

The Philosophers Stoneground, Inc.

FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2021 and 2020

(Unaudited)

Philosopher Foods
Balance Sheet
As of December 31, 2020

	Total
ASSETS	
Current Assets	
Total Bank Accounts	\$ 21,047.75
Total Accounts Receivable	\$ 17,553.22
Other Current Assets	
CoinBase Investments	1,500.00
Total Inventory Asset	\$ 143,007.07
Undeposited Funds	37,047.97
Total Other Current Assets	\$ 181,555.04
Total Current Assets	\$ 220,156.01
Fixed Assets	
Machinery & Equipment	58,221.76
Accumulated Depreciation	-64,702.00
Total Machinery & Equipment	-\$ 6,480.24
Vehicles - Van	15,000.00
Total Fixed Assets	\$ 8,519.76
Total Other Assets	\$ 160.00
TOTAL ASSETS	\$ 228,835.77
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	\$ 54,578.64
Total Credit Cards	\$ 22,143.64
Total Other Current Liabilities	\$ 5,500.00
Total Current Liabilities	\$ 82,222.28
Long-Term Liabilities	
EIDL	111,800.00
Loan - Kiva	15,000.00
Loan from Herb	-132.13
PPP Loan #1	15,008.00
Total Long-Term Liabilities	\$ 141,675.87
Total Liabilities	\$ 223,898.15
Equity	
Total Equity	\$ 4,937.62
TOTAL LIABILITIES AND EQUITY	\$ 228,835.77

Philosopher Foods
Balance Sheet
As of December 31, 2021

	Total
ASSETS	
Current Assets	
Total Bank Accounts	\$ 61,774.09
Total Accounts Receivable	\$ 161,358.12
Other Current Assets	
Total Inventory Asset	\$ 95,349.06
Prepaid Insurance	4,667.60
Undeposited Funds	0.00
Total Other Current Assets	\$ 100,016.66
Total Current Assets	\$ 323,148.87
Fixed Assets	
Machinery & Equipment, net	110,338.35
Total Fixed Assets, net	\$ 110,338.35
Total Other Assets	\$ 20,363.18
TOTAL ASSETS	\$ 453,850.40
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	\$ 93,174.55
Total Credit Cards	\$ 23,735.14
Total Other Current Liabilities	\$ 0.00
Total Current Liabilities	\$ 116,909.69
Long-Term Liabilities	
Total Due to Shareholders	\$ 124,050.64
Convertible Notes	\$ 55,210.34
EIDL	111,800.00
Loan - Bank of America (Mercedes)	29,848.96
Loan - Kiva	12,083.31
Pacific Community Ventures	150,000.00
PPP Loan #1	0.00
PPP Loan #2	26,140.00
Total Long-Term Liabilities	\$ 509,133.25
Total Liabilities	\$ 626,042.94
Equity	
Total Equity	-\$ 172,192.54
TOTAL LIABILITIES AND EQUITY	\$ 453,850.40

Philosopher Foods
Profit and Loss
January - December 2020

	Total	
Income		
Total Income	\$	572,281.13
Total Cost of Goods Sold	\$	167,370.63
Gross Profit	\$	404,910.50
Expenses		
4001 Auto Mileage Expenses		7,495.45
4005 Parking & Tolls		37.60
4018 State and Local Taxes		3,326.26
4021 Meals		1,272.25
4027 Supplies		1,703.84
6000 Logistics & Fulfillment		30,546.54
6500 Selling Expenses		2,346.75
7000 Advertising & Marketing		5,686.97
8000 General Administrative		243,219.53
8500 Research & Development		5,072.00
Sales Expenses		19,779.54
Total Expenses	\$	320,486.73
Net Operating Income	\$	84,423.77
Other Income		
9000 Other Income		2,156.71
Total Other Income	\$	2,156.71
Other Expenses		
9500 Other Expenses		39,388.38
Total Other Expenses	\$	39,388.38
Net Other Income	-\$	37,231.67
Net Income	\$	47,192.10

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Philosopher Foods
Profit and Loss
 January - December 2021

