

29 July 2022

## Quarterly Activities Report and Appendix 4C to 30 June 2022

### Clean TeQ Water Limited

ACN: 647 935 948

ASX:CNQ

OTCQX:CNQQF

### Corporate Information<sup>#</sup>

Ordinary shares: 44.7M

Performance rights:

3.5M

Cash at bank: A\$5.9M

### Executive Chairman

Peter Voigt

### CEO

Willem Vriesendorp

### Non-Executive Directors

Ian Knight

Sam Riggall

Robyn McLeod

### Company Secretary

Anita Addorisio

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<sup>#</sup> As at 30 June 2022

## QUARTER HIGHLIGHTS

### Key financial highlights for Q4 FY22 include:

- Quarterly cash receipts of \$2.5m up by 60% from the previous quarter (\$1.6m)
- Net cash used in operating activities was \$2m, down from \$3.3m in March 2022 quarter
- The Company had \$5.9m cash on hand as at 30 June 2022

### Key Operational highlights include:

- New \$5 million contract signed with Power and Water Corporation (PWC) for a Bore Water Treatment Plant in the Northern Territory
- Ordos flagship 12,000 tons/day BIONEX™ nitrate removal project handed over to customer for ongoing operation of the main resin circuit
- Continued progress across projects under implementation:
  - Koumala drinking water supply project in commissioning phase
  - Hassall EVAPX® agricultural by-product wastewater recycling site construction started
  - NESR HIROX® bore water treatment and reinjection water supply project design and manufacturing completed
- NematiQ progressed towards field piloting by converting recently produced membrane sheets into membrane elements and skids
- Repeat work including service fees, aftermarket sales, test work and piloting was \$208k for the quarter
- Total FY21/22 cash receipts were \$9.2m

## Group Financial Outlook

- Strong Group revenue outlook for FY23 is led by an order of around \$10 million for the delivery of a Recycled Water Treatment Facility at Cleveland Bay for Townsville City Council and the implementation of the recently awarded PWC contract for the Northern Territory
- Forecast revenues from contracts secured in Q1 of FY23 already exceed total FY22 revenue
- Group profitability outlook is expected to improve in FY23 led by additional projects, higher margins and increased aftermarket sales

## Message from the CEO

This past quarter we have seen continued progress across all our projects under implementation. Our flagship BIONEX™ project in Ordos (China) is now continuously operating in automatic mode removing nitrate from the incoming water, while we are commissioning the biological circuit of the plant. The Koumala drinking water project (Queensland) is also in the commissioning phase, and our industrial water treatment projects in the Middle East and in New South Wales have entered the construction phase. While these projects have been subject to supply chain bottlenecks, resulting in delays and some cost inflation, we expect these issues to diminish going forward. Once fully operational, these projects will demonstrate the benefits of our unique technologies at scale, greatly supporting our ability to sell our technology to new customers.

NematiQ has continued its path towards commercialisation by turning the 1,000m of Graphene Membranes that were produced last quarter into membrane elements and incorporating these elements into modules and skids. Meanwhile, NematiQ continues to do lab testing and have discussions with prospective customers to select the optimal sites and counterparties for our first pilot sites.

On the commercial front, we are very pleased with two large new projects that were added recently. Power Water Corporation (PWC) awarded the Company a contract for removal of uranium from ground water in the Northern Territory. This project is the first in a much larger program

from PWC to improve water security for aboriginal communities in the Northern Territory. Early July, we also received the order from our civil partner for the design and delivery of a recycled water facility in Cleveland Bay as part of Townsville council's long-term strategy to improve water security.

Only a month into the new financial year, the value of these two new projects already exceeds our combined revenue of the past two years. Besides the commercial benefits these projects provide for the future of the Company, we are also proud to be supporting projects which are critical for the long-term development of these regions.

## Q4 FY22 CASH FLOW

Net cash used in operating activities was \$2m, down from \$3.3m in the previous quarter. Cash received from projects in Q4 FY2022 was \$2.5m, up from \$1.3m in Q3 (total Q3 cash inflow was \$1.6m, including a \$0.3m R&D rebate). Payments for product manufacturing and operating costs in Q4 FY2022 were \$2.2m, compared to \$2.5m in Q3.

During the quarter, a \$5m contract was signed with Power Water Corporation in the Northern Territory with the first two payment milestones claimed and received prior to 30 June 2022.

Across our six projects (including PWC but excluding the Townsville order which was received in July 2022) we have now received approximately \$7.7m in payments from the \$15.9m expected.

