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**S O C I A L D E T E N T I O N**  
**INC.**

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**SOCIAL DETENTION, INC.**

**PERIOD END REPORT  
FOR THE PERIOD ENDED  
JUNE 30, 2017**

**FINANCIAL STATEMENTS**



Social Detention, Inc.  
(SOCIAL DETENTION)  
3000 F Danville Blvd, Suite 145  
Alamo, CA 94507

**SOCIAL DETENTION UNAUDITED BALANCE  
SHEET & FINANCIAL STATEMENTS**

Issuer's most recent Pro Forma Balance Sheet & Financial Statements for the  
period ended June 30, 2017

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Social Detention , Inc.  
Pro Forma Balance Sheets  
(Unaudited subject to change)

	June 30, 2017
<b>ASSETS</b>	
<b>Current assets</b>	
Cash in bank	\$ 27,250
Accounts receivable	103,255
<b>Total Current assets</b>	<b>130,505</b>
<b>Other assets</b>	
Long term investment	28,300
<b>Total other assets</b>	<b>28,300</b>
<b>Total Assets</b>	<b>\$ 158,805</b>
<b>LIABILITIES &amp; STOCKHOLDERS' DEFICIT</b>	
<b>Current liabilities</b>	
Accounts payable	\$ 65,033
Advances payable	-
Note payable - related party	-
Notes payable	28,300
<b>Total current liabilities</b>	<b>93,333</b>
<b>Stockholders' Deficit</b>	
Preferred stock, 25,000,000 shares authorized with \$0.001 par value. No Preferred shares issued or outstanding	-
Common stock, 300,000,000 shares with \$0.001 par value. 167,200,000 issued outstanding at each period respectively	167,200
Additional paid in capital	-
Consolidation accounting	(219,787)
Accumulated deficit	(69,219)
Net Income	65,472
<b>Total Stockholders' Deficit</b>	<b>121,806</b>
<b>Total Liabilities and Stockholders' Deficit</b>	<b>\$ 158,805</b>

The accompanying notes are an integral part of these

Social Detention , Inc.  
Pro Forma Statements of Operations  
(Unaudited subject to change)

	Period Ended June 30,	
	2017	
REVENUE		
Income	\$	182,000
Cost of revenues		-
GROSS PROFIT		182,000
Operating Expenses:		
Dues		300
Automobile		-
Commissions		-
Employee Payroll		3,700
Insurance		5,940
Legal		-
Meals and Entertainment		-
Supplies		54,233
Rental Equipment		-
Professional Fees		14,200
Travel		-
Subcontractors		10,800
General and administrative		-
Total operating expenses		89,173
Income (loss) from operations	\$	92,827
Other income (expense)		
Interest expense		-
Other income (expense) net		-
Net income (loss)	\$	92,827
Net income (loss) per share (Basic and fully diluted)	\$	0.0006
Weighted average number of common shares outstanding		167,200,000

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

Social Detention , Inc.  
Pro Forma Condensed Statement of Cash Flows  
(Unaudited subject to change)

	<b>For Period ended June 30,</b>
	<b>2017</b>
<b>Cash Flows From Operating Activities</b>	
Net Income ( Loss)	\$ 92,827
Amortization and Impairment	-
Depreciation	-
<b>Activities</b>	<b>\$ 92,827</b>
Accounts Payable	65,033
Accounts Receivable	-
Accrued Interest	-
Other Accrued Expenses	-
<b>Changes in Operating Assets and Liabilities</b>	<b>\$ 65,033</b>
<b>Net Cash Used by Operating Activities</b>	<b>\$ 157,860</b>
Paid in Capital	-
Net Proceeds from (Reductions of) Notes Payable	-
Exstingishment of Debt/Conversion of Notes Payable	-
Shares Issued for Cash	-
<b>Cash Flows from Financing Activities</b>	<b>-</b>
<b>Net Increase /( Decrease) in Cash</b>	<b>26,914</b>
Cash Beginning of Period	336
<b>Cash, End of Period</b>	<b>\$ 27,250</b>

The accompanying notes are an integral part of these condensa:

Social Detention , Inc.  
Condensed Consolidated Statement of Changes in Stockholders ' Deficit  
(Unaudited subject to change)

	Common Stock	Amount	Paid in	Consolidation	Accumulated	Stockholders'
	Shares	(\$0.001 Par)	Capital	Accounting	Equity (Deficit)	Equity (Deficit)
Balances - March 31, 2017	167,200,000	\$ 167,200	\$ -	\$ (121,806)	\$ (69,219)	\$ 150,106
		\$ -				
			\$ (219,787)	\$ 52,587	\$ 134,691	\$ (28,300)
Balances - June 30, 2017	167,200,000	\$ 167,200	\$ (219,787)	\$ (69,219)	\$ 65,472	\$ 121,806

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



## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2017**

## **NOTE 1 – NATURE OF OPERATIONS AND BASIS OF PRESENTATION**

### **Organization and History**

Social Detention, Inc. (the "Company" or "Social Detention") was incorporated in the State of Colorado on May 20, 2015.

