

Mr. xxxx
Chief Financial Officer
Private Equity Company, LLC
100 Finance Road
Suite 601
London, UK

Dear Mr. xxxx:

RE: Project Liverpool: The Potential Acquisition of Liverpool, LLC

Farrell Advisory Inc. ("FAI") was asked by you to perform analyses of certain financial information on Liverpool, LLC ("Liverpool", "Company" or "Target") to assist with your due diligence investigation of the Company. Our Due Diligence services have been limited to the procedures and scope outlined within the engagement letter dated April 19, 2021 ("Engagement Letter") and at Appendix A.

Statement of Limitation

Information with respect to the Company's operations, account balances and accounting and operating procedures purported to be in effect and described in our report was obtained through analyses provided by Company's management ("Management") and discussions with Management. FAI's analysis was restricted to the information provided by you and Management.

Our work did not constitute an audit conducted in accordance with generally accepted auditing standards, an examination of internal controls or other attestation or review services in accordance with standards established by the American Institute of Certified Public Accountants ("AICPA"). Accordingly, FAI does not express an opinion or any other form of assurance on the financial statements of Company or any financial or other information, or operating and internal controls of the Company.

With respect to prospective accounting, business, and industry information relative to Company referenced throughout this Report, FAI did not examine, compile or apply agreed-upon procedures to such information in accordance with standards established by the AICPA and FAI does not express any assurances of any kind on such information. There will usually be differences between estimated and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. FAI takes no responsibility for the achievability of the expected results anticipated by the Management and/or Client.

FAI makes no representation regarding the sufficiency of the work either for purposes for which this Report has been requested or for any other purpose. The sufficiency of the work FAI performed is solely the responsibility of Client and neither FAI's work nor its findings shall in any way constitute a recommendation whether Client should or should not consummate the Transaction. Had FAI been requested to perform additional work, additional matters might have come to FAI's attention that would have been reported to you.

It is understood that this Report is solely for the information of the management of Client. This Report, or portions thereof, should not be referred or distributed to any other persons or entity, other than Client's legal counsel or other professional advisors associated with this Transaction. The Report is not to be referred to or quoted, in whole or in part, in any registration statement, public filing, loan agreement or document without FAI's prior written approval, which may require that FAI performs additional work.

Tax Disclosure

In compliance with Treasury Regulations, FAI informs you that any tax advice contained in this Report was not intended or prepared by FAI to be used, and cannot be used, by you or anyone else for the purpose of avoiding penalties imposed under the Internal Revenue Code or applicable state or local tax laws. The advice was not written to support recommending, promoting or marketing the transaction or matter addressed by the written tax advice. Persons other than Client should seek advice based on their particular circumstances from an independent tax advisor.

Should you require clarification of any of the matters contained in this Report or any further information, FAI would be pleased to extend its work as you consider necessary. FAI has no responsibility to update this Report for events and circumstances occurring after the date of this letter.

Yours Very Truly,

DRAFT

Farrell Advisory Inc.

Limits on Report Access and Distribution

This workbook styled report ("Report") has been prepared for Private Equity Company, LLC ("Private Equity Company" or "Client") pursuant to the terms of engagement between Farrell Advisory Inc. ("FAI") and Client in connection with their investment appraisal of Liverpool, LLC ("Liverpool", "Target" or "Company"). This Report is not to be referred to or quoted, in whole or in part, in any registration statement, prospectus, public filing, fund raising, loan agreement, or other agreement or any other document without the prior written approval of FAI.

FAI has agreed with Client to allow access to this Report to the lenders in connection with the potential Transaction provided that each person or entity ("Reader") obtaining access to this Report agrees to the terms set forth below (and signs a Release Letter):

The Reader of this Report understands that the work performed by FAI was performed in accordance with instructions provided by Client and was performed exclusively for Client's sole benefit and use and may not be relied upon in any way by anyone else.

The Reader of this Report acknowledges that this Report was prepared at the direction of Client and may not include all procedures deemed necessary for the purpose of the Reader.

In consideration of FAI allowing the reader access to the Report, the Reader agrees that it does not acquire any rights as a result of such access that it would not otherwise have had and acknowledges that FAI does not assume any duties or obligations to the Reader in connection with such access.

The Reader agrees to release Client, FAI and its personnel from any claim by the Reader that arises as a result of the Reader having access to the Report. Further, the Reader agrees that this Report is not to be referred to or quoted, in whole or in part, in any registration statement, prospectus, public filing, loan agreement, or other agreement or document and agrees not to distribute the report without FAI's prior written consent.

Overview and Financial Due Diligence Description	Reference	Comments
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Appendix A
PROPOSED SCOPE OF WORK

A) OVERVIEW of Services

The following represents Private Equity Company, LLC ("Private Equity Company" or "Client") initial evaluation of the consulting services required ("Services") to assist management of Private Equity Company in their investment appraisal of Target.

FAI has been informed that Private Equity Company is acquiring the trade, assets and certain liabilities (to be determined) of the Target. On the basis that the contemplated transaction is not a stock acquisition, Private Equity Company would like a highly focused due diligence approach on the Target and with limited duplicated due diligence as performed by other parties (e.g., Private Equity Company will be performing its own due diligence and the Private Equity Company's attorney will be reviewing the agreements with regards to customers, vendors and employees). The due diligence procedures are described in more detail in Section B below.

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1. Historical Results or Historical Periods includes:

- ▶ **2020:** The year ended December 31st, 2020
- ▶ **YTD 21:** The latest results for 2021 which is expected to be the three months ended March 31st, 2021
- ▶ **TTM 21:** The latest trailing twelve months results ended in 2021, which is expected to be the twelve months ended March 31st, 2021

2. Historical Balance Sheets or Key Balance Sheet Dates includes:

- ▶ **Dec19:** As of December 31st, 2019
- ▶ **Dec20:** As of December 31st, 2020
- ▶ **Latest Balance Sheet Date or Mar21:** The latest balance sheet date, which is expected to be as of March 31st, 2021

Private Equity Company has indicated that its own employees and/or partners will perform the following due diligence procedures:

i. Information Request List

- ▶ Private Equity Company will update the information request list for the Services and liaise with the management of the Target ("Management") over the collection of the data for the due diligence on the Target (see sperate document).

ii. Review of financial statements

- ▶ Review the monthly results at a high level (e.g., revenue, gross profit and operating profit) of the Historical Periods of the Target.
- ▶ Propose Due Diligence and Pro Forma Adjustments including, if appropriate, the reallocation of revenue and expenses so that the pro forma monthly income statements are presented consistently during the Historical Periods with Private Equity Company.

Overview and Financial Due Diligence Description	Reference	Comments
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iii. Customers and Contracts

▶ Revenue and Profitability

- Analyze revenue by Top 10 customers:
 - By type of revenue, if possible, for the Historical Periods.
 - Summarize customer contracts.

▶ Make verbal inquiries with Management on Top 10 customers/contracts concerning:

- Significant expected changes in contract value or scope of services;
- Contractual requirements of specific contracts.

▶ From discussions with Management, obtain an understanding of the following:

- Loss and new customers.
- Change in terms for customers

Note: The resulting conclusions will have an impact on quality of earnings.

▶ Reconcile revenue per the financial statements to customer lists

▶ On a judgmental basis agree 10 monthly revenue results back to invoices and contracts.

▶ Download bank statements into Excel, if necessary, to assist with the cash revenue proof test.

▶ Backlog

- Obtain and analyze revenue backlog information.

iv. Inventory

▶ If applicable, Private Equity Company will check the physical counts of inventory.

Private Equity Company will supply their findings in writing to FAI from the above so that FAI can incorporate Private Equity Company's findings into the quality of earnings analysis. After Private Equity Company has completed its initial high-level due diligence, Private Equity Company and FAI will update its Services to be performed (see Section B below for proposed scope of Work).

At present, Private Equity Company wishes for the Consultant to perform the Services remotely. In addition, Private Equity Company does not believe it is beneficial for FAI to perform:

1. A "Cash Proof of Expenses"; and
2. A review of the workpapers of the External Accountant as the results of the Target are not audited.

FAI will report at a high level in Excel workbook or similar format which is to be shared and utilized by the Client.

Overview and Financial Due Diligence		
Description	Reference	Comments
B) <u>Services</u>		
Subject to cooperation from Management and sufficient information available and at request of Private Equity Company, FAI will perform the following analysis on the Company remotely:		
1) <u>Individual Tasks</u>		
i. <u>Accounting Procedures and Policies and Finance Function</u>		
▶ From telephone conversations with Management (including Controller) and/or the External Accountant, obtain an understanding of accounting procedures and key revenue and expense accounting policies, including but not limited to:	Finance Function	
▪ Cash versus accrual basis of accounting.		Basic accrual basis
▪ Procures involved in preparing monthly and annual financial statements and tax statements and speed of closing period ends.		Reporting needs to be made more robust especially dealing with deferred revenue for Products and Professional Services
▪ Differences in methods in preparing monthly and annual financial statements including adjustments by management and the external accountant around the December 2020 year end ("Period 12 Adjustments").		Minimal differences except significant P12 Adjustments in 2019
▪ Billings for (i) deposits; (ii) product sales; and (ii) services lasting more than one month.		Advance invoice for Products and PS
▪ The accounting policies for:		Kenny reviews invoices and purchases to see if appropriately matched via a spreadsheet, accruals made via 26000 - Inventory Carry-Over
○ Product sales and matching with expenses		
○ Deferred revenue and customer deposits	Not accounted for	
○ Unbilled Projects in Progress	Not accounted for	
○ Inventory	Not accounted for	
○ Payroll accrual	n/a	All normal payroll processed by month end. Commissions and bonus not appropriately accrued for
○ Loans Receivables	n/a	Bartering arrangements
▪ Weaknesses and risks (e.g., estimates, procedures) in accounting from Management which may lead to inaccurate finance statements.	n/a	Need better method for revenue recognition
▶ Customers and Accounts Receivable	Customers	
▪ Review customer losses and gains.	Recent Loss of Customers	
▪ Review aging of accounts receivable as of Latest Balance Sheet Date.	Accounts Receivable Aging - Summary	

