ASX ANNOUNCEMENT

31 OCTOBER 2022

September 2022 Quarterly Activities Report

HIGHLIGHTS

Strategic Partnership with Queensland University of Technology (QUT)

- **Strategic Partnership Agreement signed with QUT to develop a hard carbon production process using low cost sustainably sourced green bio-waste**
- **Goal of Partnership is to produce materials for next generation Sodium ion batteries which have significant potential for grid scale storage and mobile applications**
- **Sustainable Hard Carbon Anode project complements Sparc's existing businesses in graphene and renewable energy**

Sparc Hydrogen

- **Preliminary Techno-Economic Analysis completed for Sparc Hydrogen's photocatalytic water splitting technology**
- **Study confirms the commercial potential for the Sparc Green Hydrogen process**
- **Based on the positive outcomes of the study, the Sparc Hydrogen joint venture partners have agreed to accelerate the project schedule and immediately commence scoping work on a pilot plant**

Corporate

- **$ 1.65m cash at bank as at 30 September 2022**
- **Sparc received $607,282 R&D Tax Incentive for FY21**
- **Substantial R&D FY22 rebate to be claimed in the fourth quarter CY**

Sparc Technologies Limited (**ASX: SPN**) (**Sparc** or the **Company**) is pleased to provide its September 2022 Quarterly Activities Report. During the quarter, Sparc received a substantial R&D tax refund from the Australian Government which will help sustain the Company's research activities in graphene based additives and renewable energy. Sparc also entered into a partnership agreement with Queensland University of Technology (QUT) to develop sustainable battery materials.

Post end of quarter, the Company announced that Sparc Hydrogen had completed its Preliminary Techno-Economic Analysis (TEA) and the decision was made by its joint venture partners to accelerate the pilot plant project schedule based on the positive outcomes of the study.

Strategic Partnership with Queensland University of Technology (QUT)

In September, Sparc announced that it had entered into a Strategic Partnership Agreement with the Queensland University of Technology (**QUT**). (ASX Announcement 13 September 2022) The Strategic Partnership Agreement is an umbrella agreement that will support a long term partnership and commitment between the parties, affording Sparc the first right of refusal to commercialise technologies developed from projects Sparc undertakes with QUT. It also provides a framework for long term cooperation whereby Sparc and QUT agree to work together to identify and undertake new projects.

Sustainable Hard Carbon Anode Project

Concurrent with signing the Strategic Partnership Agreement, Sparc has commenced a project with QUT that will develop a novel process for the production of hard carbon using low cost sustainably sourced green bio-waste targeting the Sodium ion battery industry. The hard carbon materials will be characterised and tested in a Sodium ion cell format at QUT's world-class facilities for battery development and testing, including the National Battery Testing Centre and Central Analytical Research Facility (CARF). Sparc has also engaged an experienced battery technology consultant to advise on the project and to assist with commercialisation.

A high performing, low cost, sustainably sourced anode material for Sodium ion batteries is meeting a need for what is a growing alternative battery technology. Existing hard carbon materials are typically sourced from carbonaceous precursors such as pitch (a by-product of the oil & gas industry) which undergo lengthy heating at high temperatures. This is a very energy consuming process, which combined with a high emission feedstock, has significant environmental impacts. Furthermore, with China being the world's dominant supplier of hard carbon materials, this technology aims to provide an alternative western supply source thereby reducing sovereign risk for cell manufacturers.

The themes of sustainability and localising supply chains have been gaining in importance across industries and are of particular importance in batteries where China currently dominates the production of key raw materials and cells. Northvolt's recent partnership with Stora Enso to develop sustainable batteries using wood based products from Nordic forests, in an effort to keep the supply chain local is an example of this.