As of 30 June 2022 the Company had cash reserves of \$5.9m. The Company has no debt or convertible instruments. A summary of the revenue and expenditure incurred during the quarter is detailed in the attached unaudited Appendix 4C.

## Q4 FY22 TRADING AND OPERATIONAL HIGHLIGHTS AND OUTLOOK

### Trading Highlights

The PWC uranium removal project in the Northern Territory and the Recycled Water Treatment Facility for the Townsville City Council Project represent major milestones for the Company due to the size of these projects and their regional strategic importance. The award of these projects demonstrates the Company's ability to bid for and win large and complex projects in a competitive environment. The Projects Update section below describes these projects in more detail.

Our pipeline of potential future projects, both in Australia and internationally, remains strong. Several of our international customers are awaiting the commissioning of delivered equipment, particularly the HIROX® plant with NESR in the Middle East, and the nitrate removal BIONEX™ plant in China. Once these projects are operating, we anticipate an increase in international conversion rate, fuelling international growth.

The Company continues to pursue metals recovery projects. In these projects we are aiming to deliver technical solutions and receive a share in the value created by our technology through licence fee, equity in the project or some other revenue sharing mechanism.

## Projects Update

### Ordos BIONEX™ Nitrate Removal Project



*The 12,000 tons per day BIONEX™ nitrate removal plant in Ordos will be the Company's first large scale plant in China*

The BIONEX™ nitrate removal plant combines the Company's unique continuous ionic filtration (CIF®) technology with its BIOCLENS® technology to treat 12,000 tons per day of mining wastewater. The CIF® portion of the plant is now operating continuously and removing nitrate to levels to below the specified 1ppm level. The biological (BIOCLENS®) section of the plant is awaiting delivery and installation of a chemical dosing system that has been delayed due to COVID related lockdowns in China. Installation of this equipment will further reduce the cost of operation and result in full zero liquid discharge.

This BIONEX™ plant is the first of its kind in China and will act as a demonstration site for other prospective customers. The market for BIONEX™ nitrate removal technology is large and includes treating effluents from mining, industrial processes, and municipal water treatment facilities located in ecologically sensitive areas such as the Yellow River basin in Northern China.

### Middle East HIROX® Bore Water Treatment Project

This project applies the Company's HIROX® technology to treat non-potable bore water to the quality required for well completions. Treatment involves the removal of the sulphate to prevent gypsum formation which can clog the well and using a brine recovery circuit to recycle the salt and achieve the required density for reinjection. The end-user is a multinational oil company and the solution being provided is expected to dramatically reduce not only the volume of water withdrawn, but also the energy and chemicals used per ton of treated water produced.



Most major equipment has been delivered to site and the construction of the civils has been completed. Over the past months, shipping delays and shortages of specific components have caused project delays. Site assembly is scheduled to restart this current quarter.



*CIF® columns of the NESR HIROX® plant to be used in the Oil and Gas sector in the Middle East*

#### New South Wales EVAPX® Agricultural Brine Treatment Project

On 23 September 2021, the Company was awarded a \$1.6m contract, to design, procure, and deliver an EVAPX® system to treat brine from an agriculture by-product processing facility in New South Wales. The plant will recover clean water and produce a concentrated salt brine for re-use in the primary hide curing process. On-site assembly of the EVAPX® plant has started and is scheduled to be completed by the end of this current quarter.

Brine treatment and management using conventional evaporation technologies is energy intensive. Many companies in this sector are looking to lower their energy footprint when treating brines and to better utilise renewables to reduce the carbon footprint of the final product. Clean TeQ Water's EVAPX® technology can dramatically improve the environmental footprint and reduce operational costs compared to existing technologies.



*Installation of EVAPX® columns at the customer's site in New South Wales*

#### Koumala Drinking Water Project in Queensland

The Company won the Koumala drinking water project by offering an ion exchange solution for the treatment of ground water, providing improved effluent quality compared to alternative bids. All key equipment has now been installed at site and commissioning is in progress.

