



Australia's future in bioenergy and renewables

**Quarterly Activities Report
for the quarter ended
31 December 2022**

**Delorean Corporation Limited
ACN 638 111 127**





Q2 FY2023 Highlights

- Revenue (unaudited) for FY2023 Quarter 2 was \$8.393m (excluding R&D tax offset and other income).
- Completion and settlement of Palisade Impact's \$5m Convertible Note subscription as part of a proposed multi-project development funding partnership between Delorean and funds managed by Palisade Impact (signed in October 2022).
- Advanced progress on Palisade Impact's final due diligence to complete Final Investment Decision (FID) to 100% fund Delorean's two immediate projects, SA1 and VIC1 (investment circa \$50m).
- Ecogas project in New Zealand reached substantial completion. Plant is operational with final close out works being completed.
- Continued progress in co-development of NSW1 project in landmark collaboration with Brickworks Building Products.
- Commenced detailed design on \$45m Yarra Valley Water waste to energy project with Notice to Proceed expected in Q3 FY2023 to commence construction.
- Implementation of second price reset in Energy Retail Division's customer book to protect margin, with Western Australian retail book actively tailed down to now confine Energy Retail activities to Delorean's renewable generation assets from January 2023, with the objective of de-risking energy market exposure.
- Significant ongoing demand for Delorean's renewable gas (biomethane) product in a market where availability of renewable gas is scarce.
- Delorean received a joint commendation award (with Blue Lake Milling) in the South Australian Government Premier's Awards: Energy and Mining (Environment Category) for the Blue Lake Milling bioenergy project which was completed in Q1 FY2023.
- Current cash balance of \$6.192m as at 31 December 2022, comprising \$2.095m in term deposits supporting cash-backed prudential and contract bonds and \$4.097m in available cash for working capital.



Image 1: Ecogas Bioenergy Project



Q2 FY2023 Activities Report

Delorean Corporation Limited (ASX:DEL) is pleased to provide an overview of the December 2022 quarter (Q2 FY2023) activities and the associated cash flows and cash position in the Appendix 4C (attached).

Business Overview

Delorean Corporation is a vertically integrated business operating in two high growth investment sectors – renewable energy and waste management. Delorean is pioneering the Australian market with bioenergy towards commercial production of mains-grade renewable gas. Delorean has the inhouse capability to deliver bioenergy projects across the full lifecycle, from project conception to completion; processing organic waste and generating and monetising renewable electricity, heat and gas.

The core focus of the business is to develop, construct, own and operate bioenergy infrastructure in Australia deriving revenues from acceptance of organic waste and agricultural residues, generation of renewable electricity and production of renewable natural gas. Delorean currently also constructs bioenergy projects for third parties in Australia and New Zealand and maintains licenses for the retail of electricity and gas, from January 2023 now confined to retail of energy from bioenergy assets constructed or developed, owned and operated by Delorean.

The following graphic sets out an overview of Delorean projects, completed, under construction, under development and in the pipeline.

DEL-owned Project Development and Build Pipeline Across Australia and New Zealand