On May 31, 2015 Chenghui Realty Holding Company, Colorado. merged with Chenghui Realty Holding Company of Nevada, with the Colorado entity being the surviving entity. The surviving entity was then renamed Social Detention, Inc..

On June 26, 2016, Social Detention, Inc., a Delaware corporation, acquired an ownership interest in Social Detention, Inc., a Colorado Corporation and its assets which in turn had acquired total interest in RL Consulting, a company that was closely held. Social Detention, Inc., of Colorado will be the surviving entity.

The Company is a Colorado corporation organized for the purpose of engaging in any lawful business. The Company's acquisition of RL Consulting gives it a basis of operations in the security infrastructure and any other related business activities as of the date of these financial statements. It currently trades on the Pink Sheet under the symbol "SODE". The Company's fiscal period end is December 31st.

The financial statements include the Company and its wholly owned subsidiaries; all significant inter- company balances and transactions are eliminated.

### **Mergers And Acquisitions**

On November 23, 2016, the company acquired RL Consulting..

### **Management, Operations and Risk**

Social Detention is in the business of building infrastructure. With its acquisition of RL Consulting, it has a long history of successful contract awards, and has launched a program whereby it intends to grow through acquisition in the coming fiscal year. The president, Mr Robert Legg has been able to build these companies in the past a from startup to companies that generate over \$15M in annual revenues. He intends to build a network of small providers into a large network that will both be able to provide synergistic support to the other parties, by means of production capabilities, financing and other relationships. To the bigger benefit of shared contracts. The goal in the next year is to acquire 3-5 smaller entities that are generating between \$1-5M in revenue an year today, and to be able to secure over \$15M in contracts for each in the coming 12 months.

### **Authorized Common Stock**

As of June 30, 2017, Social Detention had an authorized common stock capital of 200,000,000 shares with a par value of \$.001. Authorized preferred stands at 25,000,000 shares with a par value of \$.001. These numbers remain unchanged as of the date of this filing and the Company has no current plans for any increase thereof.

### **Issued and Outstanding Common Stock**

As of June 30, 2017, Social Detention had a total of 167,200,000 Common Shares outstanding.

On November 24, 2016, the Company issued 100,000,000 Common Shares in exchange for \$10,000 accrued debts owed to Robert Legg and controlling interest in RL Consulting.

No other Common Shares were issued during 2016.



The Company has not entered into any agreement to promote its stock nor has it authorized any third party to conduct any type of promotion on its behalf.

#### **Authorized and Issued and Outstanding Preferred Stock**

As of June 24, 2016, Social Detention had authorized 1,000,000 Class A Preferred Shares of which 1,000,000 are outstanding.

#### **Transfer Agent**

During the quarter ended June 30, 2017, the Company's transfer agent, Pacific Stock Transfer, and the Company have reconciled the transfer agent records with the records of the Company and those of the State of Colorado.

#### **Additional Organizational Items**

None

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Cash and cash equivalents**

The Company considers all cash on hand, cash accounts not subject to withdrawal restrictions or penalties and all highly liquid investments with an original maturity of three months or less as cash equivalents.

#### **Revenue recognition**

The Company has realized minimal revenues from operations. The Company recognizes revenues when the sale and/or distribution of products is complete, risk of loss and title to the products have transferred to the customer, there is persuasive evidence of an agreement, acceptance has been approved by the customer, the fee is fixed or determinable based on the completion of stated terms and conditions, and collection of any related receivable is probable. Net sales will be comprised of gross revenues less expected returns, trade discounts, and customer allowances that will include costs associated with off-invoice markdowns and other price reductions, as well as trade promotions and coupons. The incentive costs will be recognized at the later of the date on which the Company recognized the related revenue or the date on which the Company offers the incentive.

#### **Basic and Diluted Loss per Share**

The Company computes loss per share in accordance with "ASC-260," "Earnings per Share" which requires presentation of both basic and diluted earnings per share on the face of the statement of operations. Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common share during the period. Diluted loss per share gives effect to all dilutive potential common shares outstanding during the period. Diluted loss per share excludes all potential common shares if their effect is anti-dilutive.

