

GFD_{Inc.}

general finance and development

“Investing in the Entrepreneurial Spirit”

Annual
Report

2017

OTC Pink Basic Disclosure Guidelines

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.
1400 Van Buren St. NE. Suite 175
Minneapolis, MN 55413
Phone: 763-567-2208
Fax: 763-567-2201

Websites maintained by the issuer:

www.genfd.com
www.heartfitsystem.com
www.lifefitthehealth.com
www.artforce.org
www.smartartprogram.com
www.artforce.academy
www.highimpactsports.org

Investor Relations Contact: None

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: December 31, 2017

Total shares outstanding: 4,433,108 as of: December 31, 2017

Number of Shareholders: 59 as of: December 31, 2017

Share float: 139,064 as of: December 31, 2017

The Company's audited financial statements indicate outstanding shares of common stock of 4,259,366 at December 31, 2017. The security information presented in this Annual Report indicates outstanding shares of common stock of 4,433,108 at December 31, 2017. The difference is 173,742 shares of the Company's common stock owned by GFD Investments, LLC at December 31, 2017. The shares owned by GFD Investments, LLC have been eliminated in consolidation in the audited financial statements.

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:
992,453 restricted shares

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

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within 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.

On April 14, 2016 The Board of Directors executed a resolution to purchase shares of General Finance and Development, Inc. from shareholders who held fewer than 100 shares. On August 23rd, 2016 the company announced the continuation of the repurchase program beyond those shareholders who held 100 or fewer shares. The company ended the repurchase program the 1st quarter of 2017. In total the company purchased 91,142 shares.

5) Financial Statements

Attached

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

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

The Company is a holding company and operates through its subsidiaries. The following companies are all wholly owned subsidiaries of General Finance and Development, Inc.

High Impact Sports, LLC formerly HeartFit System, LLC



High Impact Sports was originally formed in 2006 as HeartFit System. The business name was changed on February 26, 2018 with an expanded business purpose of bringing sports clubs and other sports related businesses into the organization that benefit from centralized functions, buying power and economies of scale. The business model is in the early formation stage.

Under High Impact Sports, LifeFit Health continues to be designed as a combination fitness and healthcare business with the assistance of professionals who are committed to the purpose of LifeFit Health. The purpose of LifeFit Health is to provide value to patients and the healthcare system by leveraging personal fitness and health monitoring technology to promote wellness and create timely awareness for early intervention, thereby reducing hospital admissions and overall costs in the healthcare system, and meeting quality benchmarks to avoid payment schedule penalty adjustment. The main contribution to the strategic initiative is currently being provided by Alexander Kieger, MD who is an Interventional Radiology Fellow at Northwestern Memorial Hospital in Chicago.

The design and implementation phase for High Impact Sports and LifeFit Health will continue into 2018. To fully execute on the business plan additional capital will be required.

GFD Investments, LLC ("GFD Investments")

The purpose of GFD Investments 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. It may also finance social entrepreneurial projects and provide financing to other subsidiary companies of General Finance and Development, Inc.

The Manager is Zoe Bailey who was appointed to the position in July 2017.

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 credit line.

GFD Investments provides art lease financing for clients of Corporate Art Force and holds shares of General Finance and Development as an 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. Due to accounting rules the total of 173,742 shares is not included in the accompanying financial statements.



ART FORCE

Corporate Art Force provides turnkey art procurement services to corporate clients nationwide. We rebranded in 2014 and are doing business as "Art Force". William Kieger who has filled the role of President transitioned out of the role during the 3rd quarter of 2017 and Zoe Bailey has been appointed as the Director of Operations and General Manager.

William Kieger and Leslie Palmer-Ross are officers of the company with Leslie serving as Director of Art and Healthcare Services. 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. Since inception in September 2009 through year end 2017, there have been a total of 36,549 art pieces distributed through Corporate Art Force in 40 states.

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 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. Even so, the market for our services has changed and we are developing new products and services to pursue the market.

During 2014 we further developed our SmartArt Program that includes comprehensive art management, a subscription - rotating art program and lease financing. In 2015 we updated our website offerings www.artforce.org and www.smartartprogram.com and developed a database for art images and project room tools.

