

# **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

## **ZALEMARK HOLDING COMPANY**

590 Liverpool Road  
Pickering, ONT L1W1P9  
Canada  
437-772-4123  
www.zmarkholding.com  
info@zmarkholding.com  
SIC Code 9103

## **Annual Report**

For the period ending December 31,  
2023 (the "Reporting Period")

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

**1,610,692,671 as of December 31, 2023**

**1,610,692,671 as of December 31, 2022**

### **Shell Status**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

### **Change in Control**

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes: ☐ No: ☒

### **1) Name and address(es) of the issuer and its predecessors (if any)**

*During 2009, Zalemark merged with Charis Industries and became Zalemark Holding Company. In December 2019, ZMRK completed a reverse merger with AeroPon Leaf Canada, Digital Utilities Ventures, Inc.*

Current State and Date of Incorporation or Registration: Delaware  
Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

*None*

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

*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*

The address(es) of the issuer's principal executive office:

*590 Liverpool Road  
Pickering, ONT L1W1P9  
Canada*

The address(es) of the issuer's principal place of business:

☒ *Check if principal executive office and principal place of business are the same address:*

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

## 2) Security Information

### **Transfer Agent**

Name: Direct Transfer LLC  
Phone: 919-744-2722  
Email: Krista.Riley@issuereirect.com  
Address: 1 Glenwood Ave, Ste 1001, Raleigh, NC 27603

### **Publicly Quoted or Traded Securities:**

Trading symbol:	ZMRK
Exact title and class of securities outstanding:	Common
CUSIP:	988869103
Par or stated value:	0.0001

Total shares authorized:	2,380,000,000	as of date: December 31, 2023
Total shares outstanding:	1,610,692,671	as of date: December 31, 2023
Total number of shareholders of record:	240	as of date: December 31, 2023

**Other classes of authorized or outstanding equity securities:**

Exact title and class of securities outstanding:	Preferred	
CUSIP:	N/A	
Par or stated value:	0.001	
Total shares authorized:	250,000,000	as of date: December 31, 2023
Total shares outstanding:	0	as of date: December 31, 2023

**Security Description:**

*The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:*

1. **For common equity, describe any dividend, voting and preemption rights.**

*Dividend eligible when declared; one vote per share.*

2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

*N/A – no preferred shares issued, nor defined.*

3. **Describe any other material rights of common or preferred stockholders.**

*None*

4. **Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

*None*

**3) Issuance History**

**A. Changes to the Number of Outstanding Shares**

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End:	
Opening Balance	Date 12/31/21
Common:	1,510,692,671
Preferred:	0

\*Right-click the rows below and select "Insert" to add rows as needed.

Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to.  *You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
11/01/22	New	100,000,000	Common	.001	No	Li, C	Consultant	Restricted	144

Shares Outstanding on Date of This Report:

Ending Balance: Date December 31, 2023

Common: 1,610,692,671

Preferred: 0

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☒ Yes: ☐ (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder.  *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

#### 4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.  
(Please ensure that these descriptions are updated on the Company's Profile on [www.otcmarkets.com](http://www.otcmarkets.com)).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

*The Company is in the business of growing, producing, marketing and selling agricultural products*

B. List any subsidiaries, parent company, or affiliated companies.

*AeroPon Leaf Holding  
AeroPon Leaf Canada 10132993 Canada*

C. Describe the issuers' principal products or services.

*Agricultural products*

#### 5) Issuer's Facilities

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

*The Company leases its corporate headquarters located at 590 Liverpool Road, Pickering, ONT L1W1P9, Canada.  
on a month to month lease basis*

#### 6) Officers, Directors, and Control Persons

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Yang Li	CEO	Richmond Hills, ONT	50,000,000	Common	3.37 %	_____
Wendu Pauleen Wu	Investor	Vancouver, Canada	100,000,000	Common	6.2085 %	_____
Jun Gao	Investor	Pickering, Canada	150,000,000	Common	9.3128 %	_____
Jimin Sun	Investor	Mississauga, Canada	100,000,000	Common	6.2085 %	_____
Chang Li	Investor	Mississauga, Canada	150,000,000	Common	6.2085%	
DTC Fast	Investor	Jersey City, New Jersey	269,576,026	Common	16.7367%	Frank La Salla

## 7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

*None*

2. Been the subject of 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, financial- or investment-related, insurance or banking activities;

*None*

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

*None*

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

*None*

5. Been the subject 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.

*None*

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

*None*

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

*See Note 6 of the Notes to the Financial Statements*

## 8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add

additional space as needed.

