BESTON GLOBAL FOOD COMPANY

Results for announcement to the market

We have provided this results announcement to the market in accordance with Australian Securities Exchange (ASX) Listing Rule 4.2A and Appendix 4E for the Consolidated Group ('Beston') comprising Beston Global Food Company Limited ('the Company') [ABN: 28 603 023 383] and its controlled entities ('the Group') for the year ended 30 June 2022 (financial year) compared to the year ended 30 June 2021.

Consolidated results, commentary on results and outlook

	30 June 2022	30 June 2021	Movement ($'000)	Movement %
Revenue from ordinary activities	139,706	112,420	27,286	24.3%
Loss before tax attributable to equity holders	(25,706)	(29,210)	3,504	12.0%
Income tax benefit	3,981	7,389	(3,408)	-46.1%
Loss after tax attributable to equity holders	(21,725)	(21,821)	96	0.4%

The commentary on the consolidated results and outlook, including the change in state of affairs and likely developments of the Group, are set out in the Review of Operations section of the Financial Report.

Net tangible assets per share

	30 June 2022 $ per share	30 June 2021 $ per share
Net tangible assets per share	0.057	0.157

In accordance with Chapter 19 of the ASX Listing Rules, net tangible assets per share represents the total assets less intangible assets, less liabilities ranking ahead of, or equally with, ordinary share capital and divided by the number of ordinary shares on issue at the end of the year.

Distributions

There were no dividends paid, recommended, or declared during the current financial period.

Subsidiaries, associates and joint ventures

There are no associates or joint ventures during the current financial period. There were no entities in which control was gained or lost during the current financial period.

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Consolidated statement of comprehensive income
For the year ended 30 June 2022

	30 June 2022 $'000	30 June 2021 $'000
Revenue from continuing operations		
Sale of goods	139,706	112,420
Other revenue	48	48
	139,754	**112,468**
Other income	113	826
Expenses		
Cost of sales of goods	(129,131)	(110,641)
Other expenses from ordinary activities		-
Operating overheads	(16,520)	(12,218)
Selling and distribution	(4,365)	(3,766)
Corporate overheads and business support	(12,360)	(10,593)
Other expenses from ordinary activities	-	(91)
Loss from operations	**(22,509)**	**(24,015)**
Finance income	-	4
Finance expenses	(1,198)	(690)
Net finance expense	**(1,198)**	**(686)**
Impairment of non-financial assets	(2,000)	(1,485)
Internalisation of IMA	-	(3,074)
Loss before income tax	**(25,707)**	**(29,260)**
Income tax benefit	3,981	7,389
Loss for the period	**(21,726)**	**(21,871)**
Item that may be reclassified to the profit or loss		
Exchange differences on translation of foreign operations	(21)	(63)
Items that will not be reclassified to the profit or loss		-
Changes in the fair value of equity instruments at FVOCI	-	600
Other comprehensive gain for the period, net of tax	**(21)**	**537**
Total comprehensive loss or the period	**(21,747)**	**(21,334)**
Loss is attributable to:		
Owners of Beston Global Food Company Limited	(21,725)	(21,821)
Non-controlling interests	(1)	(50)
	(21,726)	**(21,871)**
Total comprehensive loss for the period is attributable to:		
Owners of Beston Global Food Company Limited	(21,746)	(21,284)
Non-controlling interests	(1)	(50)
	(21,747)	**(21,334)**
Loss per share attributable to the ordinary equity holders		
Basic loss per share	(2.53)	(3.38)
Diluted loss per share	(2.53)	(3.38)

Consolidated revenue and expenses
For the year ended 30 June 2022

Revenue

The Group derives the following types of revenue:

	30 June 2022 $'000	30 June 2021 $'000
Contracts with customers	139,706	112,420
Leasing income	48	48
Total revenue	**139,754**	**112,468**

