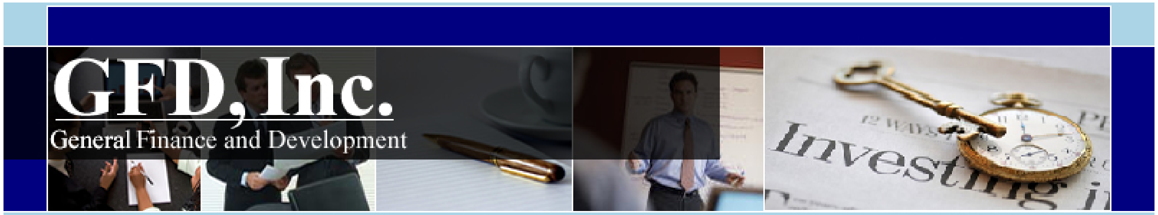

ANNUAL REPORT

GENERAL FINANCE AND DEVELOPMENT, INC.

OTC MARKETS: GFDV

YEAR END 2012

OTC Pink Basic Disclosure Guidelienes

1) Name of the issuer and its predecessors (if any)

General Finance and Development, Inc.

2) Address of the issuer's principal executive offices.

General Finance and Development, Inc.
855 Village Center Dr. Suite 315
North Oaks, MN 55127
Phone: 651-238-8636
Fax: 612-483-0825

Websites maintained by the issuer:
www.genfd.com
www.heartfitsystem.com
www.corporateartforce.com

Investor Relations Contact: Paul Graham
Graham Financial Services, Inc.
P.O. Box 1445
Farmington, AR 72730
Phone: 479-304-8333
E-mail Address: investorrelations@genfd.com

3) Security Information

Trading Symbol: GFDV
Exact title and class of securities outstanding: Common Stock
CUSIP: 36982M
Par or Stated Value:$0.01 par value per share
Total shares authorized: 50,000,000 as of: 12/31/12
Total shares outstanding: 4,524,250 as of: 12/31/12

No dividends have been declared since inception.

There are no other material rights of common or preferred shareholders.
There is no provision in charter or by-laws that would delay, prevent or prevent a change in control of the issuer.

Transfer Agent

Name: Signature Stock Transfer, Inc.
2220 Coit Road Suite #480 PMB 317
Plano, Texas 75075

Tel: (972) 612-4120
Fax: (972) 612-4122

Signature Stock Transfer, Inc. is registered under the Exchange Act.

List any restrictions on the transfer of security:
4,186,962 restricted shares

Describe any trading suspension orders issued by the SEC in the past 12 months.
None.

4) Issuance History

List below any events, in chronological order, that result in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of securities, whether private or public, and all shares or any other options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities.

None.

5) Financial Statements

[insert or state that they will be incorporated by reference]

6) Describe the Issuer's Business, Products and Services

A. a description of the issuer's business operations;

The names of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and weather it is included in the financial statements attached to this disclosure statement.

The following companies are all wholly owned subsidiaries of General Finance and Development, Inc.

<u>HeartFit System, LLC</u>

HeartFit was formed in 2006 by incorporating a proprietary and highly accurate non-invasive computerized heart screen technology with programs to prevent heart disease and promote health and fitness. The sole officer is William Kieger who has held the position since April 2006.

We have been involved in a number of joint ventures to develop a business model worthy of investment and rollout.

Studies published by Dr. Dean Ornish of The American Heart Association and others have shown that a combination of diet, exercise and meditation can prevent and even reverse heart disease. The same strategy as part of a comprehensive, ongoing program is known to improve overall health and longevity.

Beginning in January 2010, we designed and implemented a beta-rollout integrating our health-fitness promotion business and health-fitness screening as a complement to the employee benefit program at Corporate Art Force, LLC. From 2010 to the current date, all employees participated in at least some of the components of the program.

Revenues from the operations of HeartFit System have been minimal and we cannot accurately predict any significant revenues in the future.

GFD Investments, LLC

The Company's purpose is to engage and manage investments that are considered to be speculative in nature. Investments may include, but are not limited to, public company stocks, debentures, real estate ventures, venture capital projects, joint venture financing and bridge financing. The Company may also finance social entrepreneurial projects and provide financing to other subsidiary companies of General Finance and Development, Inc.

The President and sole officer is Sharon Gray who was appointed to the position in November 2012.

Since inception in 2007, the Company has held investments in real estate development, oil and gas royalty trusts and small cap growth stocks. The company also provided the capital to purchase assets for the formation of Corporate Art Force and has provided a $100,000 credit line. The balance of the credit financing as of year-end 2011 is $0. GFD Investments holds 174,779 shares of General Finance and Development as a non-affiliate shareholder. The intention is to continue to hold the shares and at the appropriate time periodically sell the shares and utilize the proceeds in line with the business objectives of the company.

During the year, we received $1 in dividends and interest and for the year we had a realized gain of $209 from investment activity and an unrealized gain of $78,315. We had a cash position of $173,977 at year-end.

Corporate Art Force, LLC

Corporate Art Force provides turnkey art procurement services to corporate clients nation-wide. William Kieger and Leslie Palmer-Ross are officers of the company and serve as the President and Director of Operations respectively. William Kieger has served as an officer since inception and Leslie Palmer-Ross has been an officer since January, 2010. The company's primary method of distribution is through an art consultant and sales force team that serve those clients. During 2012, there were 5,349 pieces of art that were distributed to more than 100 clients in 40 states. Since inception in September 2009 through year end 2012, there have been a total of 18,521 art pieces distributed through Corporate Art Force.