Name: Donald R. Keer  
Firm: Donald R. Keer, P.E. Esq  
Address 1: 3663 Greenwood Circle  
Address 2: Chalfont, PA 18914  
Phone: (215) 962 - 9378  
Email: keeresq@gmail.com

Accountant or Auditor

Name: Tyrus C Young Firm: Factsco, LLC  
Address 1: 1771 Holly Springs Rd NE  
Address 2: Marietta, GA 30062  
Phone: (727) 470-8684  
Email: factsco@gmail.com

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

NONE

**9) Financial Statements**

A. This Disclosure Statement was prepared by:

Name: **Tyrus C. Young**  
Title: **Consultant**  
Relationship to Issuer: **None**

B. The following financial statements were prepared in accordance with:

☐ IFRS  
☒ U.S. GAAP

C. The following financial statements were prepared by (name of individual)<sup>2</sup>:

Name: **Tyrus C. Young**  
Title: **Consultant**  
Relationship to Issuer: **None**

Describe the qualifications of the person or persons who prepared the financial statements:

**40+ years of CPA/Consulting experience; 17 years of SEC/OTC report preparation**

The financial statements described below are part of this submission.

- D. Balance Sheet; As of December 31, 2023 and December 31, 2022
- E. Statement of Income; For the Years ended December 31, 2023 and 2022
- F. Statement of Cash Flows; For the Years ended December 31, 2023 and 2022
- G. Statement of Changes in Stockholders' Equity for the periods December 31, 2021 through December 31, 2023.
- H. Notes to the Financial Statements

## 10) Issuer Certification

*Principal Executive and Financial Officer:*

I, **Li Yang** certify that:

1. I have reviewed this Annual Disclosure statement of Zalemark Holding Co as of December 31, 2023. 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
2. 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.

April 25, 2024

/s/ Li Yang

Li Yang, CEO/CFO



ZALEMARK HOLDING COMPANY, INC.  
Balance Sheet

	<b>ASSETS</b>	
	December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)
Current assets		
Cash	\$ 6,756	\$ 4,704
Inventory	0	0
Total current assets	6,756	4,704
Fixed Assets		
Land	3,306,407	3,306,407
Building	311,881	311,881
Furniture & fixtures	1,051	1,051
Machinery & Equipment	108,560	108,560
Less: Accumulated Depreciation	-	0
Total Fixed Assets	3,727,899	3,727,899
Other assets		
Investments in other companies	0	0
Total Other Assets	0	0
<b>Total Assets</b>	<b>\$ 3,734,655</b>	<b>\$ 3,732,603</b>

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

# **LIABILITIES AND STOCKHOLDERS' EQUITY**

	December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)
Current liabilities		
Officer advance	\$ 24,747	\$ 345
Accrued Salaries	192,973	192,973
Total current liabilities	<u>217,720</u>	<u>193,318</u>
Long Term Liabilities		
Other long term debt	<u>1,295,480</u>	<u>1,295,480</u>
Total liabilities	<u>1,513,200</u>	<u>1,488,798</u>
Stockholders' equity (deficit)		
Common stock, \$0.0001 par value; 2,380,000,000 shares authorized, 1,610,692,671 and 1,610,692,671 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively	161,070	161,070
Additional paid-in capital	18,753,624	18,753,624
Accumulated deficit	<u>(16,693,239)</u>	<u>(16,660,889)</u>
Total stockholders' (deficit)	<u>2,221,455</u>	<u>2,253,805</u>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ <u><u>3,734,655</u></u></b>	<b>\$ <u><u>3,742,603</u></u></b>

ZALEMARK HOLDING COMPANY, INC  
Statements of Income

	For the Years Ended December 31,	
	2023 (Unaudited)	2022 (Unaudited)
Sales Revenues	\$ -	\$ -
Cost of Goods Sold	<u>-</u>	<u>-</u>
Gross Profit	<u>-</u>	<u>-</u>
Operating Expenses	<u>20,150</u>	<u>131,315</u>
Net Operating Income	(20,150)	(131,315)
Other Income (Expense)		
Currency Conversion	(2,200)	1,662
Interest expense	<u>-</u>	<u>-</u>
Total Other Income (Expense)	<u>(2,200)</u>	<u>1,662</u>
NET INCOME	<u>\$ (22,350)</u>	<u>\$ (129,653)</u>