Other income and expense items

Other income	**30 June 2022 $'000**	30 June 2021 $'000
Reversal of prior year impairment of financial assets	-	600
Other items	99	33
Government grants	14	193
	113	**826**
Breakdown of expenses by nature		
Changes in inventories of finished goods and work in progress	(15,500)	(10,267)
Raw materials and consumables used	122,797	104,068
Employee benefits expense	21,185	15,542
Depreciation and amortisation	4,314	3,001
Impairment of non-financial assets	2,000	1,485
Internalisation of Management Agreement	-	3,074
Management fee	553	1,445
Other expenses	4,912	3,724
Net loss on disposal of assets	-	91
Consultancy expenses	1,879	1,980
Short term & low value lease expense	562	467
Rates and taxes	4,274	3,686
Repairs and maintenance	3,743	2,219
Insurance expenses	3,012	2,578
Logistics and marketing expenses	10,645	8,775
	164,376	**141,868**
Finance income and costs		
Interest income	-	4
Net exchange gains	-	-
Finance income	-	4
Finance charges paid for financial liabilities	(1,209)	(622)
Net exchange losses	11	(68)
Finance costs	(1,198)	(690)
Net finance costs	**(1,198)**	**(686)**

Consolidated balance sheet

As at 30 June 2022

	30 June 2022 $'000	30 June 2021 $'000
Current assets		
Cash and cash equivalent	322	922
Trade and other receivables	18,869	18,752
Inventories	18,117	18,874
Investments	-	1,200
	37,308	**39,748**
Non current assets		
Receivables	150	150
Right-of-use assets	21	155
Property, plant and equipment	57,192	55,543
Deferred tax assets	31,508	27,506
Intangible assets	5,071	7,081
	93,942	**90,435**
Total assets	**131,250**	**130,183**
Current liabilities		
Trade and other payables	17,896	18,439
Borrowings	17,092	1,529
Employee benefit obligations	1,256	789
	36,244	**20,757**
Non-current liabilities		
Borrowings	38,962	31,709
Employee benefit obligations	184	110
Deferred tax liabilities	1,713	1,713
	40,859	**33,532**
Total liabilities	**77,103**	**54,289**
Net assets	**54,147**	**75,894**
Contributed equity	176,580	174,636
Other reserves	(8,376)	(6,411)
Accumulated losses	(113,258)	(91,533)
	54,946	**76,692**
Non-controlling interests	(799)	(798)
Total equity	**54,147**	**75,894**

Consolidated statement of changes in equity
For the year ended 30 June 2022

	Attributable to the owners of Beston Global Food Company Limited					
	Share capital $'000	Other reserves $'000	Accum losses $'000	Total $'000	NCI $'000	Total equity $'000
Balance as at 1 July 2020	**159,337**	**(8,892)**	**(69,712)**	**80,733**	**(748)**	**79,985**
Loss for the period	-	-	(21,821)	(21,821)	(50)	(21,871)
Other Comprehensive Income	-	537	-	537	-	537
Total Comprehensive income for the period	-	537	(21,821)	(21,284)	(50)	(21,334)
Issue of share capital	15,299	1,944	-	17,243	-	17,243
As at 30 June 2021	**174,636**	**(6,411)**	**(91,533)**	**76,692**	**(798)**	**75,894**
Balance as at 1 July 2021	**174,636**	**(6,411)**	**(91,533)**	**76,692**	**(798)**	**75,894**
Loss for the period	-	-	(21,725)	(21,725)	(1)	(21,726)
Other Comprehensive Income	-	(21)	-	(21)	-	(21)
Total Comprehensive income for the period	-	(21)	(21,725)	(21,746)	(1)	(21,747)
Issue of share capital	1,944	(1,944)	-	-	-	-
As at 30 June 2022	**176,580**	**(8,376)**	**(113,258)**	**54,946**	**(799)**	**54,147**

