

SEVEN A.D. INC.
STATEMENTS OF FINANCIAL POSITION

		December 31	
			2023
	Note	2024	(As Restated - Note 2)
ASSETS			
Current Assets			
Cash	3	₱17,299,358	₱29,984,998
Trade and other receivables	4	37,318,785	49,610,898
Creditable withholding taxes		2,516,884	—
Prepaid expenses		372,072	206,545
Total Current Assets		57,507,099	79,802,441
Noncurrent Assets			
Property and equipment	5	1,138,865	1,721,292
Other noncurrent assets	6	2,160,778	4,180,008
Total Noncurrent Assets		3,299,643	5,901,300
		₱60,806,742	₱85,703,741
LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)			
Current Liabilities			
Trade and other payables	7	₱17,254,643	₱25,660,790
Dividends payable	8	12,745,669	—
Income tax payable		—	2,505,056
Total Current Liabilities		30,000,312	28,165,846
Noncurrent Liability			
Retirement liability	9	37,547,571	31,154,332
Total Liabilities		67,547,883	59,320,178
Equity (Capital Deficiency)			
Capital stock	8	10,000,000	10,000,000
Retained earnings (deficit)		(14,077,221)	19,047,483
Treasury stock	8	(2,663,920)	(2,663,920)
Total Equity (Capital Deficiency)		(6,741,141)	26,383,563
		₱60,806,742	₱85,703,741

See accompanying Notes to Financial Statements.

SEVEN A.D. INC.
STATEMENTS OF INCOME

Years Ended December 31			
			2023
	Note	2024	(As Restated - Note 2)
SERVICE INCOME		₱123,343,882	₱164,076,190
COST OF SERVICES	11	119,594,328	121,617,510
GROSS PROFIT		3,749,554	42,458,680
OPERATING EXPENSES	12	(19,760,101)	(22,091,094)
INCOME (LOSS) FROM OPERATIONS		(16,010,547)	20,367,586
OTHER INCOME (CHARGES) - Net	13	(1,573,884)	1,706,583
INCOME (LOSS) BEFORE INCOME TAX		(17,584,431)	22,074,169
PROVISION FOR INCOME TAX	15		
Current		198,836	6,732,731
Deferred		–	7,180,559
		198,836	13,913,290
NET INCOME (LOSS)		(₱17,783,267)	₱8,160,879

See accompanying Notes to Financial Statements.

SEVEN A.D. INC.
STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31	
			2023
	Note	2024	(As Restated - Note 2)
CAPITAL STOCK - ₱100 par value			
Authorized, issued and outstanding - 100,000 shares	8	₱10,000,000	₱10,000,000
RETAINED EARNINGS (DEFICIT)			
Appropriated for Business Project			
Balance at beginning of year		10,000,000	10,000,000
Reversal of appropriation		(7,336,080)	–
Balance at end of year		2,663,920	10,000,000
Unappropriated			
Balance at beginning of year, as previously reported		10,824,799	34,421,430
Adoption of PFRS for small entities (SE)	2	(1,777,316)	(1,777,316)
Balance at beginning of year, as restated		9,047,483	32,644,114
Net income (loss)		(17,783,267)	8,160,879
Declaration of cash dividends - ₱159.81 a share in 2024 and ₱330.81 a share in 2023		(15,341,437)	(31,757,510)
Reversal of appropriation		7,336,080	–
Balance at end of year		(16,741,141)	9,047,483
		(14,077,221)	19,047,483
TREASURY STOCK - at cost - 4,000 shares			
	8	(2,663,920)	(2,663,920)
		(₱6,741,141)	₱26,383,563

See accompanying Notes to Financial Statements.

SEVEN A.D. INC.
STATEMENTS OF CASH FLOWS

		Years Ended December 31	
		2024	2023
			(As Restated - Note 2)
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		(P17,584,431)	P22,074,169
Adjustments for:			
Retirement expense	9	6,393,239	5,066,058
Loss on pre-termination of lease	13	2,001,510	–
Depreciation and amortization	5	1,814,552	2,384,043
Interest income	3	(128,187)	(289,281)
Operating income (loss) before working capital changes		(7,503,317)	29,234,989
Decrease (increase) in:			
Trade and other receivables		12,292,113	35,286,773
Prepaid expenses		(2,682,411)	730,331
Increase (decrease) in trade and other payables		(8,406,147)	2,278,128
Net cash generated from (used for) operations		(6,299,762)	67,530,221
Income tax paid		(2,703,892)	(9,588,358)
Interest received		128,187	289,281
Contributions paid	9	–	(4,323,064)
Net cash provided by (used in) operating activities		(8,875,467)	53,908,080
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	5	(1,232,125)	(401,603)
Decrease (increase) in:			
Security deposit		17,720	450,629
Advance rent		–	(95,310)
Net cash used in investing activities		(1,214,405)	(46,284)
CASH FLOWS FROM A FINANCING ACTIVITY			
Payment of cash dividends	8	(2,595,768)	(39,351,388)
NET INCREASE (DECREASE) IN CASH		(12,685,640)	14,510,408
CASH AT BEGINNING OF YEAR		29,984,998	15,474,590
CASH AT END OF YEAR		P17,299,358	P29,984,998

See accompanying Notes to Financial Statements.