Overview and Financial Due Diligence Description	Reference	Comments
ii. Financial Statements and Structure of Business		
<ul style="list-style-type: none"> Review: <ul style="list-style-type: none"> The income statement results for the Historical Periods. Monthly working capital analysis of the Company for the Historical Periods. The key balance sheet categories as of Historical Balance Sheet Dates. 	Quality of earnings Balance Sheet and Working Capital Analysis Balance Sheet and Working Capital Analysis	
<ul style="list-style-type: none"> Where possible, FAI will liaise with Mr. xxxx for analysis of QuickBooks, rather than contacting the Management or FAI performing the work. 	n/a	
<ul style="list-style-type: none"> Obtain an understanding of the organization/legal structure. Review Historical Periods monthly results from the information supplied by Private Equity Company. 	Background of Company Quality of earnings	
iii. Revenue and Gross Profitability Analysis		
<ul style="list-style-type: none"> If possible, obtain an understanding of gross profitability (revenue less cost of sales where possible) for: <ul style="list-style-type: none"> Monthly Recurring Revenue Project Labor (Professional services) Materials Income (Project Hardware and Software) Other Regular Income (together called “Revenue Streams”). 	Summarized Adjusted Income Statement Gross Profit Margin	
iv. Quality of Earnings		
<ul style="list-style-type: none"> Prepare a Quality of Earnings analysis that addresses (i) EBITDA, As Reported; (ii) Adjusted EBITDA (i.e., that incorporates management and due diligence proposed adjustments); and (iii) Pro Forma EBITDA (i.e., that incorporates potential synergies after completion of the Potential Transaction) for the Historical Periods by month, including an analysis and review of support for: <ul style="list-style-type: none"> Revised payroll run rate (e.g., for owner’s salary less costs for his new consulting or employee agreement, and agree back to payroll reports), revenue adjustments (and agree back to customer contracts as supplied by Client), rent and personal expenses EBITDA adjustments. Proposed add backs by management for non-operational and/or non-recurring items of revenue and/or expenses. If appropriate, review the reallocation of revenue and expenses, as suggested by Private Equity Company, so that the pro forma monthly income statements are presented consistently during the Historical Periods with Private Equity Company. An estimation for cash to accrual accounting. Synergies (e.g., advertising and promotion, charitable contributions, insurance expense and professional fees, estimate of changes in cost base (e.g., employee benefits, insurance costs) if the Company becomes part of the Private Equity Company group. 	Quality of earnings Seller Add-Backs Seller Add-Backs Private Equity Company Adjustments GAAP Adjustments Seller Add-Backs	
The Pro Forma EBITDA will be further analyzed to present a pro forma income statement by individual caption.	As Adjusted	

Overview and Financial Due Diligence Description		Reference	Comments	
v. Revenue and Payroll Proof				
▶ Reconcile the bank account deposit activity for 2020 or TTM21 to the Target's reported revenue as reflected in the Target's books and records.		Reconciliation of Revenue and Other Receipts to Cash received Per Bank Statements	TTM 3/21	Error Rate -2.4%
▶ Reconcile 2020 payroll costs from payroll records to internal financial statements.		Reconciliation from Payroll Register to Income Statement	TTM3/21	-1.0%
vi. Expenses				
▶ Obtain details regarding direct cost of services during the Historical Periods and obtain an understanding of the Company's method to capture such costs.		Quality of earnings		
▶ Obtain details regarding operating expenses during the Historical Periods and obtain an understanding of the Company's method to capture such costs.		Quality of earnings		
▶ Identify any items expensed through the profit and loss account that would be capitalized to conform with US GAAP.		Quality of earnings	Fixed Asset-like purchases are not capitalized. No estimate available for value \$	
vii. Balance Sheet				
▶ Review the support from the Company for the following key captions on the Balance Sheet at the Historical Balance Sheet Dates:		Balance Sheet and Working Capital Analysis Bank Accounts	December 2020 did not reconcile correctly	
▪ Bank reconciliations				
▪ Accounts receivable		Summary of Accounts Receivable		
▪ Bad debts		n/a	No formal review for accrual purposes. No general reserve has been made for bad debts at the request of the Client.	
▪ Inventory		W29.	FAI wrote outstanding inventory off of the balance sheet	
▪ Other current assets		Other Current Assets Summary of Accounts Payable		
▪ Accounts payable				
▪ Credit cards		Credit Cards	No reconciliations performed as of month end	
▪ Deferred revenue and customer deposits		22000 - Deferred Revenue	Only used to account for 2019 P12 Adjustment	
▪ Other current liabilities including accrued expenses, employee expenses and taxes and sales tax payable		Other Current Liabilities		
▶ Obtain support from the Company for the following captions on the Balance Sheet as at the Latest Balance Sheet Date:		Net Cash/(Debt)	No debts except for PPP Loan which has expired	
▪ Debt (including related party loans)			No fixed asset register, no purchases capitalized	
▪ Fixed assets.		n/a		
viii. Accounts Receivable				
▶ Review aging of accounts receivable ledgers as of the Historical Balance Sheet Dates.		Summary of Accounts Receivable		
▶ Discuss with management any customer account balances as of the Latest Balance Sheet which are at risk.		A/R at 3/31/2021	No bad debt risks identified by Management	

Overview and Financial Due Diligence		
Description	Reference	Comments
<ul style="list-style-type: none"> Understand the level of bad debt and credit notes within the Historical Periods. 	63020 - Bad Debt	
ix. Accounts Payable		
<ul style="list-style-type: none"> Review aging of accounts payable ledgers as of the Historical Balance Sheet Dates. 	Summary of Accounts Payable	
x. Equity		
<ul style="list-style-type: none"> Analyze the roll-forward of the equity accounts to verify there are not any current operational expenses flowing through which should be classified within the EBITDA analysis for the Historical Periods. 	Reconciliation of Net Assets	
xi. Control Environment		
<ul style="list-style-type: none"> From telephone conversations with management of the Target (including Controller) and/or the External Accountant, obtain an understanding of accounting procedures and key revenue and expense accounting policies, including but not limited to: <ul style="list-style-type: none"> The appropriate capitalization of expenses. 	Finance Function Capex	No FA equipment is capitalize
<ul style="list-style-type: none"> Obtain an understanding of weaknesses and risks (e.g., estimates, procedures) in accounting from Management which may lead to inaccurate finance statements. 	n/a	Revenue Rec and capitalization of expenses. Tax exposure for paying over time as expenses and significant personnel expenses
<ul style="list-style-type: none"> Review significant journal entries during the Historical Periods. <ul style="list-style-type: none"> 2020 YTD 2/21 MTD 3/21 Reconcile the 2019 and 2020 results to the tax accounts and/or external financial statements. 	2020 Journals YTD 2/2021 Journals Mar 21 Reconciliation between Income Statement and Tax Return	
xii. External Accountant		
<ul style="list-style-type: none"> Obtain an understanding of Period 12 adjustments as prepared by the External Accountant. 	2020 YEAR END CPA ADJUSTING ENTRIES	
<ul style="list-style-type: none"> Obtain an understanding of weaknesses and risks in accounting from the External Accountant. 	n/a	External accountant more of a tax advisor than pure accountant
<ul style="list-style-type: none"> If appropriate, review the management letters or weakness letters as prepared by the external accountants for the Historical Periods. 	n/a	
2) Issues and Proposed Resolutions Memo		
<ul style="list-style-type: none"> Based on FAI's findings from the above Services set out in Section B above, FAI will summarize at a high-level issues and proposed resolutions in either Word or Excel format ("Memo"). 	Executive Summary Key Takeaways	

1. EXECUTIVE SUMMARY



Key Takeaways

1 Due Diligence

1 Status of Due Diligence

Overview and Financial Due Diligence

Focused on year ended December 31, 2020 ("2020") and trailing 12 months ended March 31, 2021 ("TTM3/20")

Sources of Due Diligence

Steven Gerrard

Kenny Dalglish

Mahamed Salah, Football Accounting Associates (External Accountant)

No onsite visits

2 Key Reconciliations/Tests

All reconciliations are performed monthly by Kenny

[Revenue and cash receipts](#)

Error rate TTM 3/2021	(130,657)	-2.4%	Income statement less than cash receipts
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[Payroll reconciliation from payroll reports to income statement](#)

Error rate TTM 3/2021	(10,647)	-0.5%	Income statement payroll expense less than payroll reports
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[Tax to income statement reconciliation](#)

Error rate 2020	(0)		
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[Bank Account Reconciliations](#)

Could be improved, 3 periods reconciled, one did not

Credit cards

Do not reconcile to month end, reconciling to statement date (similar to what other companies do). However, when preparing Net Working capital at Close, it will be important to reconcile the credit card statement as of Close.

3 Finance Team

[Finance Department and reporting](#)

Kenny Dalglish

Kenny handles accounting and reconciliations i.e., a book keeper

Steven Gerrard

Steven is responsible for invoicing

External accountant

Reviews monthly financials, deals with state and local and year end taxes

Quality OK for size of business but needs to be improved

No Capex recorded. No accrual for bonuses and commissions. No accounting for deferred revenue. Inventory needs cleaning up

Capex estimated at between \$20k to \$23k (\$12k to \$15k for PCs/laptops and \$8k for VOIP phones which are bought for customers) in 2020 by Management. No QofE adjustment has been made as Company could not provide adequate support.

4 Key accounting Policies

[Accounting Procedures](#)

Accounting is managed through ConnectWise (e.g., billing and purchasing) and QuickBooks.

[Revenue Recognition and Procedures](#)

MRR

Recurring revenues are billed on the first of each month

Professional Services ("PS")

PS is billed 100% at the acceptance of a project; projects usually last 30-60 days, so most professional services are incorrectly recognized early by Liverpool

Products

Products are billed 100% upon acceptance of the quote; delivery of the product can take 30-60 days, so they are usually recorded early by Liverpool.