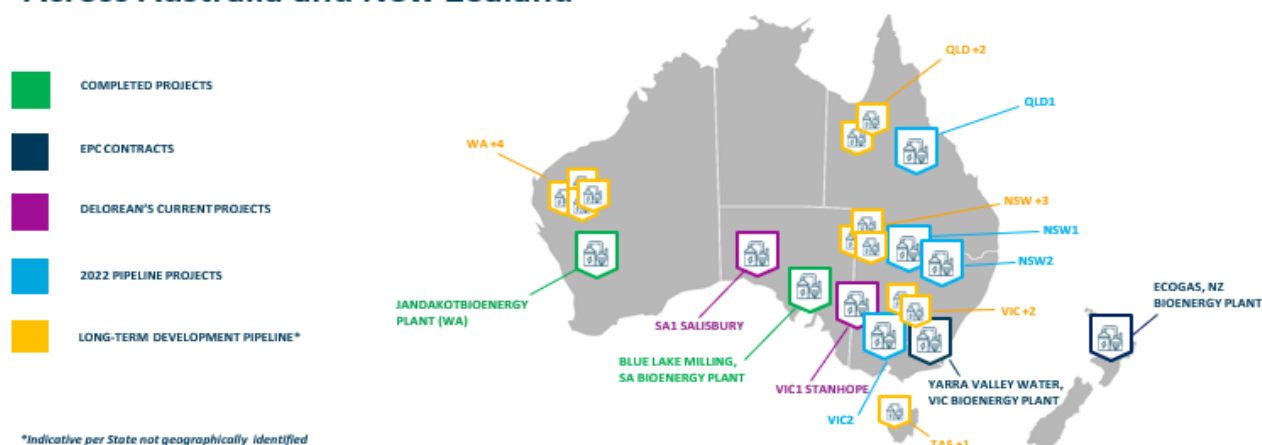
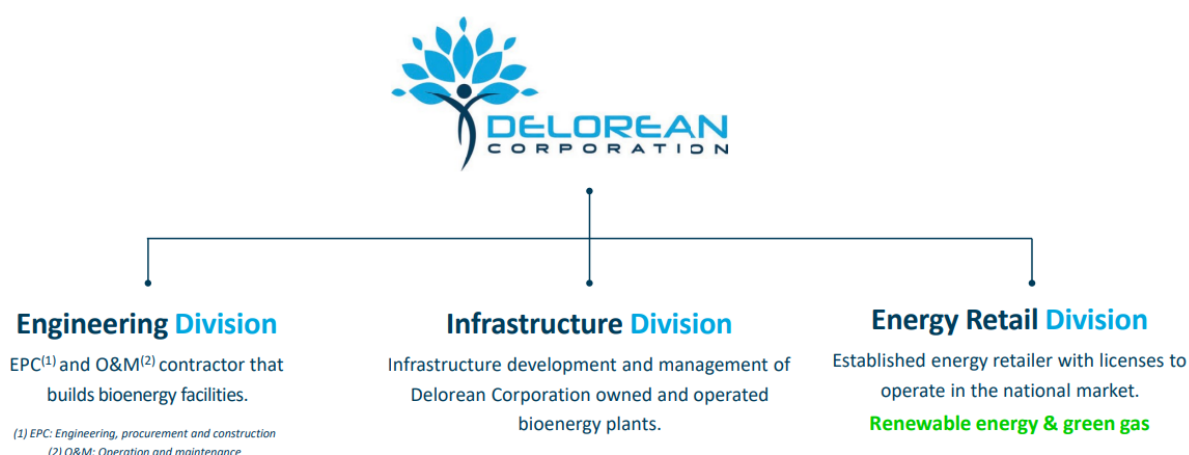


Image 2: Delorean Corporation Project Pipeline



The business comprises three interoperable divisions:



Investment Strengths

Proposed fully funded development partnership with Palisade Impact

- Proposed funding partnership with Palisade Impact will, subject to the satisfaction of certain conditions precedent, provide the capitalisation and fast tracking of Delorean's own renewable energy infrastructure

Track record of deliverability

- Proven ability to deliver innovative and successful Australasian bioenergy projects across the Agricultural, Commercial & Industrial (C&I) and Municipal Organic waste sector to ISO compliance

Strong ESG credentials

- Multiple certifications, awards and alignment with global ESG standards including TCFD, formal sustainability reporting and government accredited programs



Image 3: Blue Lake Milling Bioenergy Project



Delorean Infrastructure Division

Delorean's Infrastructure Division is responsible for development, ownership and operation of commercial-scale anaerobic digestion bioenergy facilities in Australia.

During the quarter, Delorean's Infrastructure Division was predominantly focussed on:

- Final development and due diligence activities on its VIC1 and SA1 projects (the "Immediate Projects") ready for Financial Investment Decision under a proposed multi-project development funding partnership with impact infrastructure investor Palisade Impact
- Collaborative development of Brickworks bioenergy plant in NSW
- Ongoing development of Delorean's infrastructure project pipeline

Palisade Impact – Multi Project Development Funding Partnership

In October 2022, Delorean entered into a binding agreement to form a multi-project development funding partnership with funds managed by Palisade Impact Pty Ltd (Palisade Impact), subject to the satisfaction of certain conditions precedent.