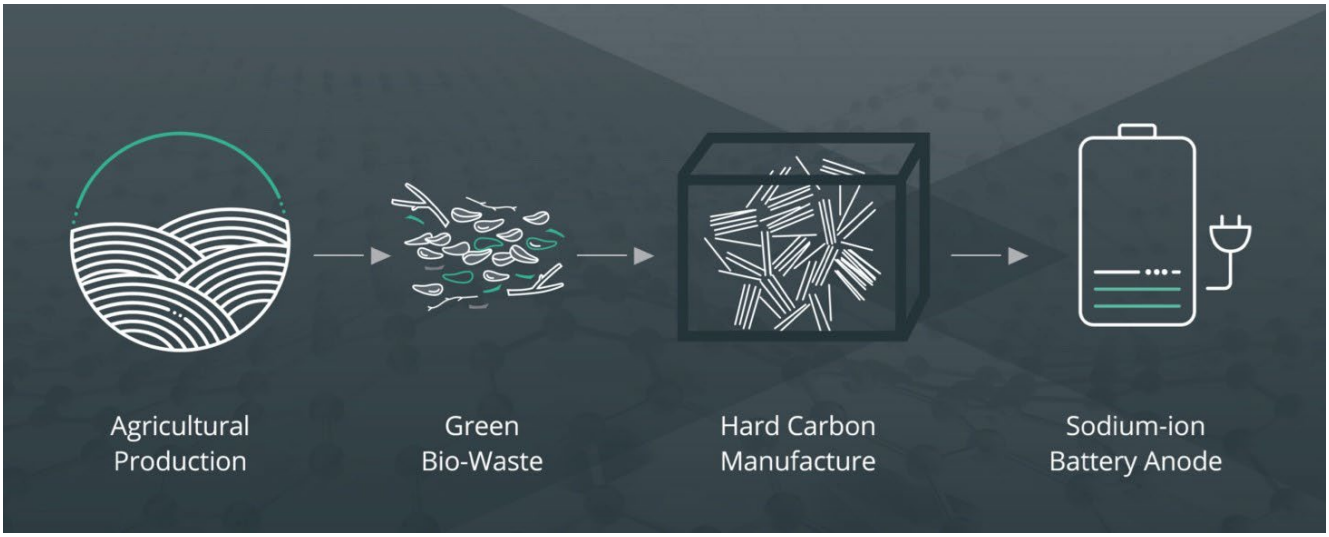

Figure 1: Hard carbon production using low cost sustainably sourced green bio-waste process schematic

In performing due diligence on this project Sparc has reviewed a number of technologies in the battery space. Sparc believes that Sodium ion batteries have strong market potential, particularly in industrial and grid scale storage, and that this project is a good fit for Sparc's existing expertise. Well known and documented advantages of Sodium ion batteries versus Lithium ion batteries are contained in Table 1 and can be summarised as:

- Lower cost and greater availability of raw materials.
- Safety and ease of transport.
- Similar manufacturing techniques to Lithium ion and therefore can use the same production facilities.

Wood Mackenzie expects Sodium ion batteries to take some of LFP's share in passenger EVs and energy storage, reaching 20GWh by 2030 in its base-case scenario. [1]

CATL launched its first generation Sodium ion battery in 2021. In its press release the company noted, 'CATL invites upstream suppliers and downstream customers, as well as research institutions to jointly accelerate the promotion and development of Sodium ion batteries.'[2] Other large players involved in developing Sodium ion batteries and their components include Reliance Industries, Umicore, EDF and Solvay, providing strong validation of the significant potential in the technology. A key attraction of Sodium ion battery technology for Sparc is the ability to leverage its knowledge of graphene materials and production processes. Importantly, compared to Lithium ion technology, Sodium ion batteries are a much less crowded space offering opportunities for Sparc to make an impact.