We announced plans in 2014 to develop a learning institution that will attract, educate and support professionals that distribute Art Force's products and services. During 2016 we launched an online version of Art Force Academy that includes enrollment for artist entrepreneurs, art consultant certification and art enthusiasts. We have also expanded our real estate space to include a Venture Lab for the implementation of Art Force Academy initiatives and creative venture presentations.

During 2017 we formalized an initiative that combines art and creative city development in the Minneapolis / St. Paul area.



Art Force MSP is our commitment to give back to the local community. We strive to embed ourselves in the “Creative City” of MSP by focusing on three areas:

1. Building our community through outreach and charitable contributions.
2. Supporting creative professionals through patronage and entrepreneurial education.
3. Empowering health challenged artists.

Our offerings, including creative project management, comprehensive art management and subscription finance program, all help us support the creative professionals that provide us with art and enable us to provide charitable contributions and events.

Some of the causes we have supported include:

- At-risk youth outreach with Bolder Options
- Support for people experiencing homelessness with Simpson Housing
- Holiday toy donations with Toys for Tots
- Artists with autism through the Fraser organization
- Individuals experiencing mental illness in our community with People Incorporated
- Art lessons for critically ill children and their families with Breanna's Gift

The Wings Suite by Art Force is a curated collection of artwork from artists experiencing health challenges. The artwork is often placed in healing spaces and proceeds directly benefit the artists.

Our long term vision is to continue to perfect, gain awareness and expand the program to other cities in the United States.

We have added staff in sales and marketing and contracted programmers for ongoing database development. The expansion and development costs have been paid from sales revenue, General Finance and Development and related party financing. In order finance further development additional funding will be required.

The National Market

Approximately \$12.9 billion spent in US on office furniture (2015).

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: BIFMA, IKEA internal data, Indeed.com, zoombusinessinfo

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 14 full time employees of 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.

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 and fitness. We developed a corporate wellness program that is being piloted with our corporate art consulting and distribution subsidiary.

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 that is doing business as "Art Force". The website address is www.artforce.org that provides more information.

In July of 2013 we announced that we were in the early planning stages for the development of a Creative Business Center to be located in Minneapolis, Minnesota. In November we executed an option on our existing space in Northeast Minneapolis for a 3 year lease extension and a first right of refusal on approximately 5,133 square ft. that is intended to be utilized for creative ventures that complimentary to GFD's business model.

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 entered into a Letter of Intent with B & B Image Group on May 1, 2017 for B & B Image Group to become a wholly owned subsidiary of General Finance and Development, Inc. The agreement expired during the 3rd quarter of 2017 and an announcement was posted at OTC Markets and the GFD website. A Premier Partner Agreement remains in force between the companies.

We entered into a letter of Intent with Bluewater Direct, Inc. on May 19, 2017 for Bluewater Direct to become a wholly owned subsidiary of General Finance and Development, Inc. The agreement expired during the 3rd quarter of 2017 and an announcement was posted at OTC Markets and the GFD website.

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 other current, past, pending or threatened legal proceedings or administrative actions either by or against us that could have a material effect on 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.

General Finance and Development, Inc. is listed on the OTC Markets Pink Sheet tier under the ticker symbol GFDV. The shares have been thinly traded and many brokerage firms will not accept certificate shares of OTC listed companies for deposit. Recently we have learned that 1 firm has determined to reject shares that have been deposited previously. In the event that shareholders not being able to deposit shares of GFDV into brokerage accounts, the float, trading volume and liquidity of owning GFDV shares would be limited. General Finance and Development intends to up-list to the OTCQB tier as the company carries out its future plans. There is however no assurance this will happen or it will resolve the issue.

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, doing business as Art Force, 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 have been developing a business model and offering for further expansion. We maintain a website www.artforce.org 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.

Art Force 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. We have added marketing and communications staff and contracted programmers to build an online data-base that will integrate with our website offering.

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

We announced the addition of two art programs being marketed by Corporate Art Force dba Art Force. Wings is an artwork collection created by artists with health challenges and Still Life is an artwork collection created by artists living with illness.

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

We are moving into a new stage of development for our primary operating business "Art Force". We are not familiar with any other direct competitor that has developed a web-based combination professional learning institution and product distribution business model with a focus on institutional art markets.

The companies listed in the table below have established business models that all distribute artwork products nationally on a large scale. All the companies with the exception of GFD/Art Force are privately owned and consequently we do not have access to their financial information.