Key Takeaways					
2 Due Diligence Adjustments					
1 Key Due Diligence Adjustments					
	Per FAI				
	2018	2019	2020	TTM Mar-21	Comments
Net Income As Reported	480,700	420,384	890,446	910,243	
Adjustments:					
Technical Adjustments	49,252	11,445	6,661	5,402	
Accrual	(4,169)	600	(6,158)	(8,659)	Bonus and commission
Revenue Recognition Adjustment	130,224	(95)	(82,400)	(104,345)	Deferring Product revenue/cogs and PS revenue by one month
Non-Recurring	-	(1,460)	(379,547)	(379,010)	PPPL and COVID grant
GAAP and Due Diligence Adjustments	126,055	(956)	(468,105)	(492,015)	
Personal expenses	89,411	100,577	151,316	149,838	Children's salaries plus other personal expenses
Officers' Payroll	(66,620)	(58,964)	(37,505)	(27,648)	Post close adjustment
One-Off	2,872	885	550	647	
Seller Adjustments	25,663	42,498	114,361	122,838	
COGS/SG&A Reallocation	0	(0)	0	(0)	
Total Adjustments	200,970	52,988	(347,083)	(363,775)	
EBITDA, Pro Forma	681,671	473,372	543,363	546,468	

3 Income Statement					
1 Summary of as Adjusted Results					
	2018	2019	2020	TTM Mar-21	Comments
Revenue	3,513,517	4,407,591	5,171,731	5,078,951	
Gross Profit	2,478,074	2,938,153	3,334,296	3,306,679	
SG&A	(1,948,122)	(2,507,782)	(2,815,736)	(2,766,243)	Recent decrease in expenses is driven by payroll and IT
EBITDA, Pro Forma	663,944	441,359	573,167	570,048	
MRR & ORR % of Total revenue %	68.8%	65.9%	68.5%	72.0%	Increasing
Company Gross Profit Margin %	42.2%	35.4%	35.9%	36.2%	
Product GP%	29.1%	19.4%	22.2%	21.4%	Relatively consistent
Product GP as % of total Company GP %	16.1%	13.5%	12.9%	10.4%	Decreasing
EBITDA Margin %	17.9%	9.7%	11.8%	12.0%	

2 HR/Payroll

Paid twice a month (15th and last day) so not in arrears by month end

Smith Bonus is paid over 3 months after the relevant quarter end

Accrued through due diligence adjustment D68.

Commission is paid within the next payroll after a new MRR customer pay its first invoice

There was no outstanding accrual for commission as of March 31, 2021 D23.

Company pays a 3% (based on base salary only) match for 401k. This was adjusted to 2.5% for (i) CEO; (ii) Kenny/Finance; (iii) commissions and bonuses; and (iv) reclassified overtime previously coded as Professional Services SG&A expense.

Key Takeaways

4 Tax

- \$28k, in total over many years, of overtime payroll was expensed through a non-payroll account, understating their W2 tax liability and setting a precedent. Paying taxes on these payments will reduce the net pay for employees; this could lead to some practical issues of managing the employees.
D65. Unrecorded taxes and pension, and recoded of expenses corrected
- A lot of personal expenses coded to income statement
- FAI recommends that Private Equity Company reviews VOIP taxes as not sure that Management had a full understanding. Kenny represented that Steven stated that the Company does not pay the telecom tax because the Company pay it through their SIP provider monthly. No QofE adjustment has been made as it is hoped that these taxes can be passed onto the customers. FAI recommends that Private Equity Company reviews the customer agreements to see whether taxes can be passed onto the customers and reviews the tax implications for VOIP services. There could also be practical issues of being able to pass on the taxes to the present customer base.

5 Customer Analysis

- [Customer Loss](#) Typically for bad client reasons or acquisitions, not from quality issues
- [Top Customers By Revenue](#) No real customer concentration issues

6 Balance Sheet

1 Net Working Capital

	Dec-18	Dec-19	Dec-20	Mar-21	
Net Working Capital, As Adjusted	(12,637)	57,467	(79,790)	(82,602)	Steady DSO, driven by deferred revenue and credit cards
NWC, As Adjusted, as a % of Revenue	-4%	11%	-21%	-22%	

Need to be very careful at setting working capital target as part of Asset Purchase Agreement as Company does not utilize deferred revenue and commission accruals accounting policies. In addition, there is negative balances of accounts receivable for cash received not yet invoiced (e.g., Carrier Logistics: negative \$6k as of March 31, 2021). Depending on the treatment for deferred income, Private Equity Company may like to consider these advance payments as debt like as the Company will effectively have to provide for MRR services without getting paid post Close.

- [Accounts Receivable](#)
Aging is reasonable
- [Accounts Payable](#)
Aging is reasonable
Credit cards used to finance business

4 Key Working Capital Adjustments

	Dec-18	Dec-19	Dec-20	Mar-21	Comments
Net Assets	-	-	-	-	
Adjustments					
Technical Adjustments	-	-	-	-	
Due Diligence Adjustments	(16,802)	(49,665)	(18,264)	(21,179)	Deferred revenue, commissions and bonuses Need to clean up inventory
Total adjustments	(16,802)	(49,665)	(18,264)	(21,179)	
Net Working Capital, As Adjusted	(16,802)	(49,665)	(18,264)	(21,179)	

Liverpool	2018	2019	2020	TTM Mar-21	Comments
As Reported to As Adjusted Results					
Revenue	3,513,517	4,407,591	5,171,731	5,078,951	Product Sales declining, increasing recurring sales
COGS	(1,035,443)	(1,469,437)	(1,837,434)	(1,772,272)	
Gross Profit	2,478,074	2,938,153	3,334,296	3,306,679	Payroll and IT/Telephone driving decrease as coded to 54110 from June 2020 onwards
Expenses	(1,948,122)	(2,507,782)	(2,815,736)	(2,766,243)	
Net Other Income	(49,252)	(9,987)	371,886	369,807	
Net Income	480,700	420,384	890,446	910,243	
Technical EBITDA Adjustments	49,252	11,445	6,661	5,402	
EBITDA, As Reported	529,952	431,830	897,107	915,644	
GAAP Adjustments	130,302	(1,558)	(461,998)	(490,784)	
EBITDA, GAAP	660,254	430,272	435,109	424,860	
Seller Add-Backs	25,663	42,498	114,361	122,838	
EBITDA, Adjusted	685,917	472,770	549,470	547,698	
Private Equity Company Adjustments	0	(0)	0	(0)	
EBITDA, Run Rate	685,917	472,770	549,470	547,698	
Due Diligence Adjustments	(21,973)	(31,411)	23,697	22,350	
EBITDA, Pro Forma	663,944	441,359	573,167	570,048	
Net Income to EBITDA, Pro Forma Reconciliation					
Net Income As Reported	480,700	420,384	890,446	910,243	
Adjustments:					
Personal expenses	89,411	100,577	151,316	149,838	
Accrual	(4,169)	600	(6,158)	(8,659)	
Non EBITDA Expense	49,252	11,445	6,661	5,402	
Officers' Payroll	(66,620)	(58,964)	(37,505)	(27,648)	
Revenue Recognition Adjustment	130,224	(95)	(82,400)	(104,345)	
Non-Recurring	-	(1,460)	(379,547)	(379,010)	
COGS/SG&A Reallocation	0	(0)	0	(0)	
One-Off	2,872	885	550	647	
Total Adjustments	200,970	52,988	(347,083)	(363,775)	
EBITDA, Pro Forma	681,671	473,372	543,363	546,468	

2020 and TTM Mar-21 is FAI's focus of due diligence, other periods for comparative purposes only

Liverpool	2019	vs. 2018	2020	vs. 2019	TTM 3/21 vs 2020	Comments
Growth						
Revenue		25.4%		17.3%	-1.8%	
Expenses		28.7%		12.3%	-1.8%	
	2018	2019	2020	TTM Mar-21		Comments
Percentage of Revenue, As Reported						
Gross Profit	70.5%	66.7%	64.5%	65.1%		
Expenses	-55.4%	-56.9%	-54.4%	-54.5%		
EBITDA, As Reported	15.1%	9.8%	17.3%	18.0%		
EBITDA, GAAP	18.8%	9.8%	8.4%	8.4%		
EBITDA, Run Rate	19.5%	10.7%	10.6%	10.8%		
EBITDA, Pro Forma	18.9%	10.0%	11.1%	11.2%		
Liverpool	2018	2019	2020	TTM Mar-21		
As Adjusted Results						
Revenue	3,713,835	4,558,446	4,869,703	4,760,880		
COGS	(2,146,250)	(2,942,932)	(3,121,164)	(3,037,601)		
Gross Profit	1,567,585	1,615,514	1,748,539	1,723,279		
Expenses	(903,641)	(1,174,154)	(1,174,372)	(1,149,430)		
Net Other Income	-	(2)	(1,000)	(3,802)		
EBITDA, As Adjusted	663,944	441,359	573,167	570,048		
Decrease/(Increase) in NWC	7,360	32,863	(31,401)	(24,739)		
Capex	-	-	-	-		No fixed asset expenditure capitalized
Free Cash Flow	671,304	474,222	541,766	545,309		
Liverpool	2019	vs. 2018	2020	vs. 2019	TTM 3/21 vs 2020	Comments
Growth						
Revenue		22.7%		6.8%	-2.2%	Product Sales declining, increasing recurring sales
Expenses		29.9%		0.0%	-2.1%	Payroll and IT/Telephone driving decrease as coded to 54110 from June 2020 onwards
EBITDA, As Adjusted		-33.5%		29.9%	-0.5%	
	2018	2019	2020	TTM Mar-21		
Percentage of Revenue						
Gross Profit	42.2%	35.4%	35.9%	36.2%		
Expenses	-24.3%	-25.8%	-24.1%	-24.1%		
EBITDA, As Adjusted	17.9%	9.7%	11.8%	12.0%		