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

ZALEMARK HOLDING COMPANY, INC.  
Statements of Cash Flows

	For the Years Ended December 31,	
	2023 (Unaudited)	2022 (Unaudited)
<b>Cash flows from operations</b>		
Net (loss)	\$ (22,350)	\$ (129,653)
Stock issued for services	-	10,000
Accrued Salaries	-	100,000
Officer advances	-	2,007
Currency Conversion	-	(1,662)
<b>Net cash provided (used) by operating activities</b>	<u>(22,350)</u>	<u>(19,308)</u>
<b>Cash flows from investing activities</b>	<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Proceeds from loan borrowing	-	-
Avances by Shareholders/Officers	24,402	17,560
<b>Proceeds from sale of stock</b>	<u>-</u>	<u>-</u>
<b>Net cash provided (used) by financing activities</b>	<u>24,402</u>	<u>17,560</u>
<b>Net Increase (Decrease) in cash</b>	2,052	(1,748)
Cash, Beginning of Period	<u>4,704</u>	<u>6,452</u>
Cash, End of Period	<u>\$ 6,756</u>	<u>\$ 4,704</u>

The accompanying notes to the financial statements are an integral part of these financial statements

ZALEMARK HOLDING COMPANY, INC.  
Statement of Changes in Shareholder Equity  
For the Period December 31, 2021 through December 31, 2023

	Common Stock		Additional	Accumulated	Total
	Shares	Par Value	Paid in Capital	Deficit	Stockholder's Equity
<b>Balance - December 31, 2021</b>	<u>1,510,692,671</u>	<u>\$ 151,070</u>	<u>\$ 18,736,064</u>	<u>\$ (16,541,236)</u>	<u>\$ 2,345,898</u>
Shareholder advances			17,560		17,560
Stock for Services	100,000,000	10,000			10,000
Net Profit (Loss)	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>(129,653)</u>	<u>(129,653)</u>
<b>Balance - December 31, 2022</b>	<u>1,610,692,671</u>	<u>\$ 161,070</u>	<u>\$ 18,753,624</u>	<u>\$ (16,670,889)</u>	<u>\$ 2,243,805</u>
Net Profit (Loss)	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>(22,350)</u>	<u>(22,350)</u>
<b>Balance -December 31, 2023</b>	<u><u>1,610,692,671</u></u>	<u><u>\$ 161,070</u></u>	<u><u>\$ 18,753,624</u></u>	<u><u>\$ (16,693,239)</u></u>	<u><u>\$ 2,221,455</u></u>

The accompanying notes to the financial statements are an integral part of these financial statements

## **ZALEMARK HOLDING COMPANY, INC**

Notes the Financial Statements  
As of December 31, 2023  
(Unaudited)

### Note 1 – Company Background

#### *History of Company*

ZALEMARK HOLDING COMPANY, INC was formed as a Delaware corporation on March 23, 1999. The original name of the Company was Adamson Brothers Holding Company. On May 16, 2005, the name was amended to Red Mountain Pharmaceuticals, Inc., and then amended July 13, 2007, to Charis Industries, Inc.

During 2009, Zalemark merged with Charis Industries and became Zalemark Holding Company. In December 2019, ZMRK completed a reverse merger with AeroPon Leaf Canada, Digital Utilities Ventures, Inc.

#### *Nature of Business*

ZALEMARK HOLDING COMPANY, INC has redefined itself numerous times to meet the needs of its community and shareholders. Subsequent to the 2019 merger, the new management team has been operating in the growing, producing, marketing and selling agricultural products.

### Note 2 – Summary of Significant Account Policies

#### *Basis of Presentation*

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”). In preparing this report the numbers and balances reflected in this report were supplied by the Company, though the underlying data was not presented for review.

#### *Use of 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 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. The most significant assumptions and estimates relate to the valuation of equity issued for services, valuation of equity associated with convertible debt, the valuation of derivative liabilities, and the valuation of deferred tax assets. Actual results could differ from these estimates.