Management's Analysis of Competition

	Location	Online Showcase	National Distribution	Learning Institution	Production Facility	Public/Private
GFD/Art Force	Minneapolis Minnesota	Yes	In Development	Yes	Yes	Public
Great American Art	Boston Massachusetts	Yes	Yes	No	Yes	Private
Bentley Global Arts Group, LLC	Austin Texas	Yes	Yes	No	Yes	Private
Art.com, Inc.	Emeryville California	Yes	Yes	No	Yes	Private

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

Our primary operating business (Art Force) has a wide variety of suppliers who provide materials. Larson-Juhl, Archetype, Superior Moulding and Crowne Plastics are examples of some of the suppliers.

5. Dependence on one or a few major customers.

The vast majority (approximately 72%) of the revenue generated by the clients of Art Force comes from 4 companies. One of the clients represented approximately 44% of our revenue in 2017 and the loss of that client would likely have a negative effect on our business.

6. Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration: None
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 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 Art Force to be in alignment with our stated mission and objectives. Beginning June 1 2015 we entered into a lease extension for 14,974 square ft. of showroom, office and production space. The base rent is \$14,063 per month. The lease will expire March 31, 2018 at which time we have an option to review for an additional 3 years. The landlord has been notified that we intend to renew the lease for 3 years but the terms have not been finalized.

8) Officers, Directors, and Control Persons

A. Names of Officers, Directors, and Control Persons.

Full name: *William J. Kieger, Chief Executive Officer, Chief Financial Officer and Director*

William Kieger, has been a Director since April 2003. He is our Chairman, Chief Executive Officer and Chief Financial 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*

Laura Kieger, has been a Director since November, 2004. She is the Sole Owner and Managing Partner of HR Free Agent. LLC where she has been in a full time role since February 2015 after retiring as a Senior Human Resources Consultant with Hennepin County Medical Center (HCMC) where she has served since April 2008. She also serves as a consultant to the University of Minnesota Veterinary Hospital since June of 2006. From December 2003 to June 2006, she was the Human Resources Manager for Regulatory and Clinical Research Institute (RCRI). Her background also includes being an adjunct faculty member of the College of St. Scholastica where she taught courses in organizational

development from 2003 to 2006. 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.

Full name: Mark P. Borman, Director

Mr. Borman has served as a member of the Company's Board of Directors since December 2017. He is a seasoned financial officer with more than 30 years of broad-based financial and investor relations experience. Mr. Borman brings small-company entrepreneurial passion and larger-company disciplines. In addition to the valuable experience he gained working with entrepreneurs and their startups from 2009 to present, Mr. Borman has experience with global, NASDAQ- and NYSE-listed companies in various executive and financial roles. He is currently a board member with public and private technology companies and serves on advisory and non-profit boards. During his career, Mr. Borman has held positions with ADC Telecommunications, General Instrument Corporation, First Chicago Corporation, FMC Corporation, Price Waterhouse, and KPMG. Mr. Borman received his B.A. in Accounting from Michigan State University and his M.B.A. in Finance from the University of Chicago Booth School of Business. He is an Audit Committee Financial Expert under SEC rules, a Certified Public Accountant and Chartered Financial Analyst. Mr. Borman is a Board Leadership Fellow and member of the National Association of Corporate Directors.

Full name: Robert Crumpton Jr., Director

Mr. Crumpton has served as a member of the Company's Board of Directors since December 2017.

He is currently the President of the Minnesota Irish Fast Pitch Softball Club. Founded in 1998, today the Minnesota Irish is the oldest and most decorated Fastpitch Softball Club in the history of Minnesota and upper Midwest, and one of the most accomplished Fastpitch Softball Clubs in the nation.

His prior experience includes being the Director of Enterprise Sales and Business Development for Art Force where he served from 2010 – 2015. Co-founder and Partner, Xteam Equity Partners, LLC from Feb 2003 – Nov 2010. VP of Sales, Gearworks, Inc. Oct 2001 – Jan 2003 VP Sales, TriSense Software. 1999 – Sep 2001. New Business Development Manager - Global Business Communication Systems Lucent Technologies - AT&T Oct 1991 – Sep 1996. First Bank National Association / US Bancorp Senior Consumer Banker 1987 – Sep 1991 Dain Bosworth, Inc. / RBC Dain Rauscher Inc. Internal Auditor Sep 1985 – May 1987

He holds a BA – Economics from the University of Minnesota.

