

Please find enclosed the 2023 Annual Report of S.H. Resources and Development Corporation and its Financial Statements for the fiscal years April 2021 – March 2022 and April 2022 – March 2023.

S.H. RESOURCES AND DEVELOPMENT CORPORATION
2620 Hutton Drive
Beverly Hills, California 90210

June 8, 2023

To the Shareholders of S.H. Resources and Development Corporation (the “Company”):

This letter reports to you on the developments at the Company during the past year.

As of March 31, 2023, the Company held a \$1,022,000 United States Treasury Bill that matured on May 11, 2023. Upon maturity of the foregoing United States Treasury Bill, the Company reinvested its proceeds and purchased a new United States Treasury Bill.

As part of its ongoing evaluation of new investment opportunities, the Company continues to review possible investment opportunities.

Respectfully submitted,

/s/ Eli Schneidman

Eli Schneidman, Vice President

**S. H. RESOURCES AND DEVELOPMENT
CORPORATION AND SUBSIDIARIES**

FINANCIAL STATEMENTS

MARCH 31, 2023 AND 2022



S. H. RESOURCES AND DEVELOPMENT CORPORATION
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2023 AND 2022

ASSETS

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 1,048,131	\$ 1,219,497
Other receivables	411	-
Total current assets	1,048,542	1,219,497
Total assets	\$ 1,048,542	\$ 1,219,497

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities		
Payable to officer	\$ 331,126	\$ 356,126
Total liabilities	331,126	356,126
Shareholders' equity		
Common stock, \$0.001 par value		
200,000,000 shares authorized		
81,600,000 shares issued and outstanding	81,600	81,600
Additional paid-in capital	1,029,037	1,029,037
Accumulated deficit	(393,221)	(247,266)
Total shareholders' equity	717,416	863,371
Total liabilities and shareholders' equity	\$ 1,048,542	\$ 1,219,497

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT





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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
S. H. Resources and Development Corporation and Subsidiaries
Beverly Hills, California

We have reviewed the accompanying consolidated financial statements of S.H. Resources and Development Corporation (a Utah corporation) and Subsidiaries, which comprise the consolidated balance sheets as of March 31, 2023 and 2022, and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of S.H. Resources and Development Corporation and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Winningham Becker + Company, LLP

May 25, 2023

S. H. RESOURCES AND DEVELOPMENT CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022

	2023	2022
Operating expenses		
Consulting fees	\$ 50,000	\$ 50,000
Administrative expenses	113,478	95,496
Total operating expenses	163,478	145,496
Other income		
Interest income	11	372
Unrealized gain on securities	17,364	-
Gain on sale of asset	1,048	-
Total other income	18,423	372
Loss before provision for income taxes	(145,055)	(145,124)
Income tax provision	(900)	(900)
Net loss	\$ (145,955)	\$ (146,024)

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT



S. H. RESOURCES AND DEVELOPMENT CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022

	<u>Common Stock</u>		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)
	<u>Number of Shares Issued and Outstanding</u>	<u>Amount</u>		
Balance - March 31, 2021	81,600,000	\$ 81,600	\$ 1,029,037	\$ (101,242)
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(146,024)</u>
Balance - March 31, 2022	81,600,000	\$ 81,600	\$ 1,029,037	\$ (247,266)
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(145,955)</u>
Balance - March 31, 2023	<u>81,600,000</u>	<u>\$ 81,600</u>	<u>\$ 1,029,037</u>	<u>\$ (393,221)</u>

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT



S. H. RESOURCES AND DEVELOPMENT CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Net loss	\$ (145,955)	\$ (146,024)
(Increase) in operating assets		
Other receivables	(411)	-
(Decrease) in operating liabilities		
Payable to officer	<u>(25,000)</u>	<u>50,000</u>
Net cash used in operating activities	<u>(171,366)</u>	<u>(96,024)</u>
Net decrease in cash and cash equivalents	(171,366)	(96,024)
Cash and cash equivalents, beginning of year	<u>1,219,497</u>	<u>1,315,521</u>
Cash and cash equivalents, end of year	<u>\$ 1,048,131</u>	<u>\$ 1,219,497</u>

See note 4 for supplemental disclosures



S. H. RESOURCES AND DEVELOPMENT CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2023 AND 2022

NOTE 1: DESCRIPTION OF THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

S.H. Resources and Development Corporation, a Utah corporation, was formed in 1978 under the name Wildcat Exploration. In 1981, Wildcat Exploration changed its name to S. H. Resources and Development Corporation and began operating as a real estate investor. On June 30, 2011, the Company ended its long term ownership interest in a joint venture. Since that time, management has been actively seeking potential investments for the Company.

Principles of consolidation

The consolidated financial statements for the years ended March 31, 2023 and 2022 include the accounts of S. H. Resources and Development Corporation and its wholly owned subsidiary, Greer Piedmont Properties, Inc. (the Company). All intercompany accounts and transactions have been eliminated.

