

Our Ref: JB/T/HC

9 June 2023

Mr Ronan Fitzgerald
Fitzgerald Power
Greyfriars
Waterford City
X91 K2WV

Dear Ronan,

Re: Bronzetrail Limited

I am attaching herewith draft account for Bronzetrail Limited for the year ending 31 December 2022.

There will be a number of adjustments to these accounts prior to the finalisation but as these changes will involve judgement calls it may be appropriate that the adjustments would be made post your due diligence on the accounts. I am setting out below the major areas where I consider there may be a need for adjustments.

1. Investments, this figure consists of significant expenditure incurred by Garvan in developing computer apps which give detailed information, advice and treatment on the most common medical conditions. The development of this product has taken a significant amount of money and a very large amount of Garvan's time which is not capitalised. He has however to date not monetarized the development and as such I find it impossible to put a value on it. It is not being sold as part of the sale of Bronzetrail Limited, he intends to sell it to Empros Skepsi Limited (a new company which he has formed for the purpose of developing a pharmacy in Mallow). I would be of the view that this investment should be sold at a price of somewhere between €0 and €60,000 or €70,000 but if he succeeds in monetarizing it in the new company it could have a significant value.
2. The debtors figure includes an amount of €459,000 owed to Empros Skepsi Limited. Clearly this will need to be repaid as part of the sales process. All this expenditure has been completely documented and can be backed up.
3. There is an amount of €415,000 shown as owed to the company as a director's loan. We are attaching herewith a detailed account for the director's loan account. The term loan repayments relate to a personal loan and the Revenue Commissioners payments relate to his personal taxes. We are attaching a detailed printout of his personal drawing figures as Garvan is of the view that a significant amount of this should be dealt with as a business expense but we have no back up for same.

4. I am attaching an analysis of the taxation figure in Note 10. Debtors figure includes €79,000 in F45 tax which can be offset against this figure. Again it is acknowledged that this is a liability that will have to be cleared prior to the sale. The PAYE and VAT included in this figures have been paid since the year end but the corporation tax is still outstanding. No provision has been made for any interest that the Revenue may charge on late payment.

Finally, we are attaching herewith a copy of the full nominal ledger and trail balance.

You might revert back to us with any queries at your convenience.

Yours sincerely

JAMES BYRNE & COMPANY