He played football for the University of Minnesota, Golden Gopher Football Team - Defensive Back and is currently the head girls' softball coach – St. Louis Park High School.

William Kieger and Laura Kieger are husband and wife.

Mark Borman serves currently on the Board of Directors of US Stem Cell, Inc., Hunhu Healthcare, Inc. and Minnesota Off-Road Cyclists and on the Advisory Board of Cleantech Open Midwest. He served previously on the Board of Directors of the MacPhail Center for Music.

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

William Kieger, Mark Borman and Robert Crumpton serve on the company's audit committee.

Compensation:

General Finance and Development, Inc. compensates outside board members with stock warrants. No warrants have been awarded as of year-end 2017.

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 2017, the Company paid no 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.

B. Legal/Disciplinary History.

None of the executive officers, or directors, general partners or control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities) have, has been the subject of any legal or disciplinary action in the last five years, been the subject of:

- 1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);*
- 2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;*
- 3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or*
- 5. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.*

C. Beneficial Shareholders

The following table sets forth certain information regarding our shares of common stock beneficially owned as of December 31, 2017 for (i) each stockholder known to be the beneficial

owner of 10% or more of our outstanding shares of common stock, (ii) each named executive officer and director, and (iii) all executive officers and directors as a group.

William and Laura Kieger currently hold 3,905,322 common shares

Name of Beneficial Owner and Address	Amount and Nature of Beneficial Ownership	Percent (1)
William J. Kieger (2)	3,905,322 (3)	88%
Laura C. Kieger (2)	3,905,322 (4)	88%
Robert Crumpton (5)	46,000 (5)	1%
All directors and officers as a group (3 people)	3,951,322	89%

- (1) Based on 4,443,108 shares of common stock outstanding as of December 31, 2017.
- (2) Address: 6844 W. Shadow Lake Dr., Lino Lakes, MN 55014.
- (3) Including 300,000 shares owned by William J. Kieger directly and 3,605,322 shares owned through Aurora Capital Management, LLC. Aurora Capital Management, LLC is owned by the Kieger Family Trust. William and Laura Kieger are co-trustees of the trust.
- (4) Laura Kieger is a beneficial owner and does not directly own shares. Aurora Capital Management, LLC is owned by the Kieger Family Trust. William and Laura Kieger are co-trustees of the trust.
- (5) Robert Crumpton is a director and owns 46,000 shares of common stock that was acquired in 2009 and represents 1% of the total shares outstanding. Address: 8849 205th Street West, Lakeville , MN 55044.

9) Third Party Providers

1. Legal Counsel

Jeffrey C. Robbins,
Messerli & Kramer, PA
1400 Fifth Street Towers
100 South Fifth Street
Minneapolis, MN55402
Phone: 612-672-3600
Email: jrobbins@messerlikramer.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

Our accountant is a Licensed and Certified Public Accountant. Our accountant assisted in the preparation of the audited financial statements for the years ended December 31, 2016 and 2017 that is included as an attachment to this disclosure document.

3. PCAOB Audit Firm
Brett Olsen, CPA | Principal
Olsen Thielen & Co., Ltd.
2675 Long Lake Road
Roseville, MN 55113
Phone: 651-483-4521
4. Investor Relations Consultant: None
5. Other Advisor: None

10) Issuer Certifications

I, William Kieger, certify that:

1. I have reviewed this Annual Disclosure Statement of General Finance and Development, Inc. for the year end December 31, 2017.
2. 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
3. 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 30, 2018

By: /s/ William Kieger

William Kieger
Chief Executive Officer
Chief Financial Officer

**GENERAL FINANCE AND
DEVELOPMENT, INC. AND SUBSIDIAIRES**

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

**GENERAL FINANCE AND
DEVELOPMENT, INC. AND SUBSIDIAIRES**

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and stockholders of
General Finance and Development, Inc. and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of General Finance and Development, Inc. and subsidiaries (the Company) as of December 31, 2017 and 2016 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the two-year period ended December 31, 2017, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter – Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company is fully dependent on a related party and may not have sufficient capital resources to maintain itself until it can achieve sustainable profitable operations. These factors raise substantial doubt about its (the Company's) ability to continue as a going concern. Management's plans in regard to these matters are described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Olsen Thielens & Co., Ltd.

Roseville, Minnesota
March 29, 2018

We have served as the Company's auditor since 2016.