Under the terms of the proposed funding partnership, Palisade Impact will:

- Subject to completion of final due diligence and receipt of investment committee approval required for each project's Final Investment Decision, fund 100% of the project costs (including full reimbursement to Delorean of the development costs incurred) to deliver Delorean's SA1 and VIC1 bioenergy projects under separate preferred funding agreements for each project. These agreements will give Palisade Impact a fixed preferential return set at 12% per annum. Palisade will also receive equal ordinary equity interest in the Immediate Projects together with Delorean in excess of the preferred return.
- Have a right of first offer to fund a further three bioenergy infrastructure projects in Delorean's project pipeline through the Funding Partnership.
- Palisade Impact to invest \$5m in Delorean to support the Company's working capital requirements, including to progress the detailed design work on the Immediate Projects. This investment is by way of Convertible Notes. The Convertible Notes were issued in two tranches of \$2.4m and \$2.6m in Q2 FY2023, with final funds settled in December 2022.

Finalisation of project and transaction agreements and satisfaction of relevant conditions precedents will deliver the following outcomes:

- Delorean will receive an upfront cash payment representing DEL's costs of developing the SA1 and VIC1 bioenergy projects prior to each respective financial close.
- Delorean will design, construct and commission the Immediate Projects under arms-length Engineer, Procure and Construct contracts on commercial margins.
- From practical completion of these projects, Delorean will undertake Operation and Maintenance of the Immediate Projects on arms-length terms and commercial margins for a proposed term of 25 years.



- Delorean will also provide services to each project under separate Revenue Management Services agreements.
- Delorean will retain an underlying ownership in Immediate Projects (up to 50% of ordinary equity in the project entities behind Palisade Impact's preferred return equity).

Palisade Impact recently reached a first close on its inaugural investment fund and received binding equity commitments of over \$400m, which will be sufficient to fund this initial investment as well as Delorean's broader pipeline of investments.

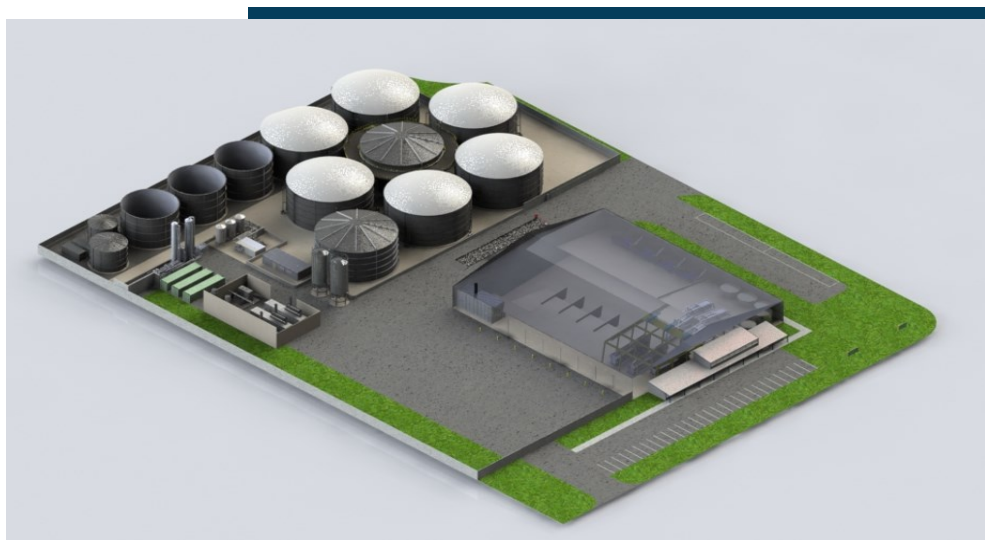


Image 4: SA1 Bioenergy Plant Render

Brickworks Bioenergy Project Development

Project Update

In Q1 FY2023, Brickworks Building Products and Delorean completed the Concept Stage of their Master Services Agreement (**MSA**) and formally progressed to the Development Stage. The MSA is derived from the Memorandum of Understanding (**MOU**) between the two companies in a collaboration to build and operate bioenergy plants. The completed project(s) will convert organic waste to green gas and electricity for use in Brickworks' NSW brick manufacturing operations.