Corporate Art Force is in a fragmented competitive landscape — both the local and national markets are littered with "one-off galleries" and "single independents" providing partial consulting services and almost no fulfillment. Currently there is no single company that has captured a significant share of the US market.

During the years 2009 through 2011, the market has experienced a decline due to the US economy and the reduction in corporate art expenditures. In 2012 we began to experience some positive signs of improvement in the market while our sales orders increased by 24% over 2011.

During 2012, we continued to further develop our proprietary comprehensive art management method and process. In November of 2011 we filed a provisional patent on with the United States Patent and Trademark Office. The provisional patent was valid for a period of 12 months. In 2012 we determined that we would not file a non-provisional patent and are instead relying on copyright and trademark laws for protection of our intellectual property.

The process is being marketed as the "SmartArt Program". The name has been filed with the Minnesota Secretary of State and a domain name has been registered as "SmartArtProgram.com".

The SmartArt Program is an art asset management program for organizations to optimize their art inventory as it pertains to objective and subjective return-on-investment (ROI).

The process includes an initial analysis and 12 modules that are available to construct a program specifically designed for the unique needs of the organization. The Standard Modules include a Benchmark Study, Art Redistribution Strategy, Standards Program, Implementation Schedule and Evaluation and Adjustment. The Optional Modules include Inventory Management, Brand Alignment Strategy, Art Selection Committee Management, Maintenance Program, Evidence Based Design Integration, and Integration with

Real Estate Design and New Art Integration. Our Inventory Management module was featured in an article in the 2012 February issue of the RFID Journal.

We added a Finance Program Module in 2012 that includes a proprietary subscription agreement that integrates a lease with a purchase option and rotating art program. The financing is provided by GFD Investments, LLC, a separate wholly owned subsidiary of General Finance and Development.

In addition we have been utilizing several outside leasing companies to evaluate and propose lease terms for clients who desire to lease-to-own artwork. Our administration staff manages and helps guide clients through the process.

We are actively marketing the SmartArt Program to mid-size and enterprise level organizations in the Minneapolis-St. Paul market.

The National Market

$ 13.4 billion spent in US on office furniture (2007).
$ 30.0 billion spent worldwide (2007).
Corporate art allowances run 5-10%, or roughly ½%-1% of total construction project costs.
Over 300 new building projects put out to bid domestically each month, plus another 300 in renovations.

Source: allbusiness.com, IKEA internal data, Indeed.com, zoombusinessinfo

The local St. Paul and Minneapolis Market

5,000+ commercial real estate and remodeling projects with an average better than $2 million over past 12 months

Conservatively, more than $100,000,000 in corporate art projects are awarded annually

There are 19 Fortune 500 companies in MN that spend at least $250,000 per year on art and as high as $ 1.0 million.

50+ architecture firms and 1000+ commercial design professionals awarding/recommending/influencing corporate art decisions.

Source: Reed Construction Data; BidClerk, Internal data

During 2012, total revenues generated by Corporate Art Force were $2,258,466 for a net profit of $262,400.

In April 2010, we entered into a lease agreement for a period of 5 years for approximately 8,761 square ft. of showroom, office and production space for $11,251 per month and the company is currently located at 1400 Van Buren Street NE, Minneapolis, Minnesota 55413. The area has been redeveloped as the Northeast Minneapolis Arts District. We believe this location will strategically position Corporate Art Force to be in alignment with our stated mission and objectives.

All the above subsidiaries financial statements are included in the consolidated financial statements for General Finance and Development, Inc. and are included in this disclosure document.

1. The effect of existing or probable government regulations on the business.

   There are no existing or probable government regulations that have an effect on our business.

2. An estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers.

   We have not spent any significant amounts on research and development activities during the past two years.

3. Costs and effects of compliance with environmental laws (federal, state and local).

   We do not have any significant costs related to environmental laws.

4. The number of total employees and number of full time employees.

   We have 18 full time employees and 1 consultant that are employed by General Finance and Development and its subsidiaries.
   General Finance and Development, Inc. is a Minnesota Corporation incorporated on April 1, 2003 as a spin-off from Vital Health Technologies, Inc.

   At the time of the spin-off, Vital Health Technologies, Inc. was an SEC reporting company with its shares trading on the OTCBB.

   Each shareholder of record received 1 common share of General Finance and Development, Inc. for each share of Vital Health Technologies, Inc. owned as of the record date.

Our fiscal year end is December 31.

We have not been in bankruptcy, receivership or any similar proceeding.

We have not been in default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring payments.

We have not had any change of control since inception.

We have been fully dependent on Aurora Capital Management, LLC for financial and management support. Additional professionals are contracted as needed to provide services to GFD and clients.

From 2003 to 2006, our focus was to further develop the Variance Cardiography heart screen business and related business applications. In 2006, we formed HeartFit System, LLC and have completed various joint ventures to attempt to perfect a business model utilizing the technology and our systems to improve overall health & fitness. We are currently developing a corporate wellness program that is being piloted with our corporate art consulting and distribution subsidiary, Corporate Art Force, LLC, that will continue through the year-end 2012. We have a website www.heartfitsystem.com that further describes the business.

In the 2007, we began pursuing additional opportunities to provide business finance and development services to small and mid size organizations.

In January 2007, we formed GFD Investments, LLC as a wholly owned subsidiary with the objective of investing in speculative opportunities. We have invested in five opportunities.

In September 2009, we completed the asset acquisition of Art Holdings Corporation and formed Corporate Art Force LLC. We have formed a website www.corporateartforce.com that provides more information.

We do not anticipate any stock split, stock dividend, recapitalization or reorganization.

We continue to review merger-acquisitions as part of our ongoing business strategy.

We have not had any delisting of the securities by any securities exchange or deletion from the OTC Bulletin Board.