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 28,543	\$ 36,242
Accounts receivable	72,384	69,786
Inventory	143,511	80,489
Prepaid expenses	45,887	27,558
Total current assets	<u>290,325</u>	<u>214,075</u>
Property and equipment, at cost	301,990	301,990
Less accumulated depreciation	<u>(219,251)</u>	<u>(191,136)</u>
Property and equipment, net	<u>82,739</u>	<u>110,854</u>
Other assets:		
Goodwill	<u>328,425</u>	<u>328,425</u>
Total assets	<u><u>\$ 701,489</u></u>	<u><u>\$ 653,354</u></u>

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

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 106,995	\$ 135,512
Accrued expenses	20,248	24,780
Customer deposits	50,659	14,950
Factored sales orders - related party	134,028	49,704
Notes payable - related party	61,525	-
Current portion of capital lease obligation	36,131	37,486
Total current liabilities	<u>409,586</u>	<u>262,432</u>
Capital lease obligation, less current portion	<u>-</u>	<u>6,639</u>
Commitments and contingencies	-	-
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 4,259,366 in 2017 and 4,259,966 in 2016	42,594	42,600
Additional paid-in capital	1,444,706	1,445,300
Accumulated deficit	(1,195,397)	(1,103,617)
Total shareholders' equity	<u>291,903</u>	<u>384,283</u>
Total liabilities and shareholders' equity	<u>\$ 701,489</u>	<u>\$ 653,354</u>

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

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	For the Years Ended	
	December 31, 2017	December 31, 2016
Total revenues	\$ 1,500,316	\$ 2,046,825
Cost of goods sold	<u>904,004</u>	<u>1,458,137</u>
Gross profit	<u>596,312</u>	<u>588,688</u>
Expenses:		
General and administrative	<u>651,726</u>	<u>712,393</u>
Operating loss	<u>(55,414)</u>	<u>(123,705)</u>
Other income (expense):		
Interest expense	(36,005)	(116,238)
Interest and dividend income	<u>265</u>	<u>-</u>
Total other income (expense)	<u>(35,740)</u>	<u>(116,238)</u>
Loss before income taxes	(91,154)	(239,943)
Income tax expense	<u>626</u>	<u>631</u>
Net loss	<u>\$ (91,780)</u>	<u>\$ (240,574)</u>
Basic loss per common share	<u>\$ (0.02)</u>	<u>\$ (0.06)</u>
Weighted average number of shares outstanding	<u>4,259,549</u>	<u>4,319,721</u>

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

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

YEARS ENDED DECEMBER 31, 2017 AND 2016

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Shareholders' Equity
	Shares	Par Value			
Balance, January 1, 2016	4,351,108	\$ 43,511	\$ 1,444,460	\$ (863,043)	\$ 624,928
Stock redemptions, retirements	(91,142)	(911)	840	-	(71)
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(240,574)</u>	<u>(240,574)</u>
Balance, December 31, 2016	4,259,966	42,600	1,445,300	(1,103,617)	384,283
Stock redemptions, retirements	(600)	(6)	(594)	-	(600)
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(91,780)</u>	<u>(91,780)</u>
Balance, December 31, 2017	<u>4,259,366</u>	<u>\$ 42,594</u>	<u>\$ 1,444,706</u>	<u>\$ (1,195,397)</u>	<u>\$ 291,903</u>

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

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	For the Years Ended	
	December 31, 2017	December 31, 2016
Cash flows from operating activities:		
Net loss	\$ (91,780)	\$ (240,574)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Depreciation expense	28,115	33,297
Accounts receivable	(2,598)	297,007
Inventory	(63,022)	3,685
Prepaid expenses	(18,329)	(27,558)
Accounts payable	(28,517)	(62,454)
Accrued expenses	(4,532)	(2,144)
Customer deposits	35,709	(16,051)
Due to related party	-	(12,932)
Net cash flows from operating activities	<u>(144,954)</u>	<u>(27,724)</u>
Cash flows from investing activities:		
Purchases of property and equipment	-	(17,713)
Net cash flows from investing activities	<u>-</u>	<u>(17,713)</u>
Cash flows from financing activities:		
Stock redemptions	(600)	(71)
Proceeds factored sales orders - related party	204,265	270,185
Repayment factored sales orders - related party	(119,941)	(254,859)
Proceeds note payable - related party	715,398	-
Repayments note payable - related party	(653,873)	-
Principal portion of capital lease payments	(7,994)	(5,875)
Net cash flows from financing activities	<u>137,255</u>	<u>9,380</u>
Decrease in cash	(7,699)	(36,057)
Cash: Beginning of period	36,242	72,299
Cash: End of period	<u>\$ 28,543</u>	<u>\$ 36,242</u>