SEVEN A.D. INC.
STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2023	2022
ASSETS			
Current Assets			
Cash	4	₱29,984,998	₱15,474,590
Trade and other receivables	5	49,610,898	84,897,671
Security deposit	15	–	814,112
Prepaid expenses		206,545	936,876
Total Current Assets		79,802,441	102,123,249
Noncurrent Assets			
Property and equipment	6	6,614,836	4,478,956
Deferred tax assets	16	–	5,104,918
Other noncurrent assets	7	4,180,008	4,178,400
Total Noncurrent Assets		10,794,844	13,762,274
		₱90,597,285	₱115,885,523
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	8	₱26,049,444	₱23,447,262
Dividends payable	9	–	7,593,878
Current portion of finance lease liabilities	15	936,902	1,055,123
Income tax payable		2,505,056	5,360,683
Total Current Liabilities		29,491,402	37,456,946
Noncurrent Liabilities			
Finance lease liabilities - net of current portion	15	3,544,368	89,066
Net retirement liability	10	21,785,637	20,355,072
Total Noncurrent Liabilities		25,330,005	20,444,138
Total Liabilities		54,821,407	57,901,084
Equity			
Capital stock	9	10,000,000	10,000,000
Retained earnings	9	20,824,799	44,421,430
Other comprehensive income	10	7,614,999	6,226,929
Treasury stock	9	(2,663,920)	(2,663,920)
Total Equity		35,775,878	57,984,439
		₱90,597,285	₱115,885,523

See accompanying Notes to Financial Statements.

SEVEN A.D. INC.

STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31	
	Note	2023	2022
SERVICE INCOME		₱164,076,190	₱182,764,618
COST OF SERVICES	12	121,617,510	115,338,329
GROSS PROFIT		42,458,680	67,426,289
OPERATING EXPENSES	13	(21,778,720)	(25,205,026)
INCOME FROM OPERATIONS		20,679,960	42,221,263
OTHER INCOME - Net	14	1,394,209	99,220
INCOME BEFORE INCOME TAX		22,074,169	42,320,483
PROVISION FOR (BENEFIT FROM) INCOME TAX	16		
Current		6,732,731	11,147,555
Deferred		7,180,559	(584,582)
		13,913,290	10,562,973
NET INCOME		8,160,879	31,757,510
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Items that will not be reclassified subsequently to profit or loss</i>	10		
Remeasurement loss on net retirement liability		(515,678)	(551,281)
Derecognition of deferred tax assets		1,903,748	–
		1,388,070	(551,281)
TOTAL COMPREHENSIVE INCOME		₱9,548,949	₱31,206,229

See accompanying Notes to Financial Statements.

SEVEN A.D. INC.

STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31	
	Note	2023	2022
CAPITAL STOCK - ₱100 par value			
Authorized, issued and outstanding - 100,000 shares	9	₱10,000,000	₱10,000,000
RETAINED EARNINGS			
	9		
Appropriated for Business Project		10,000,000	10,000,000
Unappropriated			
Balance at beginning of year		34,421,430	38,159,430
Declaration of cash dividends - ₱330.81 a share in 2023 and ₱369.74 a share in 2022		(31,757,510)	(35,495,510)
Net income		8,160,879	31,757,510
Balance at end of year		10,824,799	34,421,430
		20,824,799	44,421,430
OTHER COMPREHENSIVE INCOME			
<i>Cumulative Remeasurement Gain on Net Retirement Liability</i>	10		
Balance at beginning of year		6,226,929	6,778,210
Remeasurement loss on net retirement liability		(515,678)	(551,281)
Derecognition of deferred tax assets		1,903,748	–
Balance at end of year		7,614,999	6,226,929
TREASURY STOCK - at cost - 4,000 shares	9	(2,663,920)	(2,663,920)
		₱35,775,878	₱57,984,439

See accompanying Notes to Financial Statements.

SEVEN A.D. INC.
STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		₱22,074,169	₱42,320,483
Adjustments for:			
Retirement expense	10	5,066,058	3,707,463
Depreciation and amortization	6	3,896,423	6,435,756
Interest expense	15	312,374	234,305
Interest income	4	(289,281)	(91,463)
Operating income before working capital changes		31,059,743	52,606,544
Decrease (increase) in:			
Trade and other receivables		35,286,773	(29,100,400)
Prepaid expenses		730,331	(38,710)
Increase in trade and other payables		2,602,182	6,494,440
Net cash generated from operations		69,679,029	29,961,874
Income tax paid		(9,588,358)	(7,865,350)
Contributions paid	10	(4,323,064)	–
Interest received		289,281	91,463
Net cash provided by operating activities		56,056,888	22,187,987
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	6	(1,385,603)	(2,226,981)
Decrease (increase) in:			
Security deposit		907,814	–
Advance rent		(95,310)	1,002,945
Net cash used in investing activities		(573,099)	(1,224,036)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of cash dividends	9	(39,351,388)	(28,595,070)
Payments of finance lease liabilities	15	(1,621,993)	(1,860,489)
Net cash used in financing activities		(40,973,381)	(30,455,559)
NET INCREASE (DECREASE) IN CASH		14,510,408	(9,491,608)
CASH AT BEGINNING OF YEAR		15,474,590	24,966,198
CASH AT END OF YEAR		₱29,984,998	₱15,474,590
NONCASH FINANCIAL INFORMATION			
Acquisition of transportation equipment through a finance lease	15	₱4,646,700	₱–

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