The Development Stage of the collaboration includes Brickworks retaining Delorean to undertake the feasibility study for the initial NSW plant(s). The feasibility study will address the key prerequisites for developing a model for commercially viable and sustainably driven bioenergy facilities. The results of this study will inform the next stage of FID.

Progress on the Development Stage activities has been in line with expectations and the development work is materially on track.



Delorean Infrastructure Project Pipeline Development

In addition to progressing FID in the proposed partnership with Palisade Impact in relation to the SA1 and VIC1 projects, and the Brickworks Bioenergy Project, during Q2 FY2023 Delorean continued the active development of its bioenergy infrastructure project pipeline. The most advanced of these projects is the QLD1 Bioenergy Plant.

The project is currently reviewing the approvals process to better understand the most viable option for energy generation (green gas vs. electricity) and is consulting with Australian Gas Infrastructure Group regarding any potential mains injection limits.

The project is expected to be FID-ready later in CY2023.

Delorean Engineering Division

Delorean's Engineering Division delivers engineering design, construction and operation/maintenance services for third parties under contract, and for Delorean Infrastructure Division's build/own/operate projects.

During the quarter, Delorean's Infrastructure Division was primarily focussed on:

- Project finalisation following practical completion of the Blue Lake Milling Project in Bordertown, South Australia under EPC contract (achieved in September 2022).
- Substantial Completion of the construction of the Ecogas Bioenergy Project in Reparoa, New Zealand (achieved in December 2022).
- Completion of Initial Phase Works under EPC contract for the construction of Yarra Valley Water's second bioenergy plant in Victoria (achieved in November 2022) and commencement of Detailed Design Works.

Blue Lake Milling, SA Bioenergy Plant

Project Background

Location: Bordertown, South Australia - \$7.8m contract value

Project Update

The AD facility for Blue Lake Milling achieved practical completion on 29 September 2022, and is powering Blue Lake Milling's site with surplus electricity exported to the grid. To date the facility has produced over 3540 MWh of green electricity. The site is also producing biofertiliser, with potential markets for this high demand product being investigated.

Delorean received a joint commendation award (with Blue Lake Milling) in the South Premier's Awards: Energy and Mining (Environment Category) for the Blue Lake Milling bioenergy project which was completed in Q1 FY2023.



Image 5: Blue Lake Milling bioenergy facility

Ecogas, NZ Bioenergy Plant

Project Background

Location: Reparoa, New Zealand - \$10.1m contract value

Project Update

Delorean achieved Substantial Completion on the Ecogas project during this quarter. Commercial closeout has now begun. The facility has been processing food waste both commercial, industrial and municipal organics from their client as the facility has been commissioned over the past 3 months and is now successfully generating biogas.



Image 6: Ecogas Bioenergy Plant



Yarra Valley Water, VIC Bioenergy Plant

Project Background

Location: Lilydale, Victoria – circa \$45m contract value

Project Update

Following completion of pre-construction development and planning and initial phase works to de-risk the overall project budget, in November 2022, Delorean moved into the Detailed Design stage of the project under its EPC contract with Yarra Valley Water. Ministerial approval for the project has been secured and subject to the final completion of planning and regulatory approvals the project will proceed with Notice to Proceed into full construction expected in Q1 CY2023, enabling mobilisation, order of long lead items and siteworks to commence.

Delorean Energy Retail Division

During the December quarter, Delorean Corporation's Energy Retail Division reviewed and strategically consolidated its participation in the WA electricity market.

Delorean's core strategy is to develop and build out bioenergy infrastructure for the generation of renewable electricity and supply of renewable natural gas. This strategy is reaffirmed by the proposed multi-project development funding partnership with Palisade Impact. Under the Company's vertically integrated business model, Delorean retains the capability to develop and build bioenergy projects, as well as licenses to retail electricity and gas including (inter alia) electricity retail licenses in the National Electricity Market and Western Australian Wholesale Electricity Market.

Delorean's energy retail division activities have been confined (except for one customer) entirely to business customers in the Western Australian electricity retail market. The aggregate electricity demand to service this customer book outstripped the available sources of electricity supply from bioenergy in WA, requiring DEL to 'top up' its electricity requirements via bilateral contracts with energy wholesalers and from the wholesale electricity market.