We filed a Form 10SB registration with the United States Securities and Exchange Commission on February 9, 2005 and Form 10QSB filings for the first and second quarters of 2005. On September 15, 2005, we filed a Form 15-12G to terminate the Form 10SB registration.

We have not had any current, past, pending or threatened legal proceedings or administrative actions either by or against us that could have a material effect on the our business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator.

We have not had any increase of 10% or more of the same class of outstanding equity securities.

B. Date and State (or Jurisdiction) of Incorporation;

General Finance and Development, Inc. is a Minnesota Corporation incorporated on April 1, 2003 as a spin-off from Vital Health Technologies, Inc.

C. The issuer's primary and secondary SIC Codes;

Our primary SIC industry classification is 6199 - Finance Services.

Our secondary SIC industry classification is 6799 – Investment Holding Company.

D. The issuer's fiscal year end date;

December 31

E. Principal products or services, and their markets;

General Finance and Development, Inc. (GFD) provides capital and business development services to small and mid size companies. Capital is provided to qualified companies by equity and/or strategic loan agreements. Business development services include business planning, organization and management development. GFD also pursues merger-acquisitions and joint venture projects. We maintain a website www.genfd.com for more information on our company.

Our subsidiary Corporate Art Force, LLC provides turnkey art procurement services to corporate clients nation-wide. The company's primary method of distribution is through an art consultant and sales force team that serve those clients. We maintain a website www.corporateartforce.com for more information on the company.

1. Distribution methods of the products or services.

We pursue business opportunities through a network of professionals who are in banking, brokerage, legal, accounting and other businesses that are centers of influence for our services.

Corporate Art Force, LLC has a database of approximately 1,800 clients who have at some time in the past purchased art and/or consulting services. The Company's primary method of distribution is through a proprietary art consultant and sales force team that serve those clients and network with architectural, design and engineering firms in order to bid on active projects.

2. Status of any publically announced new product or services.

None at this time.

3. Competitive business conditions, the issuer's competitive position in the industry, and methods of competition.

Management's Analysis of Competition

Midwest US Competition	**Corporate Art Force**	**Art Partners**	**Dorsey-Hovde Art Design**	**Chicago Art Source**	**Corporate Art Works**
>$1.5 million in sales	Yes	No	No	Yes	Yes
Comprehensive Art Asset Management Program	Yes	No	No	No	No
Professional Consulting	Yes	Yes	Yes	Yes	Yes
Professional Showroom	Yes	No	No	Yes	Yes
Online Services	Yes	Yes	No	No	Partial
Professional Sales Force	Yes	No	No	Yes	Yes
Production Facility	Yes	Yes	Outsourced	Yes	Yes
Delivery Services	Yes	Yes	Outsourced	Yes	Yes
Installation Services	Yes	Yes	Outsourced	Yes	Yes

4. Sources and availability of raw materials and the names of principal suppliers.

Our primary operating business (Corporate Art Force, LLC) has a wide variety of suppliers who provide materials. Larson-Juhl, Pictura Graphics, Graphics Media and Crowne Plastics are examples of some of the suppliers.

5. Dependence on one or a few major customers.

The vast majority (approximately 80%) of the revenue generated by the clients of Corporate Art Force comes from 50 companies. Out of the 50 companies there are 2 companies that account for approximately 40% of revenue. In the event we were to lose either of these 2 clients, it would have a major negative effect on the business.

6. Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration.

   A provisional patent was filed with the United States Patent and Trademark Office on October 17, 2011 titled: Comprehensive Art Management Method and Process - US 61/547,840. The provisional patent has expired and we will not be filing a non-provisional patent.

   Patents relating to our heart screen technology known as Variance Cardiography have expired and the newer prototypes are only being utilized for purposes in which we require agreements in advance to protect our interests.

7. The need for any government approval of principal products or services and the status of any requested government approvals.

   There is no need for any government approvals for our principal products or services at this time.

7) Describe the Issuer's Facilities

The nature and extent of the issuer's facilities.

We entered into a 5-year lease agreement for 8,761 square feet of office and production space at 1400 Van Buren Street, Minneapolis, MN 55413 commencing March 1, 2010. Our total monthly obligation for 2012 was $12,423. A copy of the lease was included as part of the 2009 Annual Report posted at OTC Markets. There has been an average increase in operating expenses of approximately 7.5% allocated to Corporate Art Force as a tenant. Currently, there is not a limitation on the per year increase in operating expenses. Although we do not foresee the situation as having a material effect on our operations, we will continue to monitor it over the remaining term of the lease and act appropriately if we view the increases to be out of line with market standards.

We continue to list our corporate office at 855 Village Center Dr. in North Oaks Minnesota that is a multi-business service center for small companies that charges fees based on usage. Our Variance Cardiograghy heart screen business is housed at our Shoreview, Minnesota location, where 420 square feet is rented on a monthly basis at $235 per month.

8) Officers, Directors, and Control Persons

A. <u>Names of Officers, Directors, and Control Persons.</u>

Full name: *William J. Kieger, CEO and Director*

Business address: *855 Village Center Dr. Suite 315, St. Paul, MN 55127*

Employment history:

William Kieger, has been a Director since April 2003. He is our Chairman and Chief Executive Officer. He is the President and founder of the Aurora Capital Group, which consists of Aurora Capital Management, L.L.C. and Aurora Capital Holdings, L.L.C., which he started in 1996 and 1998, respectively. On January 28, 1997, Kieger became involved with Vital Health Technologies as part of a consulting agreement with Aurora Capital Management, L.L.C. He served as the Chairman and Chief Executive Officer of Vital Health Technologies from August 2000 to March of 2002. He remained as a consultant until the merger with Caribbean American Health Resorts in March 2003. Until 1996, he served 15 years with American Express Financial Advisors with the last position being a Division Vice President. His experience also includes being a member of the Minnesota Venture Capital Association and he holds a Bachelor degree in Business Management from the University of St. Thomas. He has completed the executive development program in Venture Management at the Kellogg School of Business, Northwestern University in Evanston Illinois.