Summarized Adjusted Income Statement	2018	2019	2020	TTM Mar-21	Comments
Revenue					
Product	866,405	1,119,741	1,018,983	836,403	Declining
Professional Services	291,858	429,946	513,352	493,935	
MRR	2,308,292	2,543,511	2,635,836	2,688,796	Steadily increasing
ORR	247,280	459,849	698,079	738,166	Steadily increasing
Other	-	5,399	3,453	3,581	
Total Revenue	3,713,835	4,558,446	4,869,703	4,760,880	
Revenue Mix					
Product	23%	25%	21%	18%	
Professional Services	8%	9%	11%	10%	
MRR	62%	56%	54%	56%	
ORR	7%	10%	14%	16%	
MRR and ORR	69%	66%	68%	72%	Increasing recurring revenue as a % of total
Other	0%	0%	0%	0%	
Total Revenue	100%	100%	100%	100%	
COGS					
Product	(614,353)	(902,155)	(792,800)	(657,825)	
Professional Services	(4,336)	(28,747)	(6,404)	(5,516)	
MRR	(1,527,560)	(1,754,816)	(1,810,267)	(1,819,216)	
ORR	-	(230,808)	(492,114)	(537,939)	
Other	-	(26,406)	(19,580)	(17,106)	
Total COGS	(2,146,250)	(2,942,932)	(3,121,164)	(3,037,601)	
Gross Profit					
Product	252,052	217,586	226,184	178,578	
Professional Services	287,522	401,199	506,948	488,419	
MRR	780,732	788,695	825,569	869,580	
ORR	247,280	229,041	205,965	200,227	
Other	-	(21,007)	(16,126)	(13,525)	
Total Gross Profit	1,567,585	1,615,514	1,748,539	1,723,279	
Product GP as % of total	16.1%	13.5%	12.9%	10.4%	
Gross Profit Margin					
Product	29.1%	19.4%	22.2%	21.4%	Expected margin 18% to 22%., fluctuates on monthly basis
Professional Services	98.5%	93.3%	98.8%	98.9%	
MRR	33.8%	31.0%	31.3%	32.3%	
ORR	100.0%	49.8%	29.5%	27.1%	
Other	0.0%	-389.1%	-467.0%	-377.7%	
Gross Profit Margin	42.2%	35.4%	35.9%	36.2%	
Overhead Expenses					
Payroll	(655,351)	(804,177)	(787,130)	(775,948)	
IT and Telephone	3,350	(61,835)	(66,538)	(54,703)	
Marketing	(45,486)	(35,724)	(56,737)	(64,492)	
Professional Services	(16,082)	(45,304)	(88,124)	(78,955)	
Facilities	(54,351)	(56,429)	(59,221)	(59,717)	
Bank and Financial expenses	(27,145)	(29,423)	(30,989)	(35,802)	
Dues and Subscriptions	(14,728)	(15,302)	(24,503)	(24,906)	
Insurance	773	(8,011)	(9,366)	(12,203)	Increased as previously coded to Corporate Disability (Payroll category)
SG&A-Other	(25,456)	(40,169)	(22,757)	(18,340)	
Bad Debts	(14,127)	(8,173)	(11,616)	(10,146)	
Recruitment Expenses	(26,484)	(46,982)	(7,456)	(8,925)	
Travel	(28,553)	(22,625)	(9,937)	(5,295)	
Other Expenses	-	(2)	(1,000)	(3,802)	
Total Overhead Expenses	(903,641)	(1,174,155)	(1,175,372)	(1,153,232)	
EBITDA, As Adjusted	663,944	441,359	573,167	570,048	

Liverpool	2019	vs. 2018	2020	vs. 2019	TTM 3/21 vs 2020	Comments
Change Over Period						
Revenue						
Product	253,336		(100,758)		(182,581)	Declining
Professional Services	138,088		83,405		(19,416)	
MRR	235,219		92,325		52,960	Steadily increasing
ORR	212,570		238,230		40,087	Steadily increasing
Other	5,399		(1,945)		128	
Total Revenue	844,612		311,257		(108,823)	
COGS						
Product	(287,802)		109,355		134,975	
Professional Services	(24,411)		22,343		888	
MRR	(227,256)		(55,451)		(8,949)	
ORR	(230,808)		(261,305)		(45,825)	
Other	(26,406)		6,826		2,474	
Total COGS	(796,683)		(178,232)		83,564	
Gross Profit						
Product	(34,466)		8,598		(47,606)	
Professional Services	113,677		105,748		(18,528)	
MRR	7,963		36,874		44,011	
ORR	(18,239)		(23,076)		(5,738)	
Other	(21,007)		4,880		2,602	
Total Gross Profit	47,929		133,025		(25,260)	
Gross Profit Margin						
Product	-9.7%p		2.8%p		-0.8%p	
Professional Services	-5.2%p		5.4%p		0.1%p	
MRR	-2.8%p		0.3%p		1.0%p	
ORR	-50.2%p		-20.3%p		-2.4%p	
Other	-389.1%p		-77.9%p		89.3%p	
Gross Profit Margin	-6.8%p		0.5%p		0.3%p	
Overhead Expenses						
Payroll	(148,826)		17,047		11,183	Decreasing
IT and Telephone	(65,185)		(4,703)		11,835	Decreasing
Marketing	9,762		(21,013)		(7,755)	
Professional Services	(29,221)		(42,821)		9,170	
Facilities	(2,078)		(2,792)		(496)	
Bank and Financial expenses	(2,279)		(1,565)		(4,813)	
Dues and Subscriptions	(574)		(9,201)		(403)	
Insurance	(8,784)		(1,354)		(2,837)	
SG&A-Other	(14,713)		17,412		4,417	
Bad Debts	5,955		(3,444)		1,470	
Recruitment Expenses	(20,498)		39,526		(1,469)	
Travel	5,928		12,688		4,641	
Other Expenses	(2)		(998)		(2,802)	
Total Overhead Expenses	(270,514)		(1,217)		22,140	
EBITDA, As Adjusted	(222,585)		131,808		(3,120)	

Working Capital, As Adjusted	Dec-18	Dec-19	Dec-20	Mar-21	Comments		
\$							
Accounts Receivable	120,261	337,132	177,929	177,201			
Inventory/WIP	-	-	-	23,015			
Other Assets	(165)	-	-	6,501			
Accounts Payable	(13,080)	(142,301)	(102,338)	(71,239)			
Credit Cards	(106,065)	(74,737)	(86,947)	(107,014)			
Deferred Revenue	95,740	57,858	(5,128)	(52,149)	Deferring Product and PS Sales by one month		
Other Accruals	(109,328)	(120,485)	(63,306)	(58,916)			
Net Working Capital, As Adjusted	(12,637)	57,467	(79,790)	(82,602)			
NWC, As Adjusted, as a % of Revenue	-4.1%	11.0%	-20.6%	-21.8%			
Working Capital Metrics, As Adjusted Based On Revenue - Days							
DSO	12.1	19.9	14.3	14.5			
DIO	-	-	-	(17.0)			
Other Assets	(0.0)	-	-	0.5			
DPO	(3.8)	(17.0)	(17.1)	(14.2)			
Credit Cards	(30.5)	(8.9)	(14.5)	(21.3)			
Deferred Revenue	10.7	4.4	7.0	8.8			
DPOA (Other Current Liabilities)	(13.5)	(8.3)	(5.2)	(5.3)			
Total Working Capital Days	(25.0)	(9.9)	(15.5)	(34.0)			
Summary of NWC							
	TTM1	TTM2	TTM3	TTM6	TTM9	TTM12	Comments
Accounts Receivable	177,201	189,088	190,020	182,982	206,021	211,648	Significant amount of work needs to be performed to set NWC Target for APA
Inventory/WIP	23,015	17,969	11,979	11,051	11,087	12,493	
Other Assets	6,501	6,862	4,334	2,367	2,110	2,281	
Accounts Payable	(71,239)	(83,288)	(77,638)	(84,345)	(91,112)	(89,720)	
Credit Cards	(107,014)	(115,519)	(104,221)	(85,477)	(95,244)	(86,093)	
Deferred Revenue	(52,149)	(24,863)	(11,463)	(3,766)	1,274	(1,231)	
Other Accruals	(58,916)	(56,253)	(54,114)	(52,232)	(53,498)	(61,837)	
NWC, Adjusted	(82,602)	(66,005)	(41,103)	(29,420)	(19,361)	(12,460)	
NWC, As Adjusted, as a % of Revenue	-21.8%	-17.2%	-10.5%	-7.4%	-4.8%	-3.1%	
Significant care will be needed to set the NWC target for APA agreement because of the Company's present accounting policies which are not fully utilizing the "accrual basis" of accounting (e.g., Product and PS revenue, bonus and commission accruals).							

Executive Summary

1 Background on IT Direct or Company

1 Background of Company

Liverpool Inc. ("Liverpool", "Company", "Target")

Headquartered at Anfield Road, Liverpool UK L40TH

Founded in 2003, provides IT support to small and mid-sized customers

Key Management

Steven Gerrard

President and Owner

Kenny Dalglish

Vice President

2 Company Structure

S-Corp; no related companies

2 Finance Function

1 Finance Department and reporting

Steven is responsible for invoicing, Kenny is in charge of processing accounting

Financial reporting of the Company needs to be improved and has historically been lacking in robustness.

Income statement changed effective July 1, 2019 (went from basic chart of acct number to a detailed chart).

Not much differences between monthly and year end financial statements except:

2019 Significant deferral of revenue from 2019 to 2020

[2020 YEAR END CPA ADJUSTING ENTRIES](#)

D14.

D15.

2020 Minimal tidying up adjustments

2 Accounting Procedures

1 Mahamed Salah, Football Accounting Associates (External Accountant)

www.a2zcpa.com/

Mahamed is the external CPA that works with Company. Mahamed is responsible for filing taxes and tax planning issues (i.e., deferring revenue and COGS for tax purposes), organizing accounts, and monthly sales tax expense. Mahamed also reviews monthly financial statements.

Accounting is organized through (i) ConnectWise (sales and purchases) and QuickBooks. Kenny manages accounts and sends Mahamed a copy.