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

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

For the Years Ended	
December 31,	December 31,
2017	2016

Supplemental Cash Flow Information:

Summary if noncash activity:

In April 2016 the Company acquired furniture

and equipment under a related party capital lease	\$ -	\$ 50,000
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Cash paid for:

Interest	\$ 36,005	\$ 116,238
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Income taxes	\$ 626	\$ 631
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The accompanying notes are an integral part of these consolidated financial statements

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1 - NATURE OF ORGANIZATION

Business

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, a Minnesota limited liability company. The business name was changed on February 26, 2018 to High Impact Sports with an expanded business purpose of bringing sports clubs and other sports related businesses into the organization that benefit from centralized functions, buying power and economies of scale. The business model is in the early formation stage. Under High Impact Sports, LifeFit Health continues to be designed as a combination fitness and healthcare business with the assistance of professionals who are committed to the purpose of LifeFit Health. The purpose of LifeFit Health is to provide value to patients and the healthcare system by leveraging personal fitness and health monitoring technology to promote wellness and create timely awareness for early intervention, thereby reducing hospital admissions and overall costs in the healthcare system, and meeting quality benchmarks to avoid payment schedule penalty adjustment. The main contribution to the strategic initiative is currently being provided by Alexander Kieger, MD who is an Interventional Radiology Fellow at Northwestern Memorial Hospital in Chicago. The design and implementation phase for High Impact Sports and LifeFit Health will continue into 2018. To fully execute on the business plan addition capital will be required.

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.

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1 - NATURE OF ORGANIZATION (Continued)

Business (Continued)

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. During 2014 Corporate Art Force, LLC further developed their SmartArt Program that includes comprehensive art management, a rotating art program and lease financing.

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

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2014-09 establishing Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers. ASU 2014-09, as amended by subsequent ASUs on the topic, establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most of the existing revenue recognition guidance. ASU 2014-09 requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration that the entity expects to be entitled to receive in exchange for those goods or services and also requires certain additional disclosures. ASU 2014-09 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2017. We have adopted the provisions of ASU 2014-09, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. Companies are permitted to adopt ASC 606 using a full retrospective or modified retrospective method. We adopted the standard on January 1, 2018 using a modified retrospective method. While we continue to assess all potential impacts of the standard, it is currently anticipated that the standard will not have a material impact on our financial statements.

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

In February 2016, the FASB issued an update ("ASU 2016-02") to ASC Topic 842, Leases, to amend the accounting guidance for leases. ASU 2016-02 sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both lessees and lessors. The guidance requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on a principle of whether or not the lease is effectively a financed purchase. For all leases with a term greater than 12 months, lessees are required to record a right-of-use asset representing its right to use the underlying asset for the lease term and a liability to make lease payments on its balance sheet and will recognize lease expense on a straight line basis in its statement of operations. For leases with a term of 12 months or less, lessees are permitted to make an accounting policy election by class of underlying asset not to recognize lease assets or liabilities on its balance sheet. If a lessee makes this election, it will recognize lease expense for such leases using the effective interest method. We are currently evaluating the impact of the adoption of ASU 2016-02 on the consolidated financial statements. ASU 2016-02 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2018, with early adoption permitted.

In January 2018, the FASB released an exposure draft to ASU 2016-02 that if issued in its current form would (1) simplify transition requirements for both lessees and lessors by adding an option that would permit an organization to apply the transition provisions of the new standard at its adoption date instead of at the earliest comparative period presented in its financial statements, and (2) provide a practical expedient for lessors that would permit lessors to not be required to separate non-lease components from the associated lease components if certain conditions are met. We currently expect to adopt this standard effective January 01, 2019 using the practical expedients included in the current standard and the proposed exposure draft, if issued in final form, on a modified retrospective basis as required by ASU 2016 02.

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 2017 or 2016.

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenue is recognized at the point of shipment or performance of service. Revenues are presented on a "net basis" as defined in FASB ASC 605-25-50. Accordingly, sales, use and value added taxes are excluded from 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.