Full name: *Laura C. Kieger, Director*

Business address: *701 Park Ave Minneapolis MN, 55415*

Employment history:

Laura Kieger, has been a Director since November, 2004. She is a Senior Human Resources Consultant with Hennepin County Medical Center (HCMC) where she has served since April 2008. Since December 2005, She has also served as a consultant to the University of Minnesota Veterinary Hospital. From December 2003 to June 2006, she was the Human Resources Manager for Regulatory and Clinical Research Institute (RCRI) where she has served since 2006. Her background also includes being an adjunct faculty member of the College of St. Scholastica where she has been teaching courses in organizational development since August 2003 to the present. From January 2001 to January 2004, she worked for a private consulting group (The MEL Group) providing business services on a contractual basis. Other positions include being the Director of Human Resources for Hudson Hospital from July 1998 to March 2001 and Marsh and McLennan, Inc. from June 1982 to January 1989. She has served as a member of the Anoka County Personnel

Board of Appeals and holds a Masters degree in Human Development from St. Mary's University, St. Paul Minnesota and a BA in Human Resources from the University of Minnesota.

Board memberships and other affiliations:

None of our directors currently serve on the boards of other companies or organizations.

Compensation by the issuer:

General Finance and Development, Inc. does not currently compensate directors who serve on the board of directors.

The consulting agreement in place with Aurora Capital Management, LLC for the services of William Kieger as CEO allows Aurora to receive up to $10,000 per month in consulting fees. During 2012, the Company paid $21,100 in consulting fees to Aurora. Quarterly bonuses are to be determined by performance measures approved by the board of directors. Since inception, there have not been any bonuses paid. Aurora Capital Management will continue to provide the services of William Kieger until amended or terminated by both parties.

Number and class of the issuer’s securities beneficially owned by each such person:

William and Laura Kieger currently hold 3,354,131 common shares.
The shares are owned as follows:

Aurora Capital Holdings, LLC	*1,850,000 common shares*
Aurora Capital Management, LLC	*1,204,131 common shares*
William Kieger	*300,000 common shares*

Aurora Capital Holdings, LLC and Aurora Capital Management, LLC are owned by the Kieger Family Trust. William and Laura Kieger are co-trustees of the trust.

Laura Kieger is considered a beneficial owner of the 300,000 shares owned by William Kieger.

B. <u>Legal/Disciplinary History.</u>

None of the officers or directors has been the subject of any legal or disciplinary action in the last five years.

C. Beneficial Shareholders

William and Laura Kieger currently hold 3,354,131 common shares

The shares are owned as follows:	
Aurora Capital Holdings, LLC	*1,850,000 common shares*
Aurora Capital Management, LLC	*1,004,131 common shares*
William Kieger	*300,000 common shares*

William and Laura Kieger
6844 W. Shadow Lake Dr.
Lino Lakes, MN 55014

9) Third Party Providers

1. Legal Counsel
   Richard Anslow
   Anslow and Jaclin, L.L.P.
   195 Route 9 South
   2nd Floor
   Manalapan, NJ 07726
   732 409 1212
   ranslow@anslowlaw.com

2. Accountant or Auditor
   Scott Callahan, Certified Public Accountant
   CASEY, MENDEN, FAUST & NELSON, P.A.
   CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
   7900 West 78th Street, Suite 450
   Edina, Minnesota 55439
   Phone: 952-345-1540
   scott@caseymenden.com

   Our accountant is a Licensed and Certified Public Accountant. Our accountant assisted in the preparation of the unaudited financial statements that are included as an attachment to this disclosure document.

3. Investor Relations Consultant
   Graham Financial Services, Inc.
   P.O. Box 1445
   Farmington, AR 72730
   Phone: 479-304-8333

4. Other Advisor
   None.

10) Issuer Certifications

I, William Kieger, certify that:

I have reviewed this Annual Disclosure Statement of General Finance and Development, Inc. for the period ending December 31, 2012.

Based on my knowledge, this disclosure statement 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 disclosure statement; and

Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: March 7, 2013

By: */s/ William Kieger*

William Kieger
Chief Executive Officer
Chief Financial Officer

Casey, Menden, Faust & Nelson, P.A.

7900 West 78th Street, Suite 450
Edina, Minnesota 55439-2586

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Tel (952) 946-7900

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MEMBERS

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American Institute of
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JOHN F. MENDEN, C.P.A.
DOUGLAS J. FAUST, C.P.A.
JOHN C. NELSON, C.P.A.
MICHAEL A. CASEY, JR., C.P.A.
SCOTT M. CALLAHAN, C.P.A.
DONALD G. LANGEWISCH, C.P.A.
PAULA M. MEIDL, C.P.A.
MICHAEL P. MENDEN, C.P.A.
JESSICA J. MAGRUM, C.P.A.
ELIZABETH A. NAUGHTON, C.P.A.
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BRADLEY D. BREEGGEMANN
BRENDA L. NAASZ
MICHAEL B. ANDERSON
LUANN M. MENDEN
KELLY S. CALLAHAN
KIMBERLY A. PETTIT

Accountant's Disclaimer of Opinion
On Unaudited Financial Statements

To the Stockholders
General Finance and Development, Inc.
Minneapolis, Minnesota

The accompanying consolidated balance sheets of General Finance and Development, Inc. as of December 31, 2012 and 2011 and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for the years then ended were not audited by us and, accordingly, we do not express an opinion on them.