While energy pricing in the WA electricity market is less volatile than the National Energy Market, and Delorean maintained hedge protections against wholesale energy price increases in the form of bilateral wholesale contracts and other positions, during the quarter the WA market continued to experience abnormal uplifts in energy and Large Scale Generation Certificate prices.

In July 2022, Delorean undertook allowable Material Adverse Event pricing resets under its WA customer contracts to protect electricity retail margins. This resulted in an approximate 10% reduction in its customer book by volume of electricity sold. Delorean undertook a further price reset in October 2022, resulting in a further circa 35% reduction in its customer book by volume.

In October 2022, the company undertook a strategic review of its Western Australian energy retail operations and formed the view that to align with its infrastructure roll-out strategy, Delorean should confine its retail operations to the monetisation of energy only from its own bioenergy projects (either constructed for third parties or owned by Delorean), as those projects continue to come online.



From October 2022, the Company ceased to engage new customers within the Western Australian electricity market and undertook an orderly winding down of its Western Australian energy client book. Delorean was successful in this process and by natural churn and orderly transfer of customers to other retailers the company had only one remaining retail customer in the WA energy market by the end of December 2022.

Ceasing to provide Western Australian energy retail services at this time and in the current circumstances is expected to be both earnings and cashflow positive for the Company, freeing up cash-backed prudential and contract securities and reducing the Company's exposure to risk in the WA electricity market.

Delorean intends to retain its WA and National electricity retail licenses on an ongoing basis in support of its national rollout of bioenergy infrastructure across Australia.



Delorean Corporate

Environment, Social and Governance

Delorean remains proud to be advancing its commitment to sustainability and ESG principles through the formal development of its ESG Strategy.

During the Q1 FY2023 quarter, Delorean published its Environment, Social and Governance framework and its inaugural ESG Report 2022, and signed up to the UN Global Compact (UNGC).

The inaugural ESG report articulates Delorean's impact framework and prioritises Delorean's sustainability goals and focus areas. It explains how Delorean proposes to achieve its ESG aspirations and how it plans to measure progress.

This report also includes formal alignment to the Task Force on Climate Related Financial Disclosures (TCFD) and our first Communication on Progress report to the UNGC.

During Q2 FY2023 Delorean continued progressing activities to deliver on its ESG plan.



Planned Activity – Q3 FY2023

Delorean has again achieved several major milestones in the second quarter of FY2023 with its BLM and Ecogas construction projects reaching completion, the Yarra Valley Water in detailed design pending Notice to Proceed to move into construction, and SA1 and VIC1 projects in the advanced stages of final due diligence towards Financial Investment Decision (subject to conditions).

In addition, the Company has improved its available working capital reserves through the completion of the \$5m Convertible Note subscription with Palisade Impact.

With the orderly winding down of Delorean's Western Australian energy retail customer book, the company moves into calendar year 2023 with a clear strategic focus on its core business developing, constructing, owning and operating bioenergy plants across Australia.

Key Activities in Q3 FY2023

In Q3 FY2023, Delorean's focus is in the following key areas:

- Close out of Delorean Engineering's Ecogas project in New Zealand having reached substantial completion.
- Advance final due diligence with Palisade Impact towards Financial Investment Decision on Delorean SA1 and VIC1 projects.
- Advance Delorean Engineering's detailed design of the Yarra Valley Water project pending Notice to Proceed to commence siteworks, procurement and construction.
- Advance the development of the first NSW1 project in collaboration with Brickworks.



Additional Appendix 4C Disclosures

The following information is provided as required under ASX Listing Rule 4.7C that has not been disclosed in the body of the quarterly activities report.

Summary of Expenditure incurred on Projects

A summary of expenditure incurred in AUD excluding GST (accruals basis) for the quarter on our key projects and cost centres is as follows:

- Blue Lake Milling - \$105k
- Ecogas - \$2.58k
- Yarra Valley Water - \$96k
- Brickworks - \$67k
- South Australia One and Victoria One - \$14k
- Energy Retail - \$6.69m
- Overheads - \$657k

Payments made to Related Parties

Payments totalling \$209k made to related parties and their associates are for director salaries and superannuation of \$178k and payments for corporate services of \$31k. All payments were on normal commercial terms.