#### **Income Taxes**

The Company accounts for income taxes pursuant to ASC 740. Under ASC 740 deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss 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.

The Company maintains a valuation allowance with respect to deferred tax asset. Social Detention establishes a valuation allowance based upon the potential likelihood of realizing the deferred tax asset and taking into consideration the Company's financial position and results of operations for the current period. Future realization of the deferred tax benefit depends on the existence of sufficient taxable income within the carry-forward period under Federal tax laws.

Changes in circumstances, such as the Company generating taxable income, could cause a change in judgment about the reliability of the related deferred tax asset. Any change in the valuation allowance will be included in income in the year of the change estimate.

### **Carrying Value, Recoverability and Impairment of Long-Lived Assets**

The Company has adopted paragraph 360-10-35-17 of FASB Accounting Standards Codification for its long-lived assets. The Company's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable.

The company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the assets expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company considers the following to be some examples of important indicators that may trigger an impairment review; (i) significant under-performance or losses of assets relative to expected historical or projected future operating results; (ii) significant changes in the manner or use of assets or in the Company's overall strategy with respect to the manner of use of the acquired assets or changes in the Company's overall business strategy; (iii) significant negative industry or economic trends; (iv) increased competitive pressures; (v) a significant decline in the Company's stock price for a sustained period of time; and (vi) regulatory changes. The Company evaluates acquired assets for potential impairment indicators at least annually and more frequently upon the occurrence of such events.

The impairment charges, if any, are included in operating expenses in the accompanying statements of operations.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

The Company's significant estimates include income taxes provision and valuation allowance of deferred tax assets; the fair value of financial instruments; the carrying value and recoverability of long-lived assets, and the assumption that the Company will continue as a going concern. Those significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to those estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management regularly reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

### **Fair value of Financial Instruments**

The estimated fair values of financial instruments were determined by management using available market information and appropriate valuation methodologies. The carrying amounts of financial instruments including cash approximate their fair value because of their short maturities.

### **Long Lived Assets**

In accordance with ASC 350 the Company regularly reviews the carrying value of intangible and other long lived assets for the existence of facts or circumstances both internally and externally that suggest impairment. If impairment testing indicates a lack of recoverability, an impairment loss is recognized by the Company if the carrying amount of a long lived asset exceeds its fair value.

### **Stock-based Compensation**

The Company accounts for stock-based compensation issued to employees based on FASB accounting standard for Share Based Payment. It requires an entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award – the requisite service period (usually the vesting period). It requires that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. The scope of the FASB accounting standard includes a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans.

### **Recent pronouncements**

Management has evaluated accounting standards and interpretations issued but not yet effective as of June 30, 2016, and does not expect such pronouncements to have a material impact on the Company's financial position, operations, or cash flows.

### **NOTE 3 – STOCKHOLDER'S DEFICIT**

The total number of common shares authorized that may be issued by the Company is 300,000,000 shares with a par value of \$0.001 per share. The Company is authorized to issue 25,000,000 shares of preferred stock with a par value of \$0.001 per share. As at June 30, 2017 there are Two million preferred shares had been issued.

As at June 30, 2017 the total number of common shares outstanding was 167,200,000. The Company has an ongoing program of private placements to raise funds to support the operations.

### **NOTE 4 – GOING CONCERN**

Even though these financial statements are not audited it is management's opinion that an auditor would express a "going concern" statement. The Company has an accumulated deficit of \$196,952 and is solely reliant on raising money for operations by seeking loans and selling its common stock. Based on this there can be no assurances that the Company will be successful in these fund-raising activities.

### **NOTE 5 – RELATED PARTY RECEIVABLE**

As at June 30, 2017 the Company no related party receivables.

**NOTE 6 – CONVERTIBLE NOTES PAYABLE**

In the Company's ongoing efforts to raise money for acquisitions and operations the Company has received \$28,300 in cash and has issued Convertible Notes Payable in like amount. In accordance with PCAOB standards these notes are considered to be a derivative instrument and accordingly have had a conversion expense recorded on the books of the Company of \$28,300. This expense was determined using the Black-Scholes valuation model.

**NOTE 7 – DEPOSITS AGAINST PURCHASE OF BUSINESSES**

As at September 30, 2016 the Company has made payment of stock for the control shares of RL Consulting, Inc. to the owners/stockholders.

**NOTE 8 - SUBSEQUENT EVENTS**

The Company has investigated and determined that there are no substantive events that have occurred since the end of this reporting period and the date of the filing of these financial statements.