2 Cash vs Accrual

A basic estimated accrual-basis; however revenue recognition needs to be improved for Professional Services and Products

3 Reconciliations

Kenny handles all of the reconciliations which are performed monthly

Key reconciliations are

Bank reconciliations

Credit cards (which are reconciled as of statement date not month end)

Accounts receivable

Accounts Payable

26000 - Inventory Carry-Over

On a monthly basis, Kenny checks that Product revenue has related costs recorded within the income statement; if there is none, Kenny records an accrual within Inventory Carry-Over

These reconciliations have been performed over the last 18 to 24 months; with quality also improving over this time period.

Based on these representations from Management, there is probably reasonable cut-off controls; however, they could the process could be more automated and quality/record keeping improved

4 Revenue Recognition and Procedures

MRR

Managed Services and ORR are billed on the first of each month, and are due upon receipt. The invoice covers service for the month in which it is billed.

The Company has 2 accounts that prepaid for the MRR. The two clients are (i) Hart, Vida Partners; and (ii) Carrier. They both paid for this year's MRR in December of last year. Kenny entered the MRR invoice as we do all others, on the 1st of the month as she wanted to keep the monthly numbers accurate. The Company keeps the credit for the payment received on the books and apply the credit for each month on the day the Company generates the invoice.

Managed Services - Agreement labor associated with managed services. Covers basic services that Liverpool provides. Invoice sent at the beginning of the month and typical remains consistent, if members are added then the invoices are adjusted accordingly at the beginning of the following month (and back charges for change in revenue for prior month). Steven handles these invoices. All invoices are recorded monthly. CCW and one other company invoiced annually but recorded monthly.

ORR

Any services that are outside of the scope of typical managed services projects.

Professional Services

Projects are billed 100% upon acceptance of the project. ½ of the project consulting is due upon signing. The balance is due upon completion of the project

PS engagements can typically take up to 30 to 60 days to complete from signing order; accordingly, revenue is likely to have been recorded early within the financial statements.

Products

Hardware/Software is billed 100% upon acceptance of the quote. ½ of the hardware/software is due upon signing. The balance is due upon delivery.

Product engagements can typically take up to 30 to 60 days to complete from signing order; accordingly, revenue is likely to have been recorded early within the financial statements.

Two account managers (VCIOs do purchasing for Liverpool) Once the client approves cost/price, VCIO creates an invoice and sends it to client. Invoice then sits in ConnectWise until it is transferred into QuickBooks. Cost and revenue are recognized as soon as the invoice is made. Products are purchased through (i) Dell and Ingram are paid by check (major suppliers of hardware) and (ii) . Revenue and cost are always recognized in the same month (the month that Liverpool is sent an invoices. Thorough checks to ensure that COGS match revenues

Typical margin is 18-22%

Kenny reviews invoices and purchases to see if appropriately matched via a spreadsheet, accruals made via 26000 · Inventory Carry-Over

5 High Level Adjustment to Estimate Revenue on an Accrual Basis

Defer Product Revenue and Costs by one Month

D15.

Defer PS Revenue by one Month

D16.

Executive Summary

3 Customers

1 Top Customers By Revenue

	2019 MS	2020 MS	TTM3/21 MS	2019 PS	2020 PS	TTM3/21 PS	2019 Product	2020 Product	TTM3/21 Product	2019 Total	2020 Total	TTM 3/21 Total
Top 5	29,997	-	617,738	157,140	130,842	124,358	429,090	329,278	260,936	569,315	420,585	864,330
% of Total	1.0%	0.0%	18.0%	32.0%	25.9%	25.4%	35.6%	32.7%	31.1%	12.1%	8.7%	18.2%
Top 10	29,997	-	1,049,336	230,395	214,453	216,399	653,543	508,848	417,734	845,550	683,311	1,449,550
% of Total	100.0%	0.0%	31.4%	49.8%	40.8%	42.6%	52.3%	50.6%	49.9%	48.5%	44.6%	30.9%
Top 25	29,997	-	1,863,845	356,946	357,065	365,934	1,033,765	781,032	664,488	1,366,201	1,077,907	2,563,495
% of Total	100.0%	0.0%	55.8%	77.2%	67.9%	72.1%	82.8%	77.7%	79.4%	78.4%	70.4%	54.7%

2 Customer Concentration

Top 5 Customers Per TTM March 2021												
	MS	Revenue	% of Revenue	PS	Revenue	% of Revenue	Product	Revenue	% of Revenue	Total	Revenue	% of Revenue
1		167,329	4.9%		33,385	6.8%		64,383	7.7%		248,824	5.2%
2		135,965	4.0%		23,835	4.9%		54,222	6.5%		203,810	4.3%
3		121,480	3.5%		23,216	4.7%		51,580	6.2%		166,572	3.5%
4		118,226	3.4%		23,017	4.7%		48,110	5.7%		137,442	2.9%
5		111,329	3.2%		20,905	4.3%		42,641	5.1%		136,273	2.9%
Top 5		654,328	19.1%		124,358	25.4%		260,936	31.1%		892,920	18.8%

Further Analysis: [Customer Analysis](#)

3 Recent Loss of Customers

MS Customer	2018	2019	2020	LTM Jan-21	LTM Feb-21	LTM Mar-21	Last Month of Invoice	Comments
	39,498	41,151	42,142	42,166	38,622	35,078	Jan-21	Abusive Client. Management fired them 2 times in the past. Customer did not want to play by the rules where he could not call all the shots, so customer left
	28,836	29,188	19,586	17,134	14,682	12,214	Aug-20	Was a great client until they got a new office manager/POC who we did not mix well.
	14,002	13,852	11,202	10,202	9,202	8,202	Nov-20	Lost office, down to only handful of staff, so services no longer needed
	-	72,170	30,171	22,715	15,143	7,572	Apr-20	Fired client - abusive
	-	-	6,200	6,200	6,200	6,200	Jul-20	Signed contract, and then never set date to onboard (COVID).
	-	-	2,854	2,854	2,854	2,519	Oct-20	Merged with large law firm in Long Island, and moved IT service there.
	23,360	24,032	2,063	-	-	-	Jan-20	They were a small shop with 10 Macs. Company did some project work for them, and after project complete, there was not much management required. Technical POC
	47,410	56,550	-	-	-	-	Oct-19	Raised prices beyond what customer could afford
	23,464	24,054	4,179	2,089	-	-	Feb-20	See HKCWCLLP - Huff Wilkes was long-term, smaller client. HKCWCLLP is the new firm
	34,980	29,997	-	-	-	-	Nov-19	Further details at HKCWCLLP PDO was long-term client, who merged with Texas Scenic. Texas Scenic has IT department, and they moved services internally.
Product Resale Customer	2018	2019	2020	LTM Jan-21	LTM Feb-21	LTM Mar-21	Comments	
	34,123	73,117	21,807	18,457	7,588	5,494	MRSI was purchased by a larger company located in Sweden. Liverpool manages servers located in MA and some project work. Majority of hardware and software purchases are now handled through Sweden.	
	-	-	96,916	-	-	-	\$96,916 is deferred revenue JE. Company's accountant had to put a company in QB when making the JE so he made the company name, XYZ Test Company.	

Accounts Receivable Aging - Summary

							> 31 days
March 31, 2021	13.4%	70.0%	7.6%	8.8%	0.1%	100.0%	16.6%
January 31, 2021	2.9%	71.0%	13.6%	2.8%	9.6%	100.0%	26.1%
December 31, 2020	4.6%	69.4%	14.7%	5.4%	5.8%	100.0%	26.0%
September 30, 2020	16.4%	54.1%	18.7%	4.1%	6.8%	100.0%	29.5%
June 30, 2020	9.8%	62.1%	4.7%	12.5%	11.0%	100.0%	28.1%
March 31, 2020	6.6%	51.0%	20.6%	50.1%	-28.3%	100.0%	42.4%
December 31, 2019	-33.8%	61.3%	56.2%	6.7%	9.5%	100.0%	72.5%

this accounting needs to be improved

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Comments	
March 31, 20201	-	-	-	-	(6,121)	(6,121)	Paying annually in advance	W44.
	-	-	-	-	(6,455)	(6,455)	Barter prepay	W33. D66.
Janaury 31, 2021	-	-	(10,202)	-	-	(10,202)	Paying annually in advance	W44.
	-	(4,258)	-	-	-	(4,258)	Over paying by check, Company liaising with customer	
	-	3,876	(7,890)	-	-	(4,013)	Barter prepay	W33. D66.
	-	2,485	-	-	7,400	9,885	Ongoing project,	
December 31, 2020	-	(11,116)	-	-	-	(11,116)	Carrier gave a check \$16k in advance, prepay	W44.
	-	-	-	(4,219)	(39)	(4,258)	Construction company	
	-	(8,407)	200	-	382	(7,824)	Barter prepay	D66.
December 31, 2019	(96,916)	-	-	-	-	(96,916)	Relates to Period 12 journal	W42.