Consolidated statement of cash flows

For the year ended 30 June 2022

	30 June 2022 $'000	30 Jun 2021 $'000
Cash flows from operating activities		
Receipts from customers	139,143	107,389
Payments to suppliers and employees	(156,903)	(138,042)
Interest received	-	4
Interest paid	(1,209)	(622)
Net cash outflows from operating activities	**(18,969)**	**(31,271)**
Cash flows from investing activities		
Payments for PP&E	(5,225)	(16,244)
Payments for intangibles	(427)	(315)
Proceeds on disposal of NBI	1,200	-
Proceeds on disposal of Dairy Farms (net of costs)	-	39,004
Proceeds on disposal of livestock	-	280
Net cash inflows/(outflows) from investing activities	**(4,452)**	**22,725**
Cash flows from financing activities		
Proceeds from the issue of shares	-	15,299
Proceeds from borrowings	23,060	4,105
Repayment of borrowings	-	(20,205)
Proceeds from government grants	15	-
Payment of lease liabilities	(244)	(156)
Cash inflows/(outflows) from financing activities	**22,831**	**(957)**
Net decrease in cash and cash equivalents	**(590)**	**(9,503)**
Cash and cash equivalents at the beginning of the period	922	10,556
Net foreign exchange differences	(10)	(131)
Cash and cash equivalents at the end of period	**322**	**922**

Reconciliation to operating profit

Loss after tax	**(21,726)**	**(21,871)**
Non-cash adjustments:		
Depreciation & amortisation expense	4,313	3,001
Reversal of impairment of financial asset	-	(600)
Impairment of non-financial assets	2,000	1,485
Internalisation of IMA	-	3,074
Bad debts written off	759	27
Foreign exchange loss	(11)	68
Inventory write-off	381	1,010
Grant income	-	(193)
Non-operating activities:		
Loss on disposal of fixed assets	-	91
Loss on disposal of livestock	-	54
Change in:		
Increase in trade and other receivables	(890)	(5,493)
Decrease/(increase) in inventories	375	(8,262)
Increase in deferred tax assets	(4,002)	(8,053)
Decrease/(increase) in trade payables	(730)	3,761
Increase in deferred tax liabilities	-	668
Increase/(decrease) in other provisions	563	(38)
Net cash outflow from operating activities	**(18,969)**	**(31,271)**

Segment information

For the year ended 30 June 2022

The segment information for the year ended 30 June 2022 and the year ended 30 June 2021 provided to the executive management committee for the reportable segments are as follows:

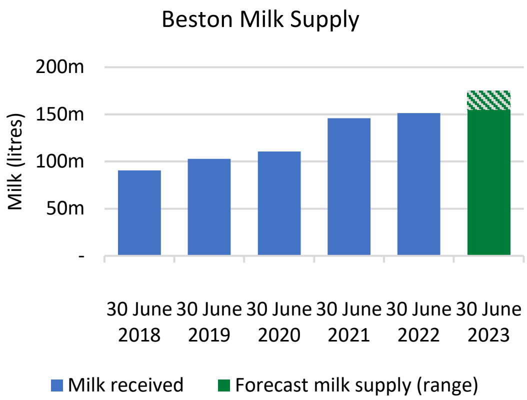
2022	**Australian Dairy $'000**	**Australian Meat $'000**	**Australian Other $'000**	**International Other $'000**	**Corporate $'000**	**Total $'000**
Revenue						
Contracts with domestic customers	99,671	12,782	153	-	-	112,606
Contracts with international customers	27,100	-	-	-	-	27,100
Other revenue	37	-	11	-	-	48
Other income	121	-	23	(81)	50	113
Finance income	-	-	-	-	-	-
Total revenue	**126,929**	**12,782**	**187**	**(81)**	**50**	**139,867**
Expenses						
Cost of Sales	(117,287)	(11,749)	(94)	-	-	(129,130)
Other operating costs	(14,118)	(1,870)	(300)	-	(232)	(16,520)
Selling and distribution	(4,216)	(121)	(28)	-	-	(4,365)
Business support	(5,207)	(1,441)	(52)	(442)	(5,219)	(12,361)
Finance costs	-	-	-	-	(1,198)	(1,198)
Impairment expense	-	(2,000)	-	-	-	(2,000)
Corporate allocation	(2,173)	(226)	(5)	(2)	2,406	-
Total expenses	**(143,001)**	**(17,407)**	**(479)**	**(444)**	**(4,243)**	**(165,574)**