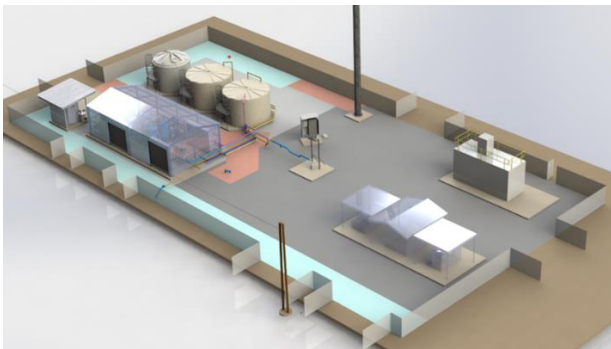


*Chemical shed and wastewater shed housing the Koumala bore water treatment plant*

### Northern Territory Ion Exchange Uranium Removal Project

The Company has been engaged by Power and Water Corporation to design, manufacture and deliver a water treatment plant to remove uranium from bore water in Laramba approximately 200km north-west of Alice Springs in the Northern Territory. The treatment plant is the first to be delivered as part of the Northern Territory Government's \$28 million program to improve water quality and supply infrastructure to prioritised areas of critical need. The Company will be using ion exchange technology to remove specific pollutants from bore water.

After signing an LOI in March 2022, the project design stage is now close to completion. Most of the large supplier contracts are in place and long lead time items have been ordered. Civil works have also commenced on site, with the installation of a new rising main and earthworks for the compound.

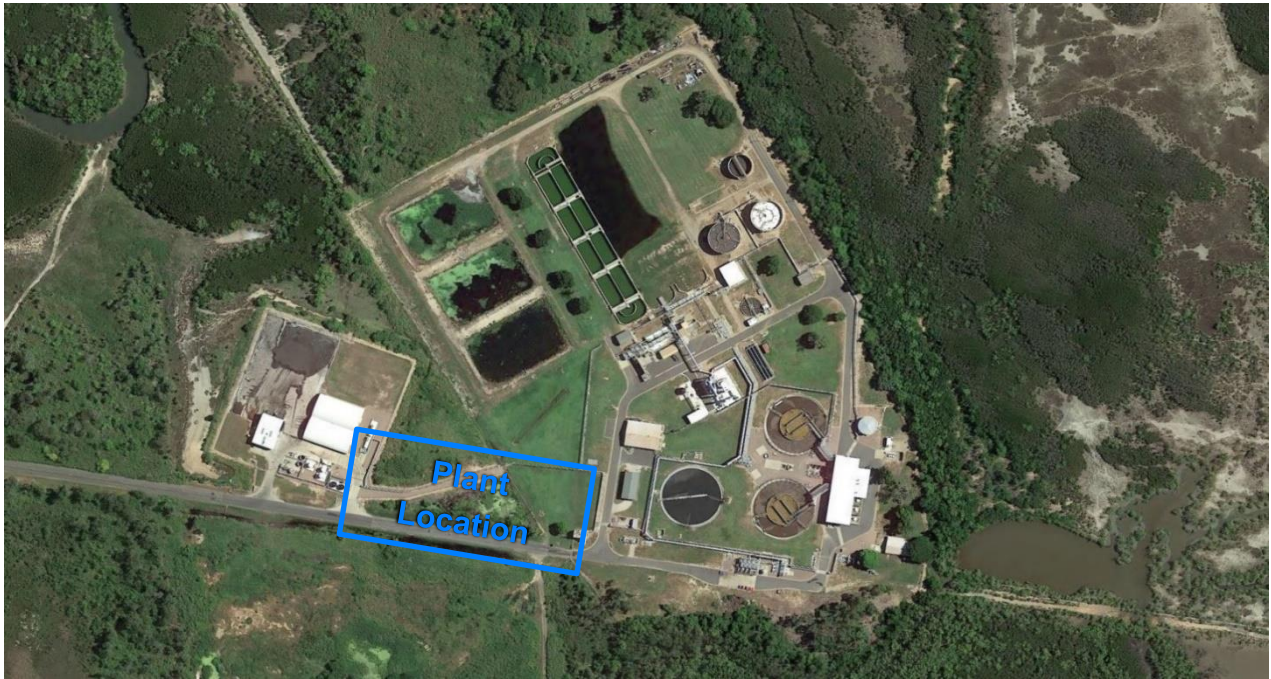


*Render of PWC uranium removal plant 3D sketch design (l) and intended location of the plant (r)*

### Townsville City Council Project (Cleveland Bay Purification Plant)

In this current quarter the Company received an order from its civil construction partner for delivery of a 15 megalitre per day Recycled Water Treatment Facility at the Cleveland Bay Purification Plant for Townsville City Council. The Company will be responsible for the process design, delivery, installation and commissioning of the equipment, which will allow treatment of the water to Class A standard for reuse in industry and irrigation. The current design also includes certain provisions for a second phase of the project to make the effluent suitable for a wider range of industrial uses. The underlying contract for this order is under negotiation, however design work and supplier engagement have commenced.