3 Accounts Payable Aging - Summary

Summary of Accounts Payable		As Reported					TOTAL	Difference	Per G/L
		Current	1 - 30	31 - 60	61 - 90	> 90			
March 31, 2021	53,223	4,373	4,742	(8,095)	16,609	70,852	387	71,239	
December 31, 2020	89,714	(750)	(11)	(8,041)	21,037	101,950	387	102,338	
September 30, 2020	54,940	(512)	49	3,573	17,680	75,731	387	76,119	
June 30, 2020	56,441	11,612	-	-	9,464	77,517	387	77,905	
March 31, 2020	86,173	5,512	(135)	3,800	(1,734)	93,616	387	94,003	
December 31, 2019	145,879	442	4,879	5,990	(15,276)	141,913	387	142,301	
December 31, 2018	33,465	(3,946)	1,552	7	(18,385)	12,692	387	13,080	

5 Other Balance Sheet Items

Other Balance Sheet Items		Dec-18	Dec-19	Dec-20	Mar-21	Comments		
10300 · Chase Savings x7678		3,007	3,008	7,011	11	Savings Account		
10400 · Chase Checking x1217		127,648	201,065	143,948	169,685	Primary Checking Account		
10500 · M&T Bank		-	-	25,000	25,000	Small Checking Account (~\$25k), rarely used.		
Inventory	Should be excluded from NWC for APA					Company does not keep any inventory.		
12050 · Inventory for Tech Use		478	478	478	478	All Current Inventory is old and must be written off of the balance sheet.		
12000 · Inventory Assets - Other		42,942	4,478	4,180	4,180	W31. W32.		
Total 12000 · Inventory Assets		43,419	4,956	4,658	4,658			
26000 · Inventory Carry-Over		-	(1)	(5,961)	(11,099)	Accrual for inventory as estimated by Kenny		
Fixed Assets						Capex Related Expenditure is expensed directly to the income statement. No fixed asset register. Accordingly, EBITDA is understated because expenses are not capitalized. The EBITDA implications have not been evaluated by FAI because the company could not provide the relevant information.		
15000 · Computer H/W & S/W		-	-	-	-	This accounting treatment needs to be corrected post transaction. In addition, the prior accounting treatment may have tax implications. Capex estimated at between \$20k to \$23k (\$12k to \$15k for PCs/laptops and \$8k for VOIP phones which are bought for customers) in 2020 by Management. No QofE adjustment has been made as Company could not provide adequate support. Fair Market Value of fixed assets will still need to be assessed.		
15200 · Equipment		49,176	49,176	49,176	49,176			
15900 · Accumulated Depreciation		(49,176)	(49,176)	(49,176)	(49,176)			
Total Fixed Assets		-	-	-	-			
	Should be excluded from NWC for APA	3,790	1,961	7,359	7,302	Local bartering system that connects local businesses Balance sheet balance can go negative and positive depending on status of battering Small trading of which part was used to pay for teeth work of owners daughters. FAI has written off the balance from P&L and Balance Sheet.	D66.	W33.
	Should be excluded from NWC for APA	847	-	1,648	1,648	Long-term client of Company which trade services for restaurant food. Basically restaurant does not keep good records and balance should be much smaller. FAI has written off the balance from P&L and Balance Sheet.	D67.	W34.
14990 · Undeposited Funds	Should be excluded from NWC for APA	8,704	250	50,045	5,612	Timing for posting cash to QuickBooks and which was paid into bank. It appears this balance should be treated as Cash	W40.	
19500 · Suspense		-	-	288	6,307	Where PPP Loan accounting was recorded. From 2021 effectively recording a rent deposit (~\$6k). As due diligence adjustments, FAI included certain new prepaid balances.	W45.	
Credit Cards								
21010 · American Express - Gold		(40,183)	(31,308)	(560)	(1,500)	Used in the past, switched to Chase instead		
21015 · Chase Ink Card		-	-	(44,917)	(62,487)	Basically used 90% of time, \$100k credit limit		
21020 · Upromise - M/C		(50,895)	(24,186)	(30,798)	(19,177)	Used to use		
21030 · Upromise - BJK		(14,987)	(19,243)	(10,672)	(23,850)	Buying personal things,		
Total 21000 · Credit Cards		-	-	-	-			

Executive Summary							
Other Balance Sheet Items, Continued		Dec-18	Dec-19	Dec-20	Mar-21	Comments	
22000 · Deferred Revenue		(88,422)	(90,613)	-	-	Not used except for Period 12 2019 adjustments. Company does not push any of the MRR from year to year. Deferred revenue just has to do with Project Sales and HW/SW Sales (and the costs associated with them) that are not completed in the year that they were invoiced. MRR does not fall into that category.	AJE AZLA 19-9R 90,613
Payroll Liabilities						Base payroll paid twice a month, with last pay for month paid on last day of month. Accrual for bonuses and commission required to be made	D18. D23.
23010 · Aflac Deduction		-	127	2,460	3,466	Maybe misapplied (that is why a debtor) but Company has some employees that have pretax (some post tax) Aflac deductions taken from their checks. Liverpool pays the Aflac bill monthly. The balances owed were because of employees that left (therefore – no deductions from the paycheck) but we were still being billed by Aflac. Aflac eventually credited the money (as shown by check on 1/5/21 in the amount of \$2613). The check that Company received in January was applied to account 61210 – which is Benefits Medical on the P&L. The amount on the BS would be significantly lower if it was applied correctly to that account 23010.	FAI recommends that Company reconciles this account
23014 · Medical Deduction		-	(142)	4,647	5,166	Medical deduction is the same as the Aflac deduction. Some employees opt for higher level of medical insurance. When they do so, the additional amount owed for the insurance is deducted from their checks. Liverpool pays the benefits invoice. Maybe the deductions were misapplied but this is our practice.	FAI recommends that Company reconciles this account
23018 · Unpaid Bonuses		-	-	-	7,000	Bonus accrual corrected via due diligence adjustment	D18.
Other		-	15	(7,106)	(15,631)		
23000 · Payroll Liabilities		-	-	-	-		
25000 · Sales Tax Payable		(11,432)	(32,444)	(13,248)	(13,918)	External accountant prepares sales tax return	
25500 · Sales Tax Payable-Prepaid		-	2,419	6,460	6,870	FAI recommends the taxes on VOIP services are reviewed by their tax advisor as Company did not provide a good understanding on the tax implications	
Sales Tax		(11,432)	(30,026)	(6,788)	(7,049)		
29020 · PPP Loan		-	-	-	-	Maximum liability of \$368,580 which management confirmed has been settled (i.e.,	

Executive Summary					
5 Income Statement					
1 Comments on Accounts	2018	2019	2020	TTM Mar-21	Comments
42100 · Break-Fix	-	2,234	19,026	19,131	Mostly "legacy clients" on an old managed services agreement that should have been considered ORR not break fix. Majority of Restaurant, which has a partial bartering arrangement with the company, sales are coded to this account. D67.
49400 · Referral Commission	-	2,222	3,453	3,581	If the Company refers another company to work, they are give a certain commission per month. Also get commission from vendors.
54110 · MRR Hard COGS (Tools)	(493,438)	(439,125)	(320,359)	(350,796)	Software that are used to deliver managed services products. ConnectWise, software, automate, IT, etc. Any tool used to deliver MRR.
54110 · MRR Hard COGS (Tools)	(493,438)	(439,125)	(320,359)	(350,796)	Hardware that are used to deliver managed services products.
61011 · Payroll - Philippines	-	-	-	(8,693)	Two people work from the Philippines. TTG and THYZEN provide potential employees and TGT is paid monthly for employee. Thyzen is a one-time fee. These are treated as subcontractors not W2 employees
61045 · Payroll - Sales Commissions	(22,509)	(16,917)	(13,628)	(9,775)	Moved to COGS D57. D53. Paid to in house sales person. Commission is 70% of the first month of MRR. Paid at the next pay period after the customer sends the check. 50% of Smith bonus allocated to this account through D66. D23. D68.
61500 · Payroll - Workers Comp	1,172	-	-	-	Workers comp is expensed as part of ADP payroll processing costs
62020 · Rent	(49,454)	(52,945)	(54,983)	(58,812)	Rent went up in 2021 because of a security deposit that was paid (\$6,600) which should have been prepaid. Company moved to larger premises but no change in rent in 2021 D20.
63005 · Accounting	(8,850)	(8,440)	(10,525)	(4,550)	External accountant
63020 · Bad Debt	(14,127)	(8,173)	(11,616)	(10,146)	Minimal bad debts per Management but higher than expected per FAI. This account is also used to account for goodwill adjustments
63030 · Bank Service Charges - Other	(27,145)	(28,050)	(28,301)	(33,631)	Connect booster, clearant, and gateway are all fees to accept payment by credit card etc.
63060 · Charitable Contributions	(13,321)	(4,008)	(7,211)	(8,589)	Both to maintain relationships and legitimate charity contributions
63080 · Computer SW	-	(69,756)	(70,655)	(40,151)	Faxing service, email hosting, etc.
63090 · Computer HW	12,713	(37,884)	(28,819)	(22,127)	Monitors, computers, headsets, etc. are all expensed. A lot of items not expensive. These two accounts expense any hardware or software needed by employees. Phones that clients use are a Liverpool cost b/c the client does not pay for them Liverpool is practically lending them.
63100 · Dues & Subscriptions	(14,728)	(15,302)	(24,823)	(25,554)	Miscellaneous dues
63190 · Professional Services	(10,694)	(48,740)	(84,003)	(80,229)	One time expenses that will not recur. Minor overtime is expensed in this account. Overtime (which did not get coded to payroll) is also coded here \$ 28,148 Of Overtime expense (2014-2021) was expensed in Professional Services. If employees work an extra 2 to 5 hours per payroll period, they are paid incorrectly as an expense rather than as a W2 payroll, this has tax implications. Significant over time is paid through payroll D65.
65320 · Marketing Services	(17,423)	(10,925)	(28,018)	(35,219)	Buzzcreators, LMC (edits podcasts), Technology marketing toolkit.
70050 · Economic Injury Grant	-	-	378,580	378,580	\$ 10,000 Apr-20 Covid grant D21. \$ 368,580 Dec-20 PPP Loan waived D21.
Total 80100 · Taxes	-	(2)	(1,000)	(3,802)	Taxes other is an annual new York state tax (corporate tax).
80210 · Finance Charge	(11,222)	(11,446)	(6,664)	(5,405)	Monthly charges on interest for credit cards that Liverpool is using.
70100 · CC Cash Back	-	1,460	967	430	Credit card cash back

2 Product Gross Profit Loss in October 2019

Revenue	72,108
Gross Profit	(6,755)
Gross Profit %	-9.4%

Company brought over multiple invoices for outside services (wiring costs via JE in COA 51400). These are wiring costs that were invoiced in earlier months but the work was completed in later months. Company did not receive the vendor invoice until the work is completed. Company has changed this accounting practice; Company now brings the item receipt over in the month that the work was sold. When Company receives the vendor invoice, Kenny uses the date the PO was generated instead of the date on the invoice. The costs are now accounted for in the month they were sold.