Parameters	Lead Acid	Lithium ion	Sodium ion
Cost	Low	High	Low
Energy Density	Low	High	Moderate/High
Safety	Moderate	Low	High
Materials	Toxic	Scarce	Earth-abundant
Stability	Moderate (high self-discharge)	High (negligible self-discharge)	High (negligible self-discharge)
Efficiency	Low (< 75%)	High (> 90%)	High (> 90%)
Temperature Range	-40 ^{0}C to 60 ^{0}C	-25 ^{0}C to 40 ^{0}C	-40 ^{0}C to 60 ^{0}C
Remarks	Maturing technology; fast charging not possible	Transportation restrictions; critical materials	Less mature technology; easy transportation

Table 1: Battery technology comparisons demonstrating Sodium ion's relative positioning against incumbent technology

Source: adapted from www.evreporter.com

Material Terms of the Partnership Agreement

The Strategic Partnership Agreement is binding, effective immediately and is not subject to any material conditions precedent. The initial term of the Agreement is three years and the main objective is to develop functional materials using graphene and carbon material and related manufacturing process technologies, for a range of applications including the coatings, composites, cementitious and energy industries. There are no cash payment obligations between the parties. While Sparc sees the Strategic Partnership Agreement as having the potential to create long term value for the Company, Sparc does not expect the Strategic Partnership Agreement to have any direct financial impacts on the Company in the near term.

Sparc Green Hydrogen completes preliminary Techno-Economic Analysis (TEA)

In October, the Company announced that the preliminary Techno-Economic Analysis (TEA) by Sparc Hydrogen Pty Ltd (Sparc Hydrogen) was completed. (ASX Announcement 12 October 2022)

Sparc Hydrogen, a joint venture between Sparc Technologies, Fortescue Future Industries (FFI) and the University of Adelaide, is seeking to commercialise patent-pending photocatalytic water splitting technology with the aim of producing low-cost green hydrogen on a commercial scale (the Sparc Green Hydrogen process). The preliminary TEA has been delivered through a collaborative effort from the joint venture partners, led by the University of Adelaide, and supported by independent engineering consultant, ITP Thermal (ITP). The completion of this collaborative effort is a significant milestone for Sparc Hydrogen and on the back of the positive outcomes, the joint venture partners have agreed to accelerate scoping activities for a pilot plant ahead of the original project schedule.

Background and Key Objectives

Sparc Hydrogen is seeking to commercialise a process known as photocatalytic water splitting, which employs the sun's radiation and thermal properties to convert water into hydrogen and oxygen. Sparc Hydrogen is utilising technology developed by the University of Adelaide and Flinders University in the form of a solar reactor with the ability to improve the performance of a chosen photocatalyst material.

The preliminary TEA commenced in early 2022 with the key objective of demonstrating the relationship between solar to hydrogen efficiencies (**STH**) assumed for Sparc Hydrogen's solar reactor and the levelised cost of hydrogen (**LCOH**) produced. Since project commencement, the University of Adelaide has been undertaking fundamental research at laboratory scale and has successfully demonstrated advances in solar reactor design and performance under a range of simulated solar conditions. Prior studies in the field of photocatalytic water splitting have used STH assumptions ranging from 5% - 15%, the same as is considered in this TEA. The practical theoretical limit of photocatalytic water splitting is nearly 30%.

Other important objectives of the preliminary TEA were to:

- Assess and compare Sparc Hydrogen's technology against existing technologies, primarily green hydrogen production via electrolysis;
- Identify key infrastructure and utility requirements;
- Identify future opportunities for improving system design and development; and
- Identify key risks in developing and scaling a commercial system.

Study Methodology

The University of Adelaide has led the preliminary TEA with the support of the joint venture partners, Sparc Technologies and FFI. ITP was engaged to conduct a gap analysis and review costing estimates.

The analysis is based on a number of assumptions, including the choice of a reference project to model energy production and costings. The scale of the reference project was chosen in order to compare to a ~250MW solar PV electrolysis project. Future work will consider the impacts of scale and location on optimal use cases and cost outcomes for the technology.

Initial design and costing estimates for the requisite infrastructure were provided by the University of Adelaide and subsequently reviewed and updated by ITP. ITP performed a limited market sounding to inform and update its internal cost model to estimate costs associated with the solar field which represents a large portion of the capital costs. ITP has also opined on learning rate estimates for the solar field and balance of plant.