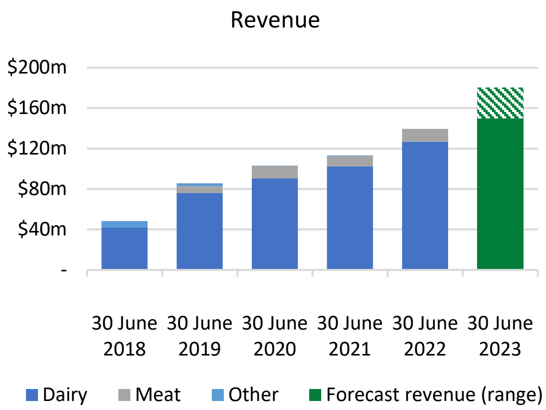
2021	**Australian Dairy $'000**	**Australian Meat $'000**	**Australian Other $'000**	**International Other $'000**	**Corporate $'000**	**Total $'000**
Revenue						
Contracts with domestic customers	81,551	10,080	131	-	-	91,762
Contracts with international customers	20,658	-	-	-	-	20,658
Other revenue	37	-	11	-	-	48
Other income	226	-	-	-	600	826
Finance income	-	-	-	-	4	4
Total revenue	**102,472**	**10,080**	**142**	**-**	**604**	**113,298**
Expenses						
Cost of Sales	(101,294)	(9,246)	(101)	-	-	(110,641)
Other operating costs	(10,107)	(1,717)	(394)	-	-	(12,218)
Selling and distribution	(3,664)	(78)	(24)	-	-	(3,766)
Business support	(3,765)	(1,030)	(41)	(228)	(5,529)	(10,593)
Impairment expense	(91)	-	-	-	-	(91)
Internalisation of IMA	-	-	-	-	(690)	(690)
Finance costs	-	(1,485)	-	-	-	(1,485)
Impairment expense	-	-	-	-	(3,074)	(3,074)
Corporate allocation	(6,413)	(641)	(20)	(6)	7,080	-
Total expenses	**(125,334)**	**(14,197)**	**(580)**	**(234)**	**(2,213)**	**(142,558)**

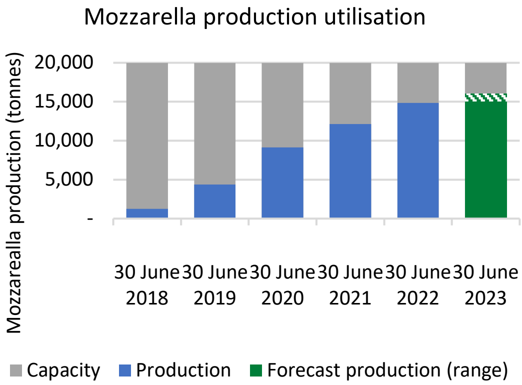
Review of Operations

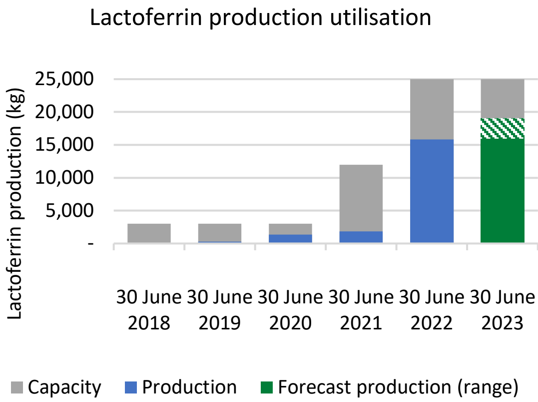
At a glance

FY22 carried on the strong trajectory of growth in the milk and production fundamentals, as well and continuing the Group's increasing top-line revenue growth. Milk continued to increase despite the overall Australian milk pool decreasing, revenue growth continued with an increase of 24% over the prior year, and the dairy production facilities continued to show the improved production capability as a result of the increased focus on preventative maintenance.