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.

The following is a reconciliation of basic and diluted weighted average shares outstanding used in computation of basic and diluted earnings per share:

	<u>2017</u>	<u>2016</u>
Basis weighted average shares outstanding	4,259,549	4,319,721
Weighted average dilutive options outstanding	<u>-</u>	<u>-</u>
outstanding	<u>4,259,549</u>	<u>4,319,721</u>

The computation of diluted earnings per share is the same as basic earnings per share for the years ending December 31, 2017 and 2016, as there were no outstanding securities, options or other offers that give the right to receive or acquire common shares.

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).

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Cash Concentrations:

The Company maintains its bank balances at one financial institution and at three brokerage companies. Bank balances might periodically exceed federally insured levels. The balances at the brokerage companies is not federally insured, but is protected by the Securities Protection Corporation (SIPC) up to a \$500,000 including up to \$250,000 limit on cash held in the account. Cash balances maintained by the Company might periodically exceeded SIPC insured limits of \$250,000 at the brokerage company.

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations, Risks and Uncertainties (Continued)

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).

Major Customers:

Approximately 80% of the Company's sales are generated by approximately 10 clients of Corporate Art Force, LLC. Two clients generated approximately 59% of sales in 2017 and one client generated approximately 38% of sales in 2016. If the Company were to lose this client 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.

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 7.

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. \$36 of interest and penalties are reflected in the 2017 financial statements. No interest or penalties are reflected in the 2016 financial statements.

Backlog

The company had backlog of \$195,089 at December 31, 2017 and backlog of \$99,101 at December 31, 2016.

Inventory

Inventory consists of the following:

	<u>2017</u>	<u>2016</u>
Raw materials	\$ 35,298	\$ 37,816
Work-in-process	108,213	42,673
Finished goods	<u>-</u>	<u>-</u>
Inventory, at cost	<u>\$ 143,511</u>	<u>\$ 80,489</u>

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line and accelerated methods over the estimated useful lives of the related assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is expensed as incurred; significant renewals and betterments are capitalized. Deduction is made for retirements resulting from renewals or betterments. A summary of property and equipment is as follows:

	<u>2017</u>	<u>2016</u>	<u>Useful Lives</u>
Furniture and equipment	\$ 209,467	\$ 209,467	5 to 7
Leasehold improvements	10,123	10,123	3
Vehicle	36,782	36,782	5
Database	<u>45,618</u>	<u>45,618</u>	5
Property and equipment, at cost	<u>\$ 301,990</u>	<u>\$ 301,990</u>	

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. 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. Management determined that no impairment of goodwill existed at December 31, 2017 and December 31, 2016.

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 at December 31, 2017 and December 31, 2016.

NOTE 3 - GOING CONCERN

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.

NOTE 4 - LEASE

The Company leases its showroom, office and production space under an operating lease entered into in April 2010 and extended through March 31, 2018. The Company has another three renewal option and has notified the landlord of their intention to exercise this option. The terms for the renewal period have not been determined. Rent expense under this lease was \$210,457 in 2017 year-to-date and \$265,124 in 2016.

The Company leases a copier under a sixty (60) month operating lease agreement entered into in November 2016. Rent expense was \$7,188 in 2017 and \$599 in 2016.

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 5 - LEASE (Continued)

Future minimum lease payments are as follows:

	<u>Office</u>	<u>Copier</u>
2018	\$ 42,189	\$ 7,188
2019		\$ 7,188
2020		\$ 7,188
2021		\$ 6,589

NOTE 6 - RELATED PARTY TRANSACTIONS

Capital Lease Obligation:

In April 2016 the Company leased furniture and equipment from Aurora Capital Management under a long-term lease agreement appropriately classified as capital lease. Property and equipment in the accompanying financial statements include assets capitalized under capital leases as follows:

	<u>2017</u>	<u>2016</u>
Furniture and equipment	\$ 50,000	\$ 50,000
Less accumulated depreciation	<u>(12,500)</u>	<u>(5,357)</u>
	<u>\$ 37,500</u>	<u>\$ 44,643</u>

The following is a schedule of minimum payments under this capital lease

Year Ending December 31:

2018	\$ 36,209
Total future payments	36,209
Less amount representing interest	<u>78</u>
	36,131
Less current maturities	<u>36,131</u>
Capital lease obligation, less current portion	<u>\$ -</u>

Interest expense under this capital lease totaled \$1,439 in 2017 and \$841 in 2016.