Preliminary TEA Outcomes

The results of the preliminary TEA have been generated for internal evaluation by Sparc Hydrogen. Based on the attractive LCOH under various scenarios along with the other potential benefits of the technology, the joint venture parties have agreed to accelerate the project schedule and immediately commence scoping work on a pilot plant. Ongoing R&D and further modelling is being conducted to refine and narrow the potential range of outcomes along with the other key assumptions in the preliminary TEA.

The preliminary TEA has considered the infrastructure, land and utility requirements for the Sparc Green Hydrogen process. Water and land use are increasingly important for establishing a social licence to operate for large infrastructure and energy projects, including renewables where delays in permitting and grid connections have become commonplace in Australia. The pilot plant will seek to validate the potential of the technology to yield material reductions with respect to electricity, water and land use against existing hydrogen production processes.

Electrolysis and other hydrogen production processes have significant infrastructure requirements, are typically considered at very large scale to reduce costs and can be less suited to remote locations without access to the electricity or gas grid (such as remote mine sites). Sparc Hydrogen is aiming to develop its technology to:

- eliminate the need for solar PV and wind farms for green hydrogen production and therefore de-couple green hydrogen costs from renewable electricity;
- demonstrate inherent scalability due to not requiring an electrolyser;
- efficiently use water and land resources;
- flexibly accommodate new and better photocatalysts as technology continues to advance in this field; and
- suit locations with good solar resource, but not necessarily with established transmission or grid infrastructure.

Sparc Hydrogen's photocatalytic water splitting technology is in the R&D phase and there are a number of R&D and engineering challenges that need to be overcome prior to potential commercialisation. A summary of the key risks that may delay or prevent commercialisation and/or meeting the assumptions contained in the preliminary TEA include:

- advances in the development of photocatalysts for water splitting materially slows or there are issues in the mass production of a chosen photocatalyst;
- performance of the photocatalyst in Sparc Hydrogen's solar reactor does not meet expectations;

- performance of the solar reactor does not meet expectations in either the laboratory or in the field;
- Sparc Hydrogen is unable to secure access to photocatalyst material through commercial arrangements;
- engineering challenges inhibit the performance of the system;
- ongoing maturation of the requisite solar field technology does not occur according to expectations and learning rate improvements are not achieved;
- health and safety issues;
- IP issues or infringements inhibit Sparc Hydrogen's ability to develop or commercialise the technology; and
- loss of key personnel.

Technology Development

The Sparc Green Hydrogen process utilises thermo-photocatalysis, which employs the suns radiation and heat to convert water into hydrogen and oxygen. Adopting this process to potentially produce green hydrogen at scale is an alternative to electrolysis which requires large amounts of renewable electricity from wind farms and/or photovoltaic solar panels and expensive electrolysers.

The current technical readiness level (**TRL**) is assessed by the joint venture participants at level 4[1]. Prototypes have been developed and tested in a laboratory environment and substantial datasets have been produced under simulated solar conditions.

The target by the end of the joint venture work program announced on 2 February 2022 is to progress to TRL-6 with the installation of a pilot plant, work on which is now being accelerated as a result of the positive preliminary TEA outcomes.