	Total
Income	
4000 Sales	831,044.21
4500 Deductions to Income	-33,700.51
Total Income	\$ 797,343.70
Cost of Goods Sold	
5000 Cost of Goods Sold	406,326.50
Total Cost of Goods Sold	\$ 406,326.50
Gross Profit	\$ 391,017.20
Expenses	
6000 Logistics & Fulfillment	151,663.73
6500 Selling Expenses	87,847.03
7000 Advertising & Marketing	67,313.96
8000 General Administrative	359,356.14
8500 Research & Development	5,221.66
Total Expenses	\$ 671,402.52
Net Operating Income	-\$ 280,385.32
Other Income	
9000 Other Income	137,822.02
Gain on Sale of Vehicle	12,500.00
Other Income - Stimulus	2,000.00
Total Other Income	\$ 152,322.02
Other Expenses	
9500 Other Expenses	57,336.82
Total Other Expenses	\$ 57,336.82
Net Other Income	\$ 94,985.20
Net Income	-\$ 185,400.12

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Philosopher Foods
Statement of Cash Flows
January - December 2020

	Total
OPERATING ACTIVITIES	
Net Income	47,192.10
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable	9,471.90
Inventory Asset	-119,864.69
Machinery & Equipment:Accumulated Depreciation	37,282.00
Accounts Payable	12,235.64
Chase Card x1764	-2,501.20
SkyPoint (was MCEFCU) x7858	-674.45
270 Kiva User Funds Loan 2	-891.23
Roth Contribution Liability	5,500.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-\$ 59,442.03
Net cash provided by operating activities	-\$ 12,249.93
INVESTING ACTIVITIES	
Machinery & Equipment	-31,601.76
Net cash provided by investing activities	-\$ 31,601.76
FINANCING ACTIVITIES	
EIDL	111,800.00
Loan - Kiva	15,000.00
PPP Loan #1	15,008.00
Opening Balance Equity	0.00
Owner Contributions	4,426.73
Owner Distributions	-97,898.13
Retained Earnings	-6,061.72
Net cash provided by financing activities	\$ 42,274.88
Net cash increase for period	-\$ 1,576.81
Cash at beginning of period	59,672.53
Cash at end of period	\$ 58,095.72

Philosopher Foods
Statement of Cash Flows
January - December 2021

	Total
OPERATING ACTIVITIES	
Net Income	-185,400.12
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable	-143,804.90
Inventory Asset	47,658.01
Prepaid Insurance	-4,667.60
Machinery & Equipment:Accumulated Depreciation	-15,000.00
Accounts Payable	38,595.91
Chase Card x1764	1,591.50
Roth Contribution Liability	-5,500.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-\$ 81,127.08
Net cash provided by operating activities	-\$ 266,527.20
INVESTING ACTIVITIES	
CoinBase Investments	1,500.00
Machinery & Equipment	-40,800.09
Vehicle-Mercedes Van	-61,018.50
Vehicles - Van	15,000.00
Security Deposit	-9,504.00
Website Domain	-10,699.18
Net cash provided by investing activities	-\$ 105,521.77
FINANCING ACTIVITIES	
Convertible Notes	55,210.34
Due to Shareholders	124,050.64
Loan - Bank of America (Mercedes)	29,848.96
Loan - Kiva	-2,916.69
Loan from Herb	132.13
Pacific Community Ventures	150,000.00
PPP Loan #1	-15,008.00
PPP Loan #2	26,140.00
Owner Contributions	-122,724.63
Owner Distributions	216,437.50
Retained Earnings	-85,442.91
Net cash provided by financing activities	\$ 375,727.34
Net cash increase for period	\$ 3,678.37
Cash at beginning of period	58,095.72
Cash at end of period	\$ 61,774.09

The Philosophers Stoneground, Inc.
NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2021 and 2020

1. ORGANIZATION AND PURPOSE

The Philosophers Stoneground, Inc. (the “Company”), is a corporation organized under the laws of the State of California. The Company operates a regenerative consumer packaged goods company and derives revenue from selling food products and manufacturing services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Company’s significant accounting policies applied in the preparation of the accompanying financial statements follows:

a) Basis of Accounting

The Company prepares its financial statements on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

b) Fiscal Year

The Company operates on a 52-week fiscal year ending on December 31.

c) Cash Equivalents

Cash and cash equivalents include cash and short-term highly liquid investments with an original maturity of three months or less held in domestic financial institutions. For the fiscal years ended December 31, 2019 and December 31, 2018, the Company’s cash positions include its operating bank account.

d) Legal Fees

Legal fees consist of legal services provided for the creation of the Company and equity financing.

e) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended December 31, 2021 and 2020

3. SUBSEQUENT EVENT

The Company has evaluated events and transactions subsequent to the period. No events require recognition in the financial statements or disclosures of the Company per the definitions and requirements of ASC Section 855-10, Subsequent Events.