#### *Fair Value Measurements and Fair Value of Financial Instruments*

The Company adopted ASC Topic 820, Fair Value Measurements. ASC Topic 820 clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2: Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3: Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The estimated fair value of certain financial instruments, including all current liabilities are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments.

#### *Derivative Liability*

We evaluate convertible instruments, options, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for under ASC Topic 815, "Derivatives and Hedging." The result of this accounting treatment is that the fair value of the derivative is marked-to-market each balance sheet date and recorded as a liability. In the event the fair value is recorded as a liability, the change in fair value is recorded in the statement of operations as other income (expense). Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity. Equity instruments that are initially classified as equity that become subject to reclassification under ASC Topic 815 are reclassified to liabilities at the fair value of the instrument on the reclassification date.

#### *Deferred Taxes*

The Company follows Accounting Standards Codification subtopic 740-10, Income Taxes ("ASC 740-10") for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability during each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change. Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods.

Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse and are considered immaterial.

#### *Cash and Cash Equivalents*

For purposes of the Statements of Cash Flows, the Company considers highly liquid investments with an original maturity of three months or less to be cash equivalents.

#### *Accounts Receivable and Allowance for Doubtful Accounts*

The Company monitors outstanding receivables based on factors surrounding the credit risk of specific customers, historical trends, and other information. The allowance for doubtful accounts is estimated based on an assessment of the Company's ability to collect on customer accounts receivable. There is judgment involved with estimating the allowance for doubtful accounts and if the financial condition of the Company's customers were to deteriorate, resulting in their inability to make the required payments, the Company may be required to record additional allowances or charges against revenues. The Company writes-off accounts receivable against the allowance when it determines a balance is uncollectible and no longer actively pursues its collection. As of March 31, 2023, based upon the review of the outstanding accounts receivable, the Company has determined that an allowance for doubtful accounts is not material. The allowance for doubtful accounts is created by forming a credit balance which is deducted from the total receivables balance in the balance sheet.

### *Property and Equipment*

Property and equipment are stated at cost and depreciated using the straight-line method over their estimated useful lives of 3 to 5 years. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings.

### *Stock Based Compensation Expense*

We expect to account any share-based compensation pursuant to SFAS No. 123 (revised 2004) Share-Based Payment, or SFAS No. 123R. SFAS No. 123R requires measurement of all employee share-based payments awards using a fair-value method. When a grant date for fair value is determined we will use the Black-Scholes-Merton pricing model. The Black-Scholes-Merton valuation calculation requires us to make key assumptions such as future stock price volatility, expected terms, risk-free rates and dividend yield. The weighted-average expected term for stock options granted was calculated using the simplified method in accordance with the provisions of Staff Accounting Bulletin No. 107, Share-Based Payment. The simplified method defines the expected term as the average of the contractual term and the vesting period of the stock option. We will estimate the volatility rates used as inputs to the model based on an analysis of the most similar public companies for which ZALEMARK HOLDING COMPANY, INC has data. We will use judgment in selecting these companies, as well as in evaluating the available historical volatility data for these companies.

SFAS No. 123R requires us to develop an estimate of the number of share-based awards which will be forfeited due to employee turnover. Annual changes in the estimated forfeiture rate may have a significant effect on share-based payments expense, as the effect of adjusting the rate for all expense amortization after January 1, 2006 is recognized in the period the forfeiture estimate is changed. If the actual forfeiture rate is higher than the estimated forfeiture rate, then an adjustment is made to increase the estimated forfeiture rate, which will result in a decrease to the expense recognized in the financial statements. If the actual forfeiture rate is lower than the estimated forfeiture rate, then an adjustment is made to decrease the estimated forfeiture rate, which will result in an increase to the expense recognized in the financial statements. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant. We have never paid cash dividends, and do not currently intend to pay cash dividends, and thus have assumed a 0% dividend yield.

Zalemark Holding Company, Inc. will continue to use judgment in evaluating the expected term, volatility and forfeiture rate related to its stock-based awards on a prospective basis, and in incorporating these factors into the model. If our actual experience differs significantly from the assumptions used to compute its stock-based compensation cost, or if different assumptions had been used, we may record too much or too little share-based compensation cost.