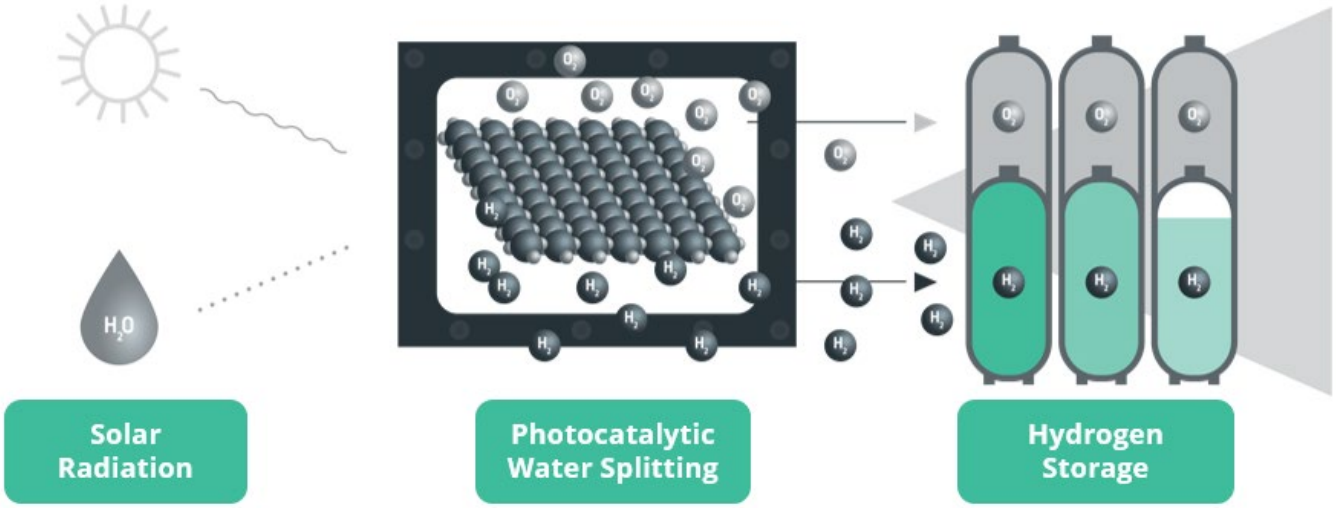

Figure 2: Sparc Green Hydrogen process schematic

Work to Underpin the Study

Sparc Hydrogen's solar reactor concept and design has been developed over ~5 years by researchers at the University of Adelaide and Flinders University which is the subject of a pending patent application. The

[1] Having reference to the *Technology Readiness Levels for Renewable Energy Sectors* published by the Australian Renewable Energy Agency, a department of the Australian Government (2014).

University of Adelaide has successfully demonstrated in various laboratory prototypes that its solar reactor can accelerate the water splitting reaction under a range of simulated solar conditions. The ability to amplify the efficiency of a chosen photocatalyst material is a key benefit of Sparc Hydrogen's solar reactor. Since the Sparc Hydrogen joint venture was formed in early 2022 various designs of solar reactor have been developed and tested.

Funding

Sparc Hydrogen's funding structure was announced on 2 February 2022. The Company confirms that the initial Stage 1 investment in support of advancing the project for the first 2.5 years has been paid by the Company, and that funding with respect to Stage 2 currently remains as announced on 2 February 2022. A working group has been established by the joint venture partners to assess the budget and program in the context of an accelerated pilot plant which was previously considered in Stage 2.

Next Steps

Sparc Hydrogen will continue to update and refine the preliminary TEA over the course of the next 12 months and the Company will update the market in line with its continuous disclosure obligations.

Corporate

R&D Tax Rebate

In September, Sparc advised that it has received a research and development (**R&D**) tax refund totalling $607,282, as part of the Australian Government's R&D tax incentive, relating to the 2021 financial year. (ASX Announcement 16 September 2022) Furthermore, the Company will also be lodging the R&D claim for the 2022 financial year which will reflect a substantial lift in R&D spend on the prior year (FY21).

This incentive refund recognises the research and development activities undertaken by Sparc during the financial year ended 30 June 2021. The receipt of these funds and the expected refund for the FY22 year supports efforts across the graphene, green hydrogen and sustainable battery projects.

The R&D Tax Incentive scheme is a program jointly administered by the Australian Taxation Office and AusIndustry, under which companies can receive up to a 48.5% refundable tax offset of eligible expenses on research and development activities.

Cash

As at 30 September 2022, the Company had a reported cash position of $1.65m.

Subsequent to the quarter end reporting period, Sparc has on the 31 October 2022 entered a trading halt in connection with a material capital raising.

Related Party Payments

In line with its obligations under ASX Listing Rule 4.7C.3, Sparc Technologies Limited notes that the only payments to related parties of the Company, as advised in the Appendix 4C for the period ended 30 September 2022, pertain to payments to directors for reimbursement of arrears of Directors Fees and Travel Expenses totalling $150,223.