Dairy Operations

Milk supply and prices

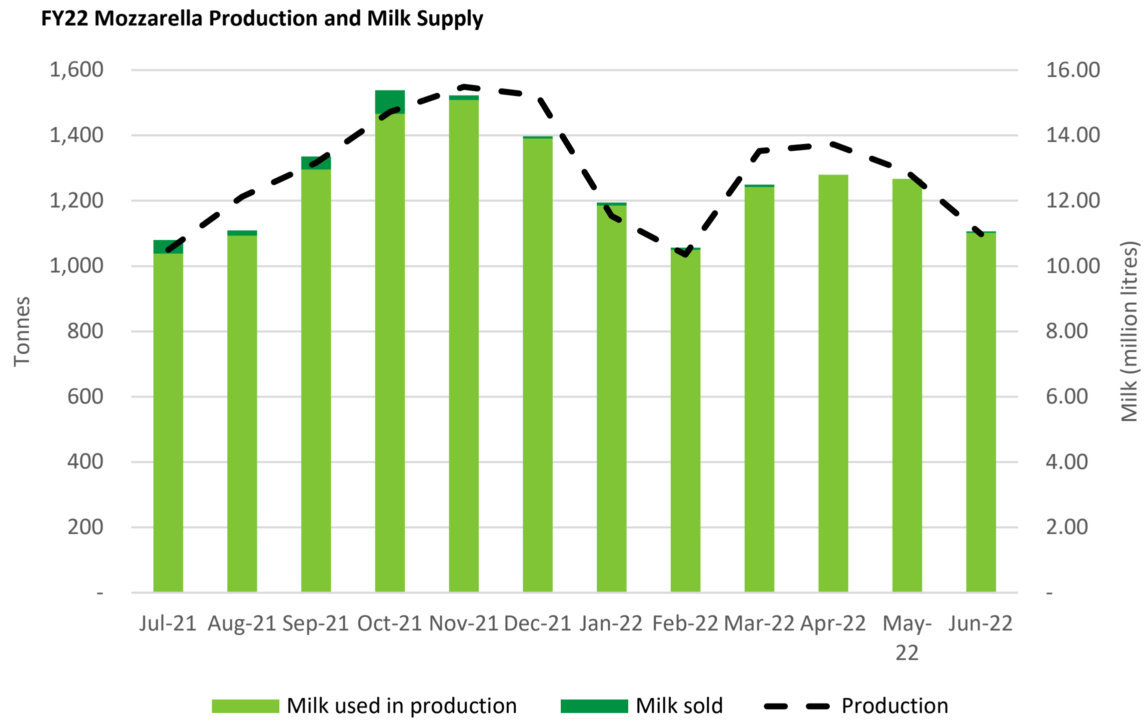
At the beginning of the financial year, we forecast milk supply to be around 155mL. The final milk supply totalled 152mL, up around 4% on the previous year, in the face of pricing volatility leading to farmers reducing their output significantly in the fourth quarter. This reflected the overall South Australian milk pool, which decreased 1.8% against the prior year based on Dairy Australia statistics, most of which was in May (10% lower volumes than expected) and June (18% lower) 2022.

We are delighted that our contract dairy farm suppliers have continued to see milk pricing improve in the FY23 season. The Group has always held the view that dairy farmers should receive a fair and appropriate economic price for their milk. Input cost increases faced by farmers have been recognised in record milk prices being offered by processors.

Mozzarella production

The increased milk supply in FY22 allowed Beston's Dairy businesses to complete record levels of production in all product categories. Operational performance of the Jervois and Murray Bridge production facilities was not impacted by production issues which hampered the business in prior periods, and substantially all of the milk secured by Beston in FY22 was allocated to production of cheese and related products at Jervois and Murray Bridge, per the below chart.

The reduction in delivered milk in the fourth quarter of FY22 led to production guidance being insignificantly under-delivered, with 14,841 tonnes of mozzarella being produced for the year – a record for our Jervois plant, and a 22% increase on the prior period, despite an increase of only 4% in total milk delivered compared to the prior period.



<u>Lactoferrin production</u>

With the increased reliability of the performance of the Jervois mozzarella plant, lactoferrin production was ramped up to deliver production of 14.3 tonnes of finished goods lactoferrin for FY22, and a further 1.5 tonnes of finished goods equivalent lactoferrin was held in concentrate form yet to be dried. Lactoferrin held on hand available to satisfy the increased demand in FY23 totalled approximately 10.5 tonnes of finished goods powder and equivalent in liquid concentrate as at 30 June 2022, noting that lactoferrin has a shelf life of 3 years.

Meat Operations

The Provincial Food Group ("PFG") increased revenue in the year ended 30 June 2022 by approximately 27% over the prior period. However, it was not able to achieve the sales growth planned for the business at the start of the year, mainly as a result of being in Victoria which was substantially impacted by COVID-19 lockdowns and other restrictions. Operating for much of the year under the more stringent COVID-19 restrictions in place throughout Victoria, the efficiency of factory operations was significantly lower than under normal operating conditions.