The consolidating balance sheet and consolidating statement of operations are not a required part of the basic financial statements. Such information has not been audited by us and, accordingly, we do not express an opinion on it.

Casey, Menden, Faust & Nelson, P.A.

February 22, 2013

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	December 31, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash	$ 173,977	$ 57,132
Marketable equity securities	302,924	225,465
Accounts receivable, net	275,706	53,999
Inventory	116,605	113,412
Prepaid expenses	-	40,203
Total current assets	869,212	490,211
Property and equipment, at cost	155,803	146,782
Less accumulated depreciation	(89,139)	(61,003)
Property and equipment, net	66,664	85,779
Other assets:		
Goodwill and customer list	328,425	328,425
Total assets	$ 1,264,301	$ 904,415
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 89,156	$ 71,536
Customer deposits	-	-
Current maturities of long-term debt	10,133	9,418
Total current liabilities	99,289	80,954
Long-term debt, less current maturities	1,761	11,894
Shareholders' equity:		
Undesignated shares: no par value; 5,000,000 authorized; no shares issued and outstanding	-	-
Common stock: $.01 par value; 50,000,000 shares authorized; issued and outstanding 4,524,250 shares in 2012 and 2011	45,243	45,243
Additional paid-in capital	1,529,299	1,529,299
Accumulated deficit	(411,291)	(762,975)
Total shareholders' equity	1,163,251	811,567
Total liabilities and shareholders' equity	$ 1,264,301	$ 904,415

See Accountant's Disclaimer of Opinion on Unaudited Financial Statements

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Years Ended December 31, 2012	Years Ended December 31, 2011
Total revenues	$ 2,258,466	$ 1,760,579
Cost of goods sold	1,433,180	1,269,997
Gross profit	825,286	490,582
Expenses:		
General and administrative	551,827	535,063
Operating income (loss)	273,459	(44,481)
Other income (expense):		
Realized gain (loss) on investment marketable equity securities	209	31
Unrealized gain (loss) on investment marketable equity securities	78,315	66,622
Interest and dividend income	1	1
Total other income (expense)	78,525	66,654
Income (loss) before income taxes	351,984	22,173
Income tax expense	300	300
Net income (loss)	$ 351,684	$ 21,873
Basic earnings (loss) per common share	$ 0.08	$ 0.00
Diluted earnings (loss) per common share	$ 0.08	$ 0.00
Weighted average number of shares outstanding	4,524,250	4,524,250

See Accountant’s Disclaimer of Opinion on Unaudited Financial Statements

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)

	Years Ended	
	December 31, 2012	December 31, 2011
Net income (loss)	$ 351,684	$ 21,873
Other comprehensive income (loss)	-	-
Comprehensive income (loss)	$ 351,684	$ 21,873

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Shareholders' Equity
	Shares	Par Value			
Balance, January 1, 2011	4,524,250	$ 45,243	$ 1,529,299	$ (784,848)	$ 789,694
Net loss	-	-	-	21,873	21,873
Balance, December 31, 2011	4,524,250	45,243	1,529,299	(762,975)	811,567
Net income	-	-	-	351,684	351,684
Balance, December 31, 2012	4,524,250	$ 45,243	$ 1,529,299	$ (411,291)	$ 1,163,251

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Years Ended December 31, 2012	Years Ended December 31, 2011
Cash flows from operating activities:		
Net income (loss)	$ 351,684	$ 21,873
Adjustments to reconcile net income (loss) to net cash flows from operating activities:		
Depreciation expense	28,136	27,300
Realized loss on investment in marketable equity securities	(209)	(31)
Unrealized loss on investment in marketable equity securities	(78,315)	(66,622)
Accounts receivable	(221,707)	128,161
Inventory	(3,193)	(29,149)
Prepaid expenses	40,203	(40,203)
Accounts payable and accrued expenses	17,620	(77,119)
Customer deposits	-	-
Net cash flows from operating activities	134,219	(35,790)
Cash flows from investing activities:		
Purchases of property and equipment	(9,021)	-
Investment in marketable equity securities	-	-
Proceeds from sales of marketable equity securities	1,067	802
Net cash flows from investing activities	(7,954)	802
Cash flows from financing activities:		
Proceeds from note payable - related party	514,177	547,155
Repayment of note payable - related party	(514,177)	(547,155)
Principal payments on debt	(9,420)	(8,754)
Net cash flows from financing activities	(9,420)	(8,754)
Increase (decrease) in cash	116,845	(43,742)
Cash: Beginning of year	57,132	100,874
Cash: End of year	$ 173,977	$ 57,132

See Accountant’s Disclaimer of Opinion on Unaudited Financial Statements

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Years Ended December 31, 2012	Years Ended December 31, 2011
Supplemental Cash Flow Information:		
Cash paid for:		
Interest	$ 58,250	$ 63,863
Income taxes	$ 300	$ 300

GENERAL FINANCE AND DEVELOPMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1 – NATURE OF ORGANIZATION

<u>Business</u>

The Company was incorporated on April 1, 2003 under the laws of the State of Minnesota. The Company was formed as a spin-off from Vital Health Technologies, Inc. as a part of a merger agreement between Vital Health Technologies, Inc. and Caribbean American Health Resorts, Inc. Each shareholder of record of Vital Health Technologies, Inc. on March 12, 2003, received one share of General Finance and Development, Inc. common stock for each share of Vital Health Technologies, Inc. common stock they owned.