Statement of Commitments

The current expenditure is covered by the Statement of Commitments[1] outlined in the Prospectus dated 5 October 2020. A summary of expenditure to date is outlined below:

	Expenditure since listing to 30 September 2022 ($000)	Expenditure described in Use of Funds in prospectus ($000)
Cost of offer	(406)	(470)
Corporate administration	(3,167)	(1,000)
Research and development[2]	(3,947)	(1,300)
Graphene plant construction	(673)	(1,900)
Marketing and business development	(259)	(730)
Working capital	(61)	(900)
Total	**(7,927)**	**(6,300)**

[1] The above table is a statement of current intentions. Investors should note that the allocation of funds set out in the above table may change depending on a number of factors. In light of this the Board reserves the right to alter the way the funds are applied.

[2] Research and Development Expenditure remains in line with expenditure identified in the prospectus however includes the addition of the Stage 1 investment in the Sparc Hydrogen JV and costs associated with an acceleration in the R&D program (as opposed to investment in manufacturing). This expenditure is not nett of R&D Tax Rebate/s.

-ENDS-

Authorised for release by: Stephen Hunt, Executive Chairman.

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About Sparc Technologies

Sparc Technologies Limited (ASX: SPN) is an Australian company pioneering new technologies to disrupt and transform industry while seeking to deliver a more sustainable world. Sparc Technologies has established offices in Europe and North America.

Graphene, a major focus for Sparc Technologies, is a 2-dimensional material made of carbon atoms arranged in a hexagonal lattice which creates unique and powerful properties that can be imparted on products to improve performance. Sparc Technologies is commercialising graphene in a number of applications including Graphene Based Additives for the Marine & Protective Coatings market along with applications in the renewable energy and construction materials sectors.

Sparc Technologies, via its majority interest in Sparc Hydrogen, is also focussed on developing photocatalytic green hydrogen technology that does not require solar and/or wind farms, nor electrolysers as with conventional green hydrogen processes.

Forward Looking Statements

Some information included in this release constitutes forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: expects, plans, anticipates, forecasts, believes, intends, estimates, projects, assumes, potential and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur.

These forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable at the time they are made, are inherently subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation the matters set out in this announcement.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based

Appendix 4C

Quarterly cash flow report for entities

subject to Listing Rule 4.7B

Name of entity	
Sparc Technologies Limited	
ABN	**Quarter ended ("current quarter")**
13 009 092 068	30 September 2022

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	8	8
1.2	Payments for		
	1. research and development	(171)	(171)
	2. product manufacturing and operating costs		
	3. advertising and marketing	(39)	(39)
	4. leased assets		
	5. staff costs	(367)	(367)
	6. administration and corporate costs	(544)	(544)
	7. exploration and evaluation (if expensed)		
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	607	607
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(506)**	**(506)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	1. entities		
	2. businesses		
	3. property, plant and equipment	(82)	(82)
	4. investments		
	5. intellectual property		
	6. other non-current assets		
2.2	Proceeds from disposal of:		
	1. entities		
	2. businesses		
	3. property, plant and equipment		
	4. investments		
	5. intellectual property		
	6. other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(82)**	**(82)**
3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	105	105

3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**105**	**105**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,136	2,136
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(506)	(506)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(82)	(82)
4.4	**Net cash from / (used in) financing activities (item 3.10 above)**	**105**	**105**
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**1,652**	**1,652**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	1,652	2,136
5.2	Call deposits		

5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,652**	**2,136**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	150
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		
7.5	**Unused financing facilities available at quarter end**		0
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	**Estimated cash available for future operating activities**	**$A'000**

8.1	Net cash from / (used in) operating activities (item 1.9)	(506)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,652
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	1,652
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	3.26
	Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
	8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
	8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
	Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: .....31 October 2022.....

Authorised by: .....The Board.....

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.