None-the-less, the PFG management team, supported by the factory personnel, delivered a commendable performance to maintain operations throughout the lock-down periods, and to manage extended periods of absenteeism caused by lock-down restrictions.

A number of management changes have been made at PFG during recent months to increase the depth and breadth of the skill base, with the appointment existing of team members to new roles including Commercial Manager and Operations Manager. We expect these appointments, along with the normalisation of operations post-COVID-19, will result in a lift in performance in PFG in FY23.

Sales growth was targeted to come primarily from new products for customers in the food services and retail sectors. Reviews of existing contracts have been undertaken to ensure that the business has been able to substantially pass on the increasing input and conversion costs to which the business has been subjected. Capital projects such as the installation of rooftop solar farms have been completed in order to reduce the reliance on volatile energy markets.

The business reported $12.8 million of sales in FY22 and has the potential to grow by around 20% in FY23 if the margin reviews and sales opportunities currently being pursued can be converted in a timely manner under the new leadership.

Financial Summary

A transformative year

Beston Global Food Company Limited (ASX: BFC) (the Group) advised shareholders in its Trading Updates on 2 June 2022 and 29 July 2022 that the Group would report a statutory loss for FY22 as a result of the NPAT loss recorded in the first half and some of the early months of the second half.

The Q4 results for FY22 showed a positive Group EBITDA and positive Group operating cash flows, reflecting the significant improvements achieved in the Group's factory operations, and the progress achieved in implementing a range of continuous improvement initiatives to improve margins. The momentum built up in Q4 has continued into 1Q23 and has provided the basis for confirmation of the operating and earnings guidance as detailed in the aforementioned Trading Update lodged with the ASX on 29 July 2022.

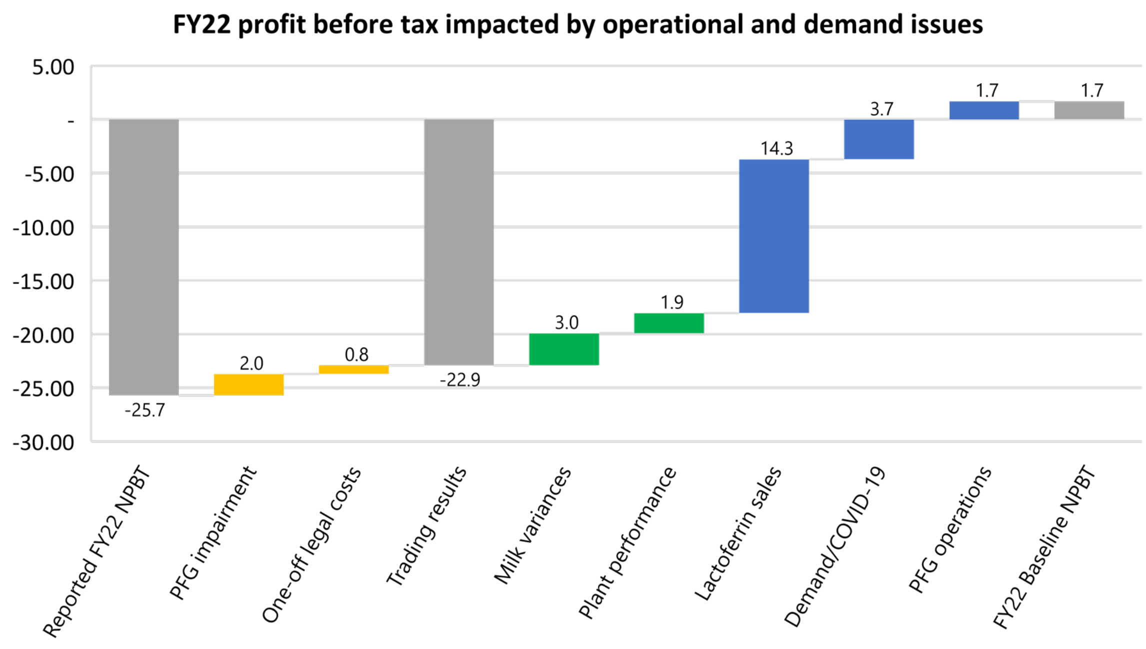
Overview

The FY22 financial performance of BFC was significantly impacted by a number of COVID-19 related events in the first nine months of the year. These events included:

- A slowdown in global lactoferrin sales due to declines in birth rates over the COVID-19 period, and reduced global demand for infant formula, particularly in China. This led to significantly lower volumes of lactoferrin sales against expectation for FY22 ($14.3m lower than expectation, per chart below).
- A dramatic reduction in food service sales, as restaurants and hospitality outlets were closed as a result of government-imposed lockdowns.
- Significant increases in international freight costs (by as much as 300% for many shipping routes utilised by Beston) which were not able to be fully passed onto the customer under the terms of contracts then in place ($2.2m, per chart below).
- Stock write-downs due to delayed delivery of mozzarella shipments ($1.5m, per chart below).
- Significant staffing & absenteeism implications for our Shepparton meat and plant-based alternative factory for a substantial part of the year due to COVID-19 management mandates imposed by the Victorian Government.

The financial impacts of COVID-19 related events were exacerbated by underperformance in the whey powder plant at Jervois in the first half, which caused some whey powder from impacted production runs to be downgraded and subsequently sold at a discount to our normal high-quality products and is estimated to have cost the business $1.9m per the chart below. Of the plant performance ($1.9m), lactoferrin sales ($14.3m) and demand/COVID-19 issues ($3.7m) noted, none are expected to reoccur in FY23 (total of $19.9m of non-recurring issues).

We were also subjected to delayed take-up of lactoferrin sales following the completion of the plant expansion, as potential customers took time to independently assess the purity and technical quality of the lactoferrin produced in our new plant. Milk supplied during the first half of the year was also naturally lower in protein than expected, and milk supplied in the fourth quarter dropped off significantly against expectation (combined impact of $3.0m, per chart below).



The Group made a number of operational and management changes during FY22 which resulted in substantial improvements in margins, profits and cashflow in the fourth quarter. These changes were critical in enabling the Group to cope with the challenges to the business presented by the impact of COVID-19 and the significant increase in input costs which arose from geopolitical events, weather conditions and other unexpected events.

During the fourth quarter, the newly established management team put in place a series of actions to review our market, customer, product, and pricing mix positionings, all of which contributed to an uplift in margins and operating results. Over 50% of the Company's FY22 margins were delivered in fourth quarter alone.

Global supply chain delays, energy shocks, the Russian invasion of Ukraine, truck and driver shortage related freight issues, tightening labour market conditions, interrupted and inconsistent customer trading, and significant increases in farm gate milk prices all contributed to the significant cost inflation experienced during the FY22 year.

Sales product price increases were put in place across all customers and channels during the fourth quarter of FY22. These price increases started contributing to the uplift in bottom line results in this period but will contribute more significantly in FY23 as more longer-term contracts roll over and are able to be reset at the higher prices.

The continuous improvement initiatives which have been put in place across the Group in FY22 (via management changes, operational improvements, costs efficiencies, channel-led value creation etc.) as we valorise our business model will continue to deliver in FY23 and be reflected in future financial results.

The key operational outcomes for FY22 and FY23 Guidance are summarised in the table below:

Measure		**FY21 Actuals**	**FY22 Actuals**	Variance to FY21 Actuals	**FY23 Guidance**	Variance to FY22 Actuals
Milk Supply	mL	146	**151**	↑4%	**155 - 175**	↑9%
Mozzarella production	MT	12,150	**14,821**	↑22%	**15k - 16k**	↑5%
Lactoferrin production	MT	2	**16**	↑862%	**16 - 19**	↑10%
Group Sales	$m	112	**140**	↑25%	**150 - 180**	↑18%
EBITDA	$m	-24	**-18**	↑25%	**8 - 10**	↑ significant
Revenue per litre of milk	$/l	0.77	**0.84**	↑9%	**1.00 - 1.15**	↑28%
Capex	$m	17	**5**	↓70%	**6 - 8**	↑40%

Other significant information

The Appendix 4E is based on accounts which are in the process of being audited and are likely to contain an independent audit report that is subject to an unqualified opinion, with emphasis of matter relating to going concern.