From the date of formation on April 1, 2003 the Company pursued licensing opportunities for the Variance Cardiography technology and design and subsequent completion of a research study involving the technology. In November 2004 the formal paperwork was executed for the purchase of the Variance Cardiography technology from Vital Health Technologies, Inc. that had been anticipated in the merger/spin-off agreement. Management of the Company feels Variance Cardiography could become an effective methodology of detecting coronary artery disease.

In April 2006 The Company formed a wholly owned subsidiary, HeartFit System, LLC (HeartFit) a Minnesota limited liability company. The Company is currently developing a business model for utilization of its Variance Cardiography technology using HeartFit.

In January 2007, the Company formed a wholly-owned subsidiary, GFD Investments, LLC, a Minnesota Limited Liability Company. The Company manages a speculative investment fund and also pursues merger/acquisitions, joint venture projects in industries such as health fitness, medical technologies, financial services, rental and consumer products, internal, e-commerce and real estate.

In September 2009, the Company formed a wholly-owned subsidiary, Corporate Art Force, LLC, a Minnesota Limited Liability Company. In September 2009, Corporate Art Force, LLC completed the purchase of the customer base, business concept and certain assets of Art Holdings Corporation. Corporate Art Force, LLC offers art sales and consulting services to all size business organizations.

The Company is fully dependent on Aurora Capital Management, a stockholder, for the maintenance of its corporate status and to provide all managerial support for the Company. A principal of Aurora Capital Management acts as the Company's chairman and chief executive officer.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Corporate Art Force, LLC, HeartFit System, LLC and GFD Investments, LLC. All intercompany transactions and balances were eliminated in consolidation.

Cash Equivalents

For purposes of reporting cash flows, cash equivalents include investment instruments purchased with maturity of three months or less. There were no cash equivalents in 2012 or 2011.

Revenue Recognition

Revenue is recognized at the point of shipment or performance of service. Revenues are presented on a "gross basis". Accordingly, sales, use and value added taxes are included in revenues in the accompanying financial statements.

Amounts received from customers in advance of revenue recognition would be deferred and presented as liabilities in the accompanying financial statements.

Comprehensive Income

FASB ASC 220-10-20: Comprehensive Income establishes standards for the reporting and disclosure of comprehensive income and its components which will be presented in association with a company's financial statements. Comprehensive income is defined as the change in a business enterprise's equity during a period arising from transactions, events or circumstances relating to non-owner sources, such foreign currency translation adjustments and unrealized gains or losses on available-for-sale securities. It includes all changes in equity during a period except those resulting from investments by or distributions to owners. A reconciliation of net income and comprehensive income is provided in the accompanying financial statements.

Earnings (Loss) Per Common Share

Basic earnings (loss) per common share is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted earnings (loss) per common share, in addition to the weighted average determined for basic earnings per shares would include potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stock-Based Consideration

The Company will apply the fair value-based method of accounting for employee and non-employee stock-based consideration and/or compensation in accordance with ASC 718: Compensation (based on quoted market prices at the date of grant and/or as earned).

Financial Instruments

In accordance with FASB ASC 820: Fair Value Measurements financial instruments consist of the following:

Short-Term Assets and Liabilities:

The fair value of cash and cash equivalents, accounts payable and accrued expenses, and short-term borrowings approximate their carrying values due to the short- term nature of these financial instruments.

Long-Term Debt*:*

The fair value of long-term debt approximates their carrying value because the terms are equivalent to borrowing rates currently available to the company for debt with similar terms and maturities.

Concentrations, Risks and Uncertainties

Use of Estimates:

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations, Risks and Uncertainties (Continued)

Cash Concentrations:

The Company maintains its bank balances at one financial institution and at one brokerage company. Bank balances might periodically exceed federally insured levels. The balance at the brokerage company is not federally insured, but is protected by the Securities Protection Corporation (SIPC) up to a $100,000 limit on cash held in the account. Cash balances maintained by the Company might periodically exceeded SIPC insured limits of $100,000 at the brokerage company.

Marketable Equity Securities:

At December 31, 2012 and 2011, one hundred percent of the Company’s investments in marketable equity securities consists of shares of the company’s own common stock. Shares of the Company’s common stock are traded on the OTC Bulletin Board.

Accounts Receivable:

Credit terms are extended to customers in the normal course of business. The Company performs ongoing credit evaluations of its customers’ financial condition and, generally, requires no collateral. Customer deposits are required on certain specialty orders. These deposits would be reflected as a liability in the accompanying financial statements.

Management believes all accounts receivable are collectible and has not recorded an allowance for doubtful accounts. While the ultimate loss may differ, management believes that any additional loss will not have a material impact on the Company’s financial position. Due to uncertainties in the collection process, however, it is at least reasonably possible that management’s estimate of the outcome will change during the next year. That amount cannot be estimated.

Lender Concentration:

The Company is dependent on Aurora Capital Management, a related party, for all of its financing to date (See Note 6).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations, Risks and Uncertainties (Continued)

Major Customers:

Approximately 80% of the Company's sales are generated by approximately 50 clients of Corporate Art Force, LLC. Out of those 50 clients, 2 clients generated approximately 40% of these sales. If the Company were to lose either of these clients it would have a major negative effect on the Company.

Shipping and Handling Fees and Cost

GAAP requires shipping and handling fees billed to customers to be classified as revenue and shipping and handling costs to be classified as cost of sales as disclosed in the notes to the financial statements. The Company included shipping and handling fees billed to customers in net sales. Shipping and handling costs associated with inbound freight and outbound freight are included in cost of sales.

Income Taxes

The Company has implemented FASB ASC 740: Income Taxes. Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. See Note 5.