Income taxes

Income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consist of income taxes currently due plus deferred taxes related to differences between the bases of certain assets and liabilities for financial and tax reporting. Deferred income taxes are provided on temporary differences related to certain income and expense items, which are recognized for financial accounting purposes in one period and for tax purposes in another period.

The Company records a valuation allowance to reduce deferred tax assets to the net amount that management believes is more likely than not to be realized. Management considers all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income, and ongoing tax planning strategies in assessing the need for a valuation allowance.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from these estimates.

Cash and cash equivalents

For purposes of the financial statements, management considers all short-term securities with a maturity of six months or less when purchased to be cash equivalents.



S. H. RESOURCES AND DEVELOPMENT CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2023 AND 2022

NOTE 1: (CONTINUED)

As of March 31, 2022, the Company had no cash equivalents.

As of March 31, 2023, the Company held a \$1,022,000 United States Treasury Bill that matures on May 11, 2023. The securities are classified as cash equivalents and are recorded at market value of \$1,017,033 as of March 31, 2023. The cost of the securities was \$999,669 and \$17,364 is reported as an unrealized gain.

Concentration of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits. Accounts are guaranteed by the FDIC up to \$250,000. At times such investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. The Company has not experienced any losses in such accounts.

The Company periodically reviews the financial condition of financial institutions in which it maintains cash balances.

NOTE 2: INCOME TAXES

For federal income tax purposes, the Company files on a consolidated basis. For state reporting purposes, each corporation files its own income tax returns. Accordingly, the provision for state income taxes is the sum of the tax provisions for each corporation.

Income tax provisions are reported on the consolidated financial statements at the amount reported on the income tax returns. Under the accounting principles generally accepted in the United States of America, management must consider, measure, and disclose information about uncertain tax positions. As of March 31, 2023, management believes that no tax positions meet the disclosure thresholds under the applicable standards.

The federal income tax returns of the Company for 2022, 2021, 2020, and 2019 are subject to examination by the IRS, generally for three years after they are filed.

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes.



S. H. RESOURCES AND DEVELOPMENT CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2023 AND 2022

NOTE 2: (CONTINUED)

Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. Deferred income tax assets and liabilities represent the future income tax return consequence of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. The impact on deferred taxes of changes in tax rates and laws, if any, is applied to the years during which temporary differences are expected to be settled and reflected in the financial statements in the period enacted.

The components of the provision are summarized as follows:

March 31, 2023:	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
Federal	\$ -	\$ (119,605)	\$ (119,605)
State	900	(50,189)	(49,289)
Valuation allowance	-	169,794	169,794
Income tax provision	<u>\$ 900</u>	<u>\$ -</u>	<u>\$ 900</u>
March 31, 2022:	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
Federal	\$ -	\$ (85,307)	\$ (85,307)
State	900	(35,751)	(34,851)
Valuation allowance	-	121,058	121,058
Income tax provision	<u>\$ 900</u>	<u>\$ -</u>	<u>\$ 900</u>

The difference between the expected provision obtained by applying statutory rates to pretax income and the actual provision relates primarily to minimum taxes due. The increase in the valuation allowance for the year ending March 31, 2023 was \$48,736 and the increase in the valuation allowance for the year ending March 31, 2022 was \$46,557.

NOTE 3: RELATED PARTY TRANSACTIONS/DEBT FORGIVENESS INCOME

Under an agreement, the Company has an obligation to pay \$50,000 per annum for management services provided by an officer of the Company. The current year fee and \$25,000 of accrued fees were paid during the current year; therefore, the current liability of was reduced by \$25,000 during the current year. There was \$350,000 of unpaid management fees as of March 31, 2022. As of March 31, 2023, the accrued management fees totaled \$325,000.

Additionally, the officer paid an obligation of the Company totaling \$6,126. The amount due to the officer is included in the payable to officer.



S. H. RESOURCES AND DEVELOPMENT CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2023 AND 2022

NOTE 4: STATEMENT OF CASH FLOWS – SUPPLEMENTAL DISCLOSURES

	2023	2022
Income tax paid	\$ 900	\$ 900

NOTE 5: FAIR VALUE MEASUREMENTS

The Company measures its marketable securities at fair value based on an expected exit price as defined by the authoritative guidance on fair value measurements, which represents the amount that would be received on the sale of an asset in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset.

The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis, whereby, inputs used in valuation techniques are assigned a hierarchical level.

The fair value of the Company's investments in securities reported as cash equivalents as of March 31, 2023 was \$1,017,033. The investments are classified as a Level 1 financial instrument. Level 1 financial instruments are traded in active markets and the fair value is based on quoted market prices for identical instruments.

NOTE 6: SUBSEQUENT EVENTS

Subsequent events were evaluated to determine if events that occurred should be reported or disclosed in the consolidated financial statements as of March 31, 2023. Events were evaluated through May 25, 2023, the date the consolidated financial statements were issued.