3 December 2020 (As Adjusted)

	Dec 2020	Average Jan 20 to Mar 21	Variance
Revenue	386,584	403,134	(16,551)
Gross Profit	128,353	145,825	(17,472)
SG&A	(120,981)	(97,829)	(23,152)
EBITDA	7,372	47,676	(40,304)

December 2020 EBITDA, As Adjusted lower than average:

Low Gross Profit

PS	(12,670)
Product	(6,766)
ORR	(3,947)
	(23,382)

2 internal projects performed**Higher SG&A**

Professional Services (19,212) Mission \$14k: Amazon Web Services partner who performed a cyber security and cost audit for Liverpool's hosting environment at AWS. Julio Guardado \$2k: A consultant who was working on Company's behalf at a client; could have been coded to COGS.

Marketing	(6,492)
	(25,704)

6 HR/Payroll**1 Payroll**

Payroll is paid on 15th and the last day of the month.

2 Overtime

Non-significant (e.g., less than 10 hours) overtime payroll expensed through the professional services account as a non W2 payroll payment, understating the tax liability. FAI adjusted this back to salary COGS account and added in tax and 401k contribution.

[63190 - Professional Services](#)

D65.

3 Smith Bonus

Quarterly sales commission is paid over 3 months after the relevant quarter end.

This was corrected through D68.

The bonus was allocated 50-50 to the following two codes

54200 - Salary COGS

61045 - Payroll - Sales Commissions

It is calculated as follows:

HW/SW/Consulting

Costs (HW/SW/Labor) subtracted from Sales (HW/SW/Labor) to determine margin

Commission computed as 18% of margin

Addition bonus paid as additional 75% of margin

Phone Commission

16 phone clients sold by Smith

Costs (CloudCo Partner and SIP service) for COGS of phone service deducted against

Margin computed as difference between invoice and COGS cost

Commission computed as 10% of margin

4 Commission

75% of first months MRR revenue, paid in first payroll after customer paid first invoice.

D23.

Executive Summary		
7 Net Cash/(Debt)		
	Mar-21	Comments
10300 · Chase Savings x7678	11	
10400 · Chase Checking x1217	169,685	
10500 · M&T Bank	25,000	
Total Checking/Savings	238,980	
14990 · Undeposited Funds	5,612	Effectively cash receipts not allocated to bank accounts
Effective Net cash	244,592	
	7,302	Could go negative or positive, I would exclude from NWC
	1,648	Could go negative or positive, I would exclude from NWC
Other Receivables	8,950	
Advance Cash Receipts for Services Not Yet Provided	(12,576)	This has been treated as a net working capital item in FAI analysis and could be treated as a debt as cash has been collected but no service provided.
Net Cash/(Debt)	240,965	
Total 21000 · Credit Cards	-	Treated as a Working Capital item but is used to fund business

Summary of Adjustments					Per FAI			
DD	Name	Description	Type	Agreed	2018	2019	2020 TTM Mar-21	
D1.	70000 · Interest Income	Technical	Exclude Interest income	Agreed	(1)	(1)	(3)	(3)
D2.	70050 · Economic Injury Grant	Technical	Exclude Covid loan	Not Agreed	-	-	-	-
D3.	70100 · CC Cash Back	Technical	Credit card cash back	Not Agreed	-	-	-	-
D4.	80110 · State	Technical	Tax Exclusion (not used)	Not Agreed	-	-	-	-
D5.	80120 · Local	Technical	Tax Exclusion (not used)	Not Agreed	-	-	-	-
D6.	80130 · Property	Technical	Tax Exclusion (not used)	Not Agreed	-	-	-	-
D7.	80100 · Taxes - Other	Technical	Tax Exclusion (not used)	Not Agreed	-	-	-	-
D8.	80210 · Finance Charge	Technical	Monthly charges on interest for credit cards that Liverpool is using.	Agreed	11,222	11,446	6,664	5,405
D9.	80220 · Loan Interest	Technical	Exclude loan interest	Agreed	-	-	-	-
D10.	80200 · Interest Expense - Other	Technical	Exclude interest expense	Agreed	-	-	-	-
D11.	80300 · Depreciation	Technical	Exclude depreciation	Agreed	38,031	-	-	-
D12.	80400 · Amortization	Technical	Exclude amortization	Agreed	-	-	-	-
D13.	59900 · COGS Direct Expense - Other	GAAP	Other COGS	Not Agreed	-	-	-	-
D14.	Reverse Period 12 2018 and 2019 Adjusted posted in Future Months	GAAP	Reverse P12 2018/2019 Tax Accountant Journals	Agreed	27,110	82,886	(109,996)	(90,613)
D15.	Defer Product Revenue and Costs by One Month	GAAP	Defer Product revenue and costs by one month as an estimation for delay between customer order and customer acceptance	Agreed	87,756	(50,329)	37,631	(294)
D16.	Defer Professional Services By One Month	GAAP	Defer PS revenue by one month as an estimation for delay between customer order and customer acceptance	Agreed	15,359	(32,653)	(10,035)	(13,438)
D17.	44100 · Out of Scope	GAAP	n/a	Not Agreed	-	-	-	-
D18.	61015 · Payroll - Admin/Operation Bonus	GAAP	Estimate for accrual of bonus	Agreed	-	-	-	(10,318)
D19.	61220 · Retirement Contributions	GAAP	Payroll	Agreed	-	(0)	-	0
D20.	62020 · Rent	GAAP	Normalizing rent expense as Company expensed deposit on new lease	Agreed	-	-	-	3,378
D21.	70050 · Economic Injury Grant	GAAP	Non-recurring income for COVID Grants and PPP Loan waiver	Agreed	-	-	(378,580)	(378,580)
D22.	70100 · CC Cash Back	GAAP	Excluding credit card cash back as note expected to continue post Close as Buyer will utilize AP	Agreed	-	(1,460)	(967)	(430)
D23.	Accrual for Sales Commissions	GAAP	Accrual for sales commission	Agreed	78	(3)	(51)	(489)
D24.	59916 · Meals	Add-back	Add back for personal expenses	Agreed	-	-	-	79
D25.	Accrual for Sales Commissions	Add-back	Exclude compensation for owners' children, employees no longer employed, children of owners will not be replaced	Agreed	26,090	43,981	93,997	95,476
D26.	61030 · Payroll - Officers	Add-back	Normalizing owners salaries for post Close conditions	Agreed	(81,889)	(72,744)	(51,953)	(42,096)
D27.	61210 · Medical	Add-back	Excluding non-working family members medical expenses	Agreed	15,270	13,780	14,448	14,448
D28.	61220 · Retirement Contributions	Add-back	Accruing for retirement expenses	Not Agreed	-	-	-	-
D29.	62030 · Telephone	Add-back	Excluding personal expenses	Agreed	3,800	5,513	4,966	4,795
D30.	61200 · Payroll - Benefits - Other	Add-back	Accounting expense related to the transaction	Agreed	-	-	-	-
D31.	63010 · Auto Expense	Add-back	Excluding personal expenses	Agreed	32,596	16,829	9,603	9,981
D32.	63030 · Bank Service Charges - Other	Add-back	Excluding personal expenses	Agreed	-	-	-	384
D33.	63060 · Charitable Contributions	Add-back	Excluding non-continuing charitable contributions	Agreed	-	-	90	55
D34.	63070 · Client Relationship Management	Add-back	Excluding personal gifts	Agreed	3,618	3,452	9,817	6,014
D35.	63080 · Computer SW	Add-back	Excludes personal software expenses	Agreed	-	-	14	14
D36.	63090 · Computer HW	Add-back	Exclude owners' daughter's personal laptop	Agreed	-	2,328	1,466	1,427
D37.	63100 · Dues & Subscriptions	Add-back	Excludes personal subscriptions	Agreed	-	-	320	648
D38.	63110 · Education/Training	Add-back	Excluding personal expenses	Agreed	-	-	353	353
D39.	63130 · General Insurance	Add-back	Excluding life insurance to be discontinued post close	Agreed	773	773	772	759
D40.	63140 · Legal	Add-back	Legal fee related to this transaction	Agreed	-	-	-	-
D41.	63160 · Office Expense	Add-back	Excluding one-time renovation expenses	Agreed	2,872	885	550	647
D42.	63170 · Office Supplies	Add-back	Excluding personal expenses	Agreed	-	-	14,006	14,163
D43.	63190 · Professional Services	Add-back	Excluding personal expenses	Agreed	-	-	-	308
D44.	63211 · Airline Fare	Add-back	Excluding personal expenses	Agreed	-	-	434	-
D45.	63213 · Entertainment	Add-back	Excluding personal expenses	Agreed	5,556	4,009	1,113	800
D46.	63214 · Ground Transportation	Add-back	Excluding personal expenses	Agreed	-	738	272	433
D47.	63215 · Hotel	Add-back	Excluding personal expenses	Agreed	-	-	689	825
D48.	63216 · Meals	Add-back	Excluding personal expenses	Agreed	14,629	16,635	11,302	12,149

Technical	49,252	11,445	6,661	5,402
GAAP	130,302	(1,558)	(461,998)	(490,784)
Add-back	25,663	42,498	114,361	122,838
Private Equity Company	-	-	-	-

	Personal expenses	89,411	100,577	151,316	149,838
	Accrual	(4,169)	600	(6,158)	(8,659)
	Non EBITDA Expense	49,252	11,445	6,661	5,402
	Officers' Payroll	(66,620)	(58,964)	(37,505)	(27,648)
	Revenue Recognition Adjustment	130,224	(95)	(82,400)	(104,345)
	Non-Recurring	-	(1,460)	(379,547)	(379,010)
	COGS/SG&A Reallocation	0	(0)	0	(0)
	One-Off	2,872	885	550	647
	Total Adjustments	200,970	52,988	(347,083)	(363,775)