The Company has evaluated for uncertain tax positions and feels there are none. Federal and state taxing authorities generally have the right to examine returns for three years from the date of filing. Any interest or penalties as a result of the Project would be included in operating expenses in the accompanying financial statements. No interest or penalties are reflected in the 2012 or 2011 financial statements.

Goodwill

The Company has adopted FASB ASC 350 - Goodwill and Other Intangibles. Goodwill and intangible assets with indefinite useful lives are not presumed to be wasting assets. These assets are not amortized and are instead tested at least annually for impairment. Intangible assets that have finite useful lives continue to be amortized over those lives.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

The Company tested goodwill for impairment using a present value technique. Impairment arises if the carrying value of the goodwill exceeds its implied fair value. At December 31, 2012 and 2011, the Company determined that no impairment had occurred.

Long-Lived Assets

In accordance with FASB ASC 360-10, Accounting For The Impairment Of Long-Lived Assets And For Long-Lived Assets To Be Disposed Of, the Company reviews its long-lived assets and intangibles related to those assets periodically to determine potential impairment by comparing the carrying value of the long-lived assets outstanding with estimated future cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future cash flows be less than the carrying value, the Company would recognize an impairment loss. An impairment loss would be measured by comparing the amount by which the carrying value exceeds the fair value of the long-lived assets and intangibles. Management determined that no impairment of long-lived assets existed in 2012 or 2011.

NOTE 3 - GOING CONCERN/DEVELOPMENT STAGE

From formation on April 1, 2003 through June 30, 2010, the Company was deemed to be in the development stage. During the development stage the Company's efforts were primarily limited to maintenance of its corporate status. In the third quarter 2010 the Company deemed that it had left the development stage as a result of the level of revenues generated from operation of the Company’s wholly-owned subsidiary, Corporate Art Force, LLC.

At this time it is not known if the Company has sufficient capital resources to maintain itself until the Company can achieve sustainable profitable operations. Accordingly, the Company may need to raise either debt or equity financing. If the Company is unsuccessful it might not be able to continue as a going concern. Even if the Company successfully raises debt or equity financing it will still need to become profitable to continue as a going concern. Management is working to increase revenues and control costs, but there can be no guarantee these efforts will be successful. No estimate can be made of the range of loss that is reasonably possible should the Company be unsuccessful.

The Company is fully dependent on Aurora Capital Management, a stockholder, for the maintenance of its corporate status and to provide all managerial support for the Company. A principal of Aurora Capital Management acts as the Company's chairman and chief executive officer.

(Continued)

NOTE 4 – MARKETABLE EQUITY SECURITIES

The Company has adopted FASB ASC 820: Fair Value Measurements and FASB ASC 820: The Fair Value Option for Financial Assets and Financial Liabilities. Accordingly, investments are recorded at their fair value and unrealized gains or losses are recognized as income in the accompanying financial statements. Fair value is determined from the brokerage statement, a level one input.

	2012	2011
Cost basis	$ 217,580	$ 218,508
Unrealized gain (loss)	85,344	6,957
Fair value	$ 302,924	$ 225,465

NOTE 5 – LONG-TERM DEBT

Long-term debt consisted of:

	2012	2011
Note payable - vehicle due in monthly installments of $889 including interest at 7.34% secured by vehicle	$ 11,894	$ 21,312
Less current maturities	10,133	$ 9,418
Long-term debt	$ 1,761	$ 11,894

Future maturities of long-term debt are as follows:

2013	$ 10,133
2014	1,761
	$ 11,894

NOTE 6 - RELATED PARTY TRANSACTIONS

Management and administrative support:

The Company paid Aurora Capital Management, a related party, for managerial services and administrative support. Payments for these services totaled $21,100 in 2012 and 35,000 in 2011.

Note Payable – Related Party:

In September 2010 the Company entered into a factoring arrangement with Aurora Capital Management. In 2012 the Company factored an aggregate of $570,588 in accounts receivable to Aurora Capital Management for $514,177 in advances. The financing costs for this factoring totaled $56,411 in 2012 and is included in interest in the accompanying financial statements. In 2011 the Company factored an aggregate of $607,960 in accounts receivable to Aurora Capital Management for $547,155 in advances. The financing costs for this factoring totaled $60,805 in 2011 and is included in interest in the accompanying financial statements.

Finance Agreement:

In April 2012 the Company entered into a finance agreement with Aurora Capital Management, LLC and posted a disclosure on the OTC Markets website. The agreement with Aurora Capital Management, LLC provides for the contribution of up to 750,000 common shares of the Company's common stock currently owned by Aurora Capital Management, LLC to GFD Investments, LLC. These shares will be strategically converted to cash to finance venture projects in alignment with the business objectives of GFD Investments, LLC.

(Continued)

NOTE 7 - INCOME TAXES

Income taxes consisted of the following:

	2012	2011
Current:		
Federal	$ -	$ -
State	-	-
State minimum fee	300	300
	300	300
Deferred:		
Federal	-	-
State	-	-
	-	-
Income tax expense	$ 300	$ 300

Reconciliation between the expected federal income tax rate and the actual tax rates is as follows:

	2012		2011	
	Dollars	Percent	Dollars	Percent
Expected federal tax expense (benefit)	$ 119,700	34.0%	$ 7,400	34.0%
Surtax exemption	-	0.0%	(4,100)	-19.0%
State income tax, net of federal tax benefit	22,800	6.4%	2,000	9.1%
Valuation (utilization) of deferred tax asset	(142,500)	-40.4%	(5,300)	-24.1%
State minimum fee	300	0.1%	300	0.1%
Income tax expense (benefit)	$ 300	0.1%	$ 300	0.1%

(Continued)

NOTE 7 - INCOME TAXES (Continued)

The tax effects of net operating loss carry forwards gives rise to a significant deferred tax asset. ASC 740: Income Taxes requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax asset will not be realized.