Disclaimer

This report has been prepared by Delorean Corporation Limited (**Delorean**). The material contained in this report is for information purposes only. This release is not an offer or invitation for subscription or purchase of, or a recommendation in relation to, securities in Delorean and neither this release nor anything contained in it shall form the basis of any contract or commitment.

This report may contain forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Delorean business plans, intentions, opportunities, expectations, capabilities, and other statements that are not historical facts. Forward-looking statements include those containing such words as could, plan, target, estimate, forecast, anticipate, indicate, expect, intend, may, potential, should or similar expressions. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions, and other important factors, many of which are beyond the control of Delorean, and which could cause actual results to differ from those expressed in this report. Because actual results might differ materially to the information in this report, Delorean does not make, and this report should not be relied upon as, any representation or warranty as to the accuracy, or reasonableness, of the underlying assumptions and uncertainties. Investors are cautioned to view all forward-looking statements with caution and to not place undue reliance on such statements.

The report has been prepared by Delorean based on information available to it, including information from third parties, and has not been independently verified. No representation or warranty, express or implied, is made to the fairness, accuracy or completeness of the information or opinions contained in this report.



About Delorean Corporation Ltd (ASX:DEL)

Shares in Delorean Corporation Limited (ASX: DEL) are traded on the Australian Securities Exchange (ASX). For more information, please visit our website: www.deloreancorporation.com.au

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Delorean Corporation Limited

ABN

62 638 111 127

Quarter ended ("current quarter")

31/12/2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	10,332	22,220
1.2 Payments for		
research and development		
product manufacturing and operating costs	(12,024)	(22,142)
advertising and marketing	-	(9)
leased assets	(31)	(62)
staff costs	(787)	(1,671)
administration and corporate costs	(787)	(938)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(16)	(61)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(3,312)	(2,662)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
businesses		
property, plant and equipment	(126)	(295)
investments		
intellectual property		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	other non-current assets Proceeds from disposal of: (a) entities businesses property, plant and equipment investments intellectual property 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	(126)	(295)

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	5,000	5,000
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	1,227	1,227
3.6	Repayment of borrowings	(101)	(202)
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	6,126	6,025

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,504	3,124
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,312)	(2,662)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(126)	(295)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,126	6,025
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	6,192	6,192

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	4,097	1,533
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits as security for CBA bank guarantees)	2,095	1,971
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,192	3,504

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	209
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Payments for directors' salaries and superannuation of \$209k.		
<i>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.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	107	5
7.3	Other (please specify)	6,227	6,227
7.4	Total financing facilities	6,334	6,232
7.5	Unused financing facilities available at quarter end		102
7.6	<p>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.</p> <ul style="list-style-type: none"> • Unsecured CBA Credit Cards (17.99% interest rate), no maturity date • Unsecured ASB Credit Card Facilities (20.95% interest rate), no maturity date • Convertible note subscription of \$5,000,000 from Palisade Impact received in 2 tranches (refer ASX Announcements on 19 October 2022 and 29 December 2022) • Short term intra-project Line of Credit facility (Biogass NZ Pty Ltd) for NZ\$1,344,000 with Pioneer Energy NZ, repayable by 31 March 2023 (12% interest rate on drawn balance) <p>Not included in the above balances are equipment finance, insurance premium funding finance and bank guarantee facilities as they are not available to draw for working capital requirements.</p> <p>No additional financing facilities have been entered into after quarter end.</p>		

8.	Estimated cash available for future operating activities	(a) \$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,312)
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,192
8.3	Unused finance facilities available at quarter end (item 7.5)	102
8.4	Total available funding (item 8.2 + item 8.3)	6,294
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.9
	<p><i>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.</i></p>	
8.6	<p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>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?</p> <p>Answer: No. This quarter saw the substantial completion of a loss-making EPC contract and these cash outflows will not continue at the same rate through quarter 3 and quarter 4 of FY23. In addition, the company's new third-party contract with Yarra Valley Water has contributed positive operating cashflows for the quarter and is anticipated to continue to contribute positive cashflows in the upcoming quarters as works progress.</p>	

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: Per ASX company updates, the Company is in process of securing project finance with Palisade Impact for internal projects

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: Yes on the basis of the explanations provided in 8.6.1 and 8.6.2.

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 January 2023

Authorised by: By the Board

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.