### *Revenue Recognition*

Revenue includes product sales. The Company recognizes revenue from product sales in accordance with Topic 605 "Revenue Recognition in Financial Statements" which considers revenue realized or realizable and earned when all of the following criteria are met:

- (i) persuasive evidence of an arrangement exists,
- (ii) the services have been rendered and all required milestones achieved,
- (iii) the sales price is fixed or determinable, and
- (iv) Collectability is reasonably assured.

### *Convertible Debentures*

If the conversion features of conventional convertible debt provide for a rate of conversion that is below market value at issuance, this feature is characterized as a beneficial conversion feature ("BCF"). A BCF is recorded by the Company as a debt discount pursuant to ASC Topic 470-20 "Debt with Conversion and Other Options." In those circumstances, the convertible debt is recorded net of the discount related to the BCF, and the Company amortizes the discount to interest expense, over the life of the debt.

### *Fair Value of Financial Instruments*

Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10") requires disclosure of the fair value of



certain financial instruments. The carrying value of cash and cash equivalents, accounts payable and accrued liabilities as reflected in the balance sheets, approximate fair value because of the short-term maturity of these instruments. All other significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

The Company follows Accounting Standards Codification subtopic 820-10, Fair Value Measurements and Disclosures ("ASC 820-10") and Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10"), which permits entities to choose to measure many financial instruments and certain other items at fair value.

#### *Beneficial Conversion Feature*

For conventional convertible debt where the rate of conversion is below market value, the Company records a "beneficial conversion feature" ("BCF") and related debt discount.

When the Company records a BCF, the relative fair value of the BCF is recorded as a debt discount against the face amount of the respective debt instrument (offset to additional paid in capital) and amortized to interest expense over the life of the debt.

#### Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss, capital loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest and penalties related to unrecognized tax benefits as a component of general and administrative expenses. Our consolidated federal tax return and any state tax returns are not currently under examination.

The Company has adopted FASB ASC 740-10, Accounting for Income Taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually from differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

#### Recent Accounting Pronouncements

ASU 2014-10, "Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements". ASU 2014-10 eliminates the distinction of a development stage entity and certain related disclosure requirements, including the elimination of inception-to-date information on the statements of operations, cash flows and stockholders' equity. The amendments in ASU 2014-10 will be effective prospectively for annual reporting periods beginning after December 15, 2014, and interim periods within those annual periods, however early adoption is permitted. The Company evaluated and adopted ASU 2014-10 during the year ended July 31, 2015.

In August 2014, the FASB issued ASU No. 2014-15, "Presentation of Financial Statements—Going Concern." The provisions of ASU No. 2014-15 require management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (1) provide a definition of the term substantial doubt, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management's plans, (4) require certain disclosures when substantial doubt is alleviated as a result of

consideration of management's plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). The amendments in this ASU are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. The Company is currently assessing the impact of this ASU on the Company's consolidated financial statements.

Other accounting standards are not expected to have a material impact on the Company's consolidated financial position or results of operations.

#### Note 3 – Related Party Transaction

During the three and six months ended December 31, 2023, an officer advanced \$ 3,215 and \$ 3,781, respectfully, to the Company.

#### Note 4 – Commitments & contingencies

The Company has no commitments or contingences at December 31, 2023.

#### Note 5 – Common Stock Issuances

During the last two fiscal years, the Company has issued a total of 1,341,996,964 shares of its Common Stock. The detail of these issuances are disclosed in Section 3A of the OTC Disclosure Statement at the beginning of this quarterly financial report.

#### Note 6 – Legal Matters

Currently, the Company is not involved in any legal matters or has been advised that any legal actions could be pending.

#### Note 7 – Going Concern

The Company's financial statements are prepared using the generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. Continued losses may adversely affect the liquidity of the Company in the future. In view of the matters described in the preceding paragraph, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to raise additional capital, obtain financing and to succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Management has taken the following steps to revise its operating and financial requirements, which it believes are sufficient to provide the Company with the ability to continue as a going concern.

#### Note 8 – Subsequent Events

In accordance with FASB ASC Topic 855, Subsequent Events, the Company evaluates events and transactions that occur after the balance sheet date for potential recognition in the financial statements. The effects of all subsequent events that provide additional evidence of conditions that existed at the balance sheet date are recognized in the financial statements as of December 31, 2023.

In preparing these financial statements, the Company evaluated the events and transactions that occurred through the date these financial statements were issued. Nothing was noted that would require disclosure.