	2012	2011
Gross deferred tax asset relating to:		
Capital loss carryforwards	$ 56,300	$ 56,400
Net operating loss carryforwards	41,700	221,400
Gross deferred tax liability:		
Unrealized gains on investments	(37,400)	(3,000)
Tax depreciation	(8,000)	(9,200)
Tax amortization	(32,000)	(22,400)
Unrealized gain on investments	-	-
Net deferred tax assets	20,600	243,200
Valuation allowance	(20,600)	(243,200)
Net deferred tax assets	-	-
Deferred tax liability	-	-
Net deferred tax asset (liability)	$ -	$ -

At December 31, 2012, the Company has net operating loss carry forwards available to offset future taxable income as follows:

Year	Federal	Minnesota
2027	$ 79,100	$ 71,900

NOTE 8 - LEASE

The Company leases its showroom, office and production space under an operating lease entered into in April 2010. Rent expense was $151,330 in 2012 and $138,758 in 2011.

Future minimum lease payments are as follows:

2013	$ 135,012
2014	135,012
2015	45,004
	$ 315,028

NOTE 9 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 22, 2013, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATING BALANCE SHEETS (UNAUDITED)
DECEMBER 31, 2012

ASSETS	General Finance and Development, Inc.	HeartFit System, LLC	GFD Investments, LLC	Corporate Art Force LLC	Eliminations	Consolidated
Current assets:						
Cash	$ 11,456	$ 261	$ 76,557	$ 85,703	$ -	$ 173,977
Marketable equity securities	-	-	302,924	-	-	302,924
Accounts receivable, net	-	-	-	275,706	-	275,706
Intercompany receivable (payable)	-	-	-	-	-	-
Inventory	-	-	-	116,605	-	116,605
Prepaid expenses	-	-	-	-	-	-
Total current assets	11,456	261	379,481	478,014	-	869,212
Property and equipment, at cost	-	-	-	155,803	-	155,803
Less accumulated depreciation	-	-	-	(89,139)	-	(89,139)
Property and equipment, net	-	-	-	66,664	-	66,664
Other assets:						
Goodwill and customer list	-	-	-	328,425	-	328,425
Investments in subsidiaries	1,151,795	-	-	-	(1,151,795)	-
	1,151,795	-	-	328,425	(1,151,795)	328,425
Total assets	$ 1,163,251	$ 261	$ 379,481	$ 873,103	$ (1,151,795)	$ 1,264,301

(Continue)

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATING BALANCE SHEETS (UNAUDITED)
DECEMBER 31, 2012

CURRENT LIABILITIES AND SHAREHOLDERS' EQUITY	General Finance and Development, Inc.	HeartFit System, LLC	GFD Investments, LLC	Corporate Art Force LLC	Eliminations	Consolidated
Current liabilities:						
Accounts payable and accrued expenses	$ -	$ -	$ -	$ 89,156	$ -	$ 89,156
Customer deposits	-	-	-	-	-	-
Current maturities of long-term debt	-	-	-	10,133	-	10,133
Total current liabilities	-	-	-	99,289	-	99,289
Long-term debt	-	-	-	1,761	-	1,761
Shareholders' equity:						
Undesignated shares: no par value; 5,000,000 authorized; no shares issued and outstanding	-	-	-	-	-	-
Common stock: $.01 par value; 50,000,000 shares authorized; 4,766,250 shares issued and outstanding	45,243	-	-	-	-	45,243
Additional paid-in capital	1,529,299	-	373,498	526,000	(899,498)	1,529,299
Deficit accumulated during the development stage	(411,291)	261	5,983	246,053	(252,297)	(411,291)
Total shareholders' equity (deficit)	1,163,251	261	379,481	772,053	(1,151,795)	1,163,251
Total liabilities and shareholders' equity (deficit)	$ 1,163,251	$ 261	$ 379,481	$ 873,103	$ (1,151,795)	$ 1,264,301

See Independent Accountant’s Disclaimer of Opinion on Unaudited Financial Statements

GENERAL FINANCE AND DEVELOPMENT, INC.

CONSOLIDATING STATEMENTS OF OPERATIONS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2012

	General Finance and Development, Inc.	HeartFit System, LLC	GFD Investments, LLC	Corporate Art Force LLC	Eliminations	Consolidated
Total revenues	$ 46,000	$ -	$ -	$ 2,258,466	$ (46,000)	$ 2,258,466
Cost of goods sold	-	-	-	1,433,180	-	1,433,180
Gross profit	46,000	-	-	825,286	(46,000)	825,286
Expenses:						
General and administrative	34,800	-	141	562,886	(46,000)	551,827
Operating income (loss)	11,200	-	(141)	262,400	-	273,459
Other income (loss):						
Earnings (loss) on subsidiaries	340,784	-	-	-	(340,784)	-
Realized loss on investment marketable equity securities	-	-	209	-	-	209
Unrealized loss on investment marketable equity securities	-	-	78,315	-	-	78,315
Interest and dividend income	-	-	1	-	-	1
Total other income (expense)	340,784	-	78,525	-	(340,784)	78,525
Income (loss) before income taxes	351,984	-	78,384	262,400	(340,784)	351,984
Income tax expense	300	-	-	-	-	300
Net income (loss)	$ 351,684	$ -	$ 78,384	$ 262,400	$ (340,784)	$ 351,684

See Independent Accountant's Disclaimer of Opinion on Unaudited Financial Statements