Going concern basis of accounting

During the year ended 30 June 2022 the Group incurred a net loss after tax of $21.7 million (2021 $21.9 million). Cash flow used in operating activities was $18.9 million (2021: $31.3 million). As at 30 June 2022 current assets of $37.3 million exceed current liabilities of $36.2 million by $0.9 million.

The financial report has been prepared on the basis that the Group is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The directors in their consideration of the appropriateness of the going concern basis for the preparation of the financial report have reviewed the Group's cash flow forecasts and revenue projections based on current market conditions and business plans.

To continue as a going concern the Group requires:

- Generation of sufficient funds from operating activities to meet its financial obligations
- The continued support of its bankers and suppliers
- The successful completion of the Group's capital management and funding activities (the "Capital Management Plan") as described below.

Cash flows from operating activities

The generation of sufficient funds from operating activities is dependent upon the successful execution of the operational and financial initiatives described in the 'Review of Operations' section of this Appendix 4E. These forecasts are dependent upon the ability of the Group to secure the necessary milk volumes at the prices forecast by the Group based on the Group's contracted milk purchases, to be able to pass on expected increases in the cost of milk via higher sales prices and for the cash collection profile to be materially in line with the Group's cash flow forecasts.

Financing facilities

As at 30 June 2022 the Group's working capital financing facilities comprised a $41.8 million multi-option loan facility (the "Facilities") expiring 31 August 2023. As at 30 June 2022 the Group had drawn down $39.5 million under the Facilities. The Group is in negotiations to arrange a new facility agreement, which is likely to include debt amortisation repayments. These repayments are expected to be funded via the proceeds raised under the Capital Management Plan discussed below.

Capital Management Plan

As advised by the Company in our Trading Update to the market on 02 June 2022, the completion of the "build-out" and "scaling-up" work undertaken as part of implementing Stages 1 and 2 of BFC's ten-year three stage Business Plan over the past years has enabled the business to move from a focus on volume performance to a focus on value performance. In line with the migration of the business to an increased focus on value performance, with the achievement of sustainable and profitable growth, the Company is implementing a number of capital management initiatives.

The Board of BFC believes that there are a number of compelling opportunities to allocate capital to projects which can accelerate the profitability of the Company, and reduce debt, and is supportive of a number of areas of investment which have been identified by Management for achieving cost savings and margin increases. The Board is also supportive of appropriate acquisition opportunities which have the potential to provide synergistic benefits to the Company and expand its product portfolio.

The previous capital management initiatives taken by the Company have provided most of the funding required for implementing the work required in Stages 1 and 2 of the Business Plan and for the expansion of the Company's Lactoferrin facilities.

In order to take advantage of the investment opportunities which have been identified to further accelerate the growth of revenue and profits, and reduce debt, the Directors in conjunction with the Senior Management Team are progressing with the financial and technical evaluation of a number of capex projects which have previously been identified as "low hanging fruit" in terms of return on investment. The list of projects in this high value-add "Priority Projects" category has been reported to shareholders over the last few years in various communications and includes areas relating to in-house shredding and packaging, dairy protein expansion, storage and logistics, production line upgrades and ESG cost saving measures.

A number of the capex projects in this list of "Priority Projects" have already been undertaken by the Company and in each case, have been completed on time and within budget. The projects which have been successfully completed to date have provided the opportunity to extract greater returns from the existing asset base at the dairy factories, as is being evidenced in the results being achieved since the third quarter of FY22.

The Company is currently involved in discussing a range of options for funding some of the remaining projects on our "Priority Projects" list and increasing the Company's working capital to the level which Directors believe is appropriate to support the Company's growing profitability (including by securing additional milk volume) whilst also reducing gearing and managing the ongoing volatility inherent in the dairy industry and in global supply chains at the present time.

At the date of this report and having considered the above factors, the directors believe the Group will continue as a going concern. However, if the Group is unable to successfully implement the Capital Management Plan as described above and/or generate sufficient cash flows from operations and/or the financial support of its bankers is not available, material uncertainty would exist in relation to the Group's ability to continue as a going concern and therefore whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

The financial report does not include adjustments, if any, relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.