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 6 - RELATED PARTY TRANSACTIONS

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.

Accounts Receivable/Sales Order Factoring – Related Party:

In September 2010 the Company entered into a factoring arrangement with Aurora Capital Management. In 2017 the Company factored an aggregate of \$840,149 in accounts receivable and sales orders to Aurora Capital Management for \$807,776 in advances. The financing costs for this factoring totaled \$34,879 in 2017 and are included in interest expense in the accompanying financial statements. In 2016 the Company factored an aggregate of \$1,154,287 in accounts receivable and sales orders to Aurora Capital Management for \$1,039,049 in advances. The financing costs for this factoring totaled \$115,423 in 2016 and are included in interest expense in the financial statements of the Company.

Notes Payable – Related Party:

In January 2017 Aurora Capital Management began advancing monies to the Company in advance of their being accounts receivable or sales orders available to factor. These notes payable – related party are secured by a pledge of the Company's assets. It is anticipated the notes payable – related party will be converted to factored accounts receivable or sales orders as they become available. Interest expense is recorded at the time of conversion. Advances totaled \$715,398 in 2017. Conversions to factored accounts receivable and sales orders totaled \$653,873. Financing costs are included in the factoring financing costs referred to above.

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 7 - INCOME TAXES

Income taxes consisted of the following:

	<u>2017</u>	<u>2016</u>
Current:		
Federal	\$ -	\$ -
State	-	-
State minimum fee	<u>626</u>	<u>580</u>
	<u>626</u>	<u>580</u>
Deferred:		
Federal	-	-
State	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Income tax expense	<u><u>\$ 626</u></u>	<u><u>\$ 580</u></u>

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

	<u>2017</u>		<u>2016</u>	
	<u>Dollars</u>	<u>Percent</u>	<u>Dollars</u>	<u>Percent</u>
Expected federal tax expense (benefit)	\$ (4,430)	-34.0%	\$ (86,400)	-34.0%
Surplus exemption	6,380	0.6%	4,040	1.6%
State income tax, net of federal tax benefit	(1,300)	-6.5%	(16,440)	-6.5%
Valuation (utilization) of deferred tax asset	(650)	39.9%	98,800	38.9%
State minimum fee	<u>626</u>	<u>0.4%</u>	<u>580</u>	<u>0.2%</u>
Income tax expense (benefit)	<u><u>\$ 626</u></u>	<u><u>0.4%</u></u>	<u><u>\$ 580</u></u>	<u><u>0.2%</u></u>

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 7 - INCOME TAXES (Continued)

The Tax Cuts and Jobs Act of 2017 changed tax laws and rates affecting deferred tax assets and liabilities. 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.

	2017	2016
Gross deferred tax asset relating to:		
Capital loss carry forwards	\$ 200	\$ 300
Net operating loss carry forwards	293,300	387,400
Tax depreciation	1,600	-
Gross deferred tax liability:		
Tax depreciation	-	(8,500)
Tax amortization	(56,200)	(70,300)
Unrealized gain on investments	-	-
Net deferred tax assets	238,900	308,900
Valuation allowance	(238,900)	(308,900)
Net deferred tax assets	-	-
Deferred tax liability	-	-
Net deferred tax asset (liability)	<u>\$ -</u>	<u>\$ -</u>

(Continued)

GENERAL FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 7 - INCOME TAXES (Continued)

At December 31, 2017, the Company had federal net operating loss carry forwards of \$831,000 available to offset future taxable income. Under the Tax Cuts and Jobs Act of 2017 these carry forwards have an indefinite life and can be used to offset 80% of taxable income in any given year. Most provisions of the Tax Cuts and Jobs Act of 2017 expire January 1, 2026. The Company also has Minnesota net operating loss carry forwards and capital loss carry forwards available to offset future taxable income that expire in the years indicated as follows:

<u>Year of Expiration</u>	<u>Minnesota</u>	<u>Capital Loss</u>
2019	\$ -	\$ 760
2025	62,300	
2026	42,700	-
2029	330,300	-
2031	268,800	-
2032	121,600	-
	<u>\$ 825,700</u>	<u>\$ 760</u>

NOTE 8 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through (September 29, 2018), which is the date the financial statements were available to be issued.