Customer Analysis

Customer	2019 MS	2020 MS	TTM3/21 MS	2019 PS	2020 PS	TTM3/21 PS	2019 Product	2020 Product	TTM3/21 Product	2019 Total	2020 Total	TTM 3/21 Total
	-	-	145,512	6,743	33,350	33,385	48,506	57,783	48,110	55,249	91,133	227,007
	-	-	133,816	32,485	20,945	16,265	112,207	51,623	51,580	144,692	72,569	201,662
	-	-	103,399	2,500	26,667	20,905	12,738	38,391	42,641	15,238	65,058	166,945
	-	-	62,370	6,500	22,460	20,705	6,061	62,670	54,222	12,561	85,130	137,297
	-	-	116,627	15,840	12,070	6,845	101,181	994	7,948	117,021	13,064	131,420
	-	-	100,425	53,620	26,343	17,843	73,117	21,807	5,494	126,737	48,150	123,763
	-	-	96,092	23,930	8,175	5,945	12,360	19,465	12,929	36,290	27,640	114,966
	-	-	118,384	6,991	-	-	16,989	-	-	23,979	-	118,384
	-	-	94,021	6,825	6,030	4,880	24,607	13,153	25,033	31,432	19,183	123,933
	-	-	19,790	-	14,552	15,052	-	60,286	64,383	-	74,838	99,224
	-	-	68,443	3,800	9,870	9,410	7,005	25,583	26,321	10,805	35,453	104,175
	-	-	71,883	4,185	7,650	7,400	26,139	11,848	10,484	30,324	19,498	89,766
	-	-	55,921	12,940	4,700	4,750	40,998	20,502	26,894	53,938	25,202	87,566
	-	-	48,739	-	7,449	6,595	-	14,200	23,956	-	21,649	79,290
	-	-	68,180	(3,488)	7,420	7,900	93	-	-	(3,395)	7,420	76,080
	-	-	48,880	250	1,100	3,350	8,061	22,761	26,768	8,311	23,861	78,998
	-	-	54,738	7,025	13,083	11,833	26,593	13,736	7,201	33,618	26,819	73,771
	-	-	9,889	-	22,022	23,017	-	28,848	31,214	-	50,870	64,120
	-	-	17,016	-	18,595	23,835	-	16,495	19,040	-	35,090	59,892
	-	-	69,178	2,884	6,523	2,350	5,397	643	393	8,281	7,165	71,921
	-	-	42,388	5,300	11,210	12,460	29,773	9,078	15,199	35,073	20,288	70,046
	-	-	13,500	-	6,025	18,133	-	21,588	25,413	-	27,613	57,045
	-	-	33,045	21,680	5,695	3,300	68,882	37,885	29,906	90,561	43,580	66,251
	-	-	17,463	370	10,575	10,050	3,527	44,493	42,016	3,897	55,068	69,529
	-	-	55,500	8,840	2,962	750	7,951	25,740	7,977	16,791	28,702	64,227
	-	-	58,504	14,240	750	750	28,614	3,570	3,570	42,854	4,320	62,824
	-	-	40,398	16,600	8,622	5,850	73,704	29,953	14,084	90,304	38,575	60,332
	-	-	47,470	2,963	4,750	6,000	15	3,345	3,479	2,978	8,095	56,949
	-	-	48,570	8,368	4,850	5,775	11,020	1,921	1,921	19,387	6,771	56,267
	-	-	8,932	-	4,466	23,216	-	3,771	10,782	-	8,237	42,930
	-	-	31,323	2,850	9,410	12,985	2,167	14,348	11,056	5,017	23,758	55,364
	-	-	52,032	10,250	-	-	45,791	1,995	1,735	56,041	1,995	53,767
	-	-	46,610	-	7,650	175	-	121	121	-	7,771	46,906
	-	-	49,482	13,635	435	925	22,856	7,493	886	36,491	7,928	51,293
	-	-	49,070	(6)	3,850	350	775	3,005	3,005	769	6,855	52,425
	-	-	42,766	3,860	7,525	6,025	8,779	8,180	3,188	12,639	15,705	51,979
	-	-	25,300	400	3,600	8,850	6,347	14,373	17,332	6,747	17,973	51,481
	-	-	43,699	1,600	1,500	2,250	1,501	5,205	4,105	3,101	6,705	50,054
	-	-	43,590	7,050	5,300	5,300	32,104	3,692	3,895	39,154	8,992	52,785
	-	-	46,368	4,125	555	125	5,469	3,787	3,080	9,594	4,342	49,573
	-	-	31,767	12,700	3,200	3,200	47,835	10,905	11,269	60,535	14,105	46,236
	-	-	42,142	1,700	4,000	4,000	2,378	6,476	6,940	4,078	10,476	53,082
	-	-	44,191	10,110	550	250	425	2,073	1,824	10,535	2,623	46,265
	-	-	41,903	494	2,000	2,000	2,814	1,501	1,501	3,308	3,501	45,403
	-	-	29,947	1,500	4,350	6,700	18,903	15,978	6,482	20,403	20,328	43,129
	-	-	28,854	-	4,100	4,100	1,263	8,625	8,280	1,263	12,725	41,233
	-	-	24,273	801	5,150	4,400	1,286	12,457	12,128	2,087	17,607	40,801
	-	-	22,248	250	8,500	9,000	714	8,050	8,949	964	16,550	40,197

Customer Analysis

Customer	2019 MS	2020 MS	TTM3/21 MS	2019 PS	2020 PS	TTM3/21 PS	2019 Product	2020 Product	TTM3/21 Product	2019 Total	2020 Total	TTM 3/21 Total
-	-	-	37,912	3,675	150	-	41,323	998	947	44,998	1,148	38,859
-	-	-	33,388	3,300	2,350	3,100	945	2,741	2,742	4,245	5,091	39,229
-	-	-	34,327	4,283	1,860	1,860	3,254	3,498	2,051	7,537	5,358	38,238
-	-	-	39,747	2,050	250	250	16,488	884	854	18,538	1,134	40,851
-	-	-	32,856	990	11,350	2,000	1,328	6,302	885	2,318	17,652	35,741
-	-	-	34,897	5,805	2,550	-	18,591	7,926	1,330	24,396	10,476	36,228
-	-	-	32,065	2,800	250	250	3,100	2,024	2,232	5,900	2,274	34,547
-	-	-	21,218	8,050	8,670	8,420	17,932	8,043	4,773	25,982	16,713	34,411
-	-	-	30,000	-	3,550	1,450	-	3,447	1,941	-	6,997	33,391
-	-	-	17,120	-	8,005	2,230	-	12,115	10,097	-	20,120	29,447
-	-	-	30,900	10,290	-	-	2,473	1,350	1,350	12,763	1,350	32,250
-	-	-	22,291	1,250	1,750	4,950	3,948	424	1,231	5,198	2,174	28,472
-	-	-	20,904	5,000	3,150	2,475	11,425	6,944	6,628	16,425	10,094	30,007
-	-	-	26,229	1,264	1,200	1,200	3,500	4,117	2,153	4,764	5,317	29,582
-	-	-	9,432	-	3,377	3,377	-	11,727	11,727	-	15,104	24,536
-	-	-	21,462	750	1,050	850	3,576	1,308	2,582	4,326	2,358	24,894
-	-	-	19,280	408	1,500	1,250	1,527	3,648	3,933	1,936	5,148	24,463
-	-	-	7,858	555	10,445	11,250	-	3,665	3,665	555	14,110	22,773
-	-	-	24,198	(8)	175	575	-	343	343	(8)	518	25,116
-	-	-	12,772	-	-	-	-	1,247	4,923	-	1,247	17,695
-	-	-	19,497	-	-	-	-	-	-	-	-	19,497
-	-	-	16,359	250	6,150	4,820	780	2,994	3,869	1,030	9,144	25,048
-	-	-	14,285	5,025	10,410	1,155	20,047	7,665	5,123	25,072	18,075	20,563
-	-	-	-	-	16,435	19,095	-	-	-	-	16,435	19,095
-	-	-	18,358	-	-	-	-	-	-	-	-	18,358
-	-	-	9,035	2,215	1,100	2,900	4,278	4,705	5,134	6,493	5,805	17,069
-	-	-	12,978	2,200	1,000	1,000	52	-	-	2,252	1,000	13,978
-	-	-	19,586	1,000	1,000	1,000	5,842	375	375	6,842	1,375	20,961
-	-	-	10,714	-	685	685	-	1,966	1,966	-	2,651	13,365
-	-	-	11,196	250	169	169	295	2,573	1,418	545	2,743	12,784
-	-	-	12,145	-	-	-	-	-	-	-	-	12,145
-	-	-	30,171	25,425	4,829	4,079	25,047	83	0	50,472	4,912	34,251
-	-	-	-	-	-	11,380	-	-	-	-	-	11,380
-	-	-	10,694	-	-	-	55	-	-	55	-	10,694
-	-	-	4,800	1,400	1,500	500	2,359	1,645	3,371	3,759	3,145	8,671
-	-	-	11,202	555	-	-	-	-	-	555	-	11,202
-	-	-	7,450	-	-	-	-	-	-	-	-	7,450
-	-	-	7,091	-	-	-	206	-	-	206	-	7,091
-	-	-	-	7,200	4,970	2,820	27,145	9,710	3,776	34,345	14,680	6,596
-	-	-	4,710	1,618	1,470	690	-	1,346	839	1,618	2,816	6,239
-	-	-	6,200	-	2,850	-	-	-	-	-	2,850	6,200
-	-	-	-	-	-	4,705	-	-	-	-	-	4,705
-	-	-	20,086	9,450	-	-	33,712	277	202	43,162	277	20,287
-	-	-	3,566	-	-	-	-	-	-	-	-	3,566
-	-	-	-	-	3,000	3,000	-	-	-	-	3,000	3,000

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Top 5	29,997	-	617,738	157,140	130,842	124,358	429,090	329,278	260,936	569,315	420,585	864,330
% of Total	1.0%	0.0%	18.0%	32.0%	25.9%	25.4%	35.6%	32.7%	31.1%	12.1%	8.7%	18.2%
Top 10	29,997	-	1,049,336	230,395	214,453	216,399	653,543	508,848	417,734	845,550	683,311	1,449,550
% of Total	100.0%	0.0%	31.4%	49.8%	40.8%	42.6%	52.3%	50.6%	49.9%	48.5%	44.6%	30.9%
Top 25	29,997	-	1,863,845	356,946	357,065	365,934	1,033,765	781,032	664,488	1,366,201	1,077,907	2,563,495
% of Total	100.0%	0.0%	55.8%	77.2%	67.9%	72.1%	82.8%	77.7%	79.4%	78.4%	70.4%	54.7%