*Townsville water recycling facility plant location*

### **NematiQ Graphene Membranes**

NematiQ has developed ground-breaking technology to produce flat sheet Graphene Membranes at a commercial scale. The flat sheet Graphene Membranes are converted into spiral wound cartridges and used in water filtration and industrial separations. Graphene Membranes offer customers significant benefits in operation over conventional polymeric nanofiltration products, including energy savings, improved water recovery rates, chemical-free processes and improved by-product quality.

In the first quarter of 2022, over 1,000 meters of Graphene Membranes were produced on a commercial coating machine. These membranes have since been converted into various standardized cartridges (1812, 8040 and 4040) and have been subjected to vigorous testing of the critical properties of robustness, flux and rejection and are showing consistent results meeting the specifications.



*8040 and 4040 membrane elements incorporating NematIQ's unique Graphene Membrane. Graphene Membranes use significantly less energy per cubic metre of water treated, reducing the user's operating costs and carbon footprint.*

These cartridges have been used in laboratory demonstration equipment to confirm the treatment efficiency of Graphene Membranes applications such as, the treatment of surface water to remove dissolved organic compounds (DOC), removal of chemical oxygen demand (COD) from treated effluent and the concentration of black liquor in the paper and pulp industry.

These cartridges are now being incorporated into modules and skids that will be used to do field trials with potential customers as a final step towards commercialisation. Discussions with prospective customers is ongoing with the goal to start demonstrations in the first half of FY23.



*NematIQ Graphene Membrane Laboratory Demonstrator*

## Metal Recovery

### Technology Services for Sunrise Energy Metals

The Company continues to provide technical services to Sunrise Energy Metals (ASX: SRL) in relation to lithium-ion battery products.

The scope of work focuses on two areas including the characterisation of precursor cathode active material and the recycling of nickel and cobalt from black mass.

## Payments to Directors and Related Parties

As disclosed in the attached Appendix 4C, payments to related parties and their associates during the quarter totalled \$130,612 (as disclosed under section 6.1) relating to all fees, salaries and superannuation paid to Clean TeQ Water's Directors for the June 2022 Quarter.

## Outlook

The Company has significant activities planned for the current quarter including:

- First field demonstrations of the NematiQ Graphene Membrane technology
- Appointment of David Menzies as NematiQ CEO, to accelerate commercialisation of the NematiQ Graphene Membrane technology
- Start of design and ordering of long lead time items for the Townsville City Council Project and start construction of the Northern Territory Uranium Removal project (PWC).
- Final commissioning and full hand-over of our Ordos BIONEX™, and Koumala projects
- Finalize construction of our HIROX® project with NESR and our EVAPX® project in New South Wales
- Continuation of commercial discussions on projects across geographies, sectors and technologies
- Expansion of commercial and sales footprint to cover increasing demand particularly from Australia and Europe
- Expected progression of several strong leads in China following the full commissioning of the Ordos project and the loosening of travel restrictions within China allowing prospective customers to visit the plant

### **For more information, please contact:**

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This announcement is authorised for release to the market by the Board of Directors of Clean TeQ Water Limited.

**About Clean TeQ Water Limited (ASX: CNQ)** – Based in Melbourne, Australia, Clean TeQ Water provides innovative metals recovery and water treatment solutions for governments and companies. Our sectors of focus include municipal wastewater, surface water, industrial wastewater, and mining wastewater. Clean TeQ Water has offices in Melbourne, Perth, Beijing and Tianjin, and partners in Africa and Latin America. We provide turnkey metals recovery and water treatment plants everywhere in the world.

For more information about CNQ please visit [www.cleanteqwater.com](http://www.cleanteqwater.com).

#### FORWARD-LOOKING STATEMENTS

Certain statements in this news release constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable securities laws. Such statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of the Company or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified using words such as “may”, “would”, “could”, “will”, “intend”, “expect”, “believe”, “plan”, “anticipate”, “estimate”, “scheduled”, “forecast”, “predict”, “potential” and other similar terminology, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. These statements reflect the Company’s current expectations regarding future events, performance, and results, and speak only as of the date of this new release. Readers are cautioned not to place undue reliance on forward-looking information or statements.

Although the forward-looking statements contained in this news release are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this news release and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this news release. For more information about Clean TeQ Water please visit the Company’s website [www.cleanteqwater.com](http://www.cleanteqwater.com)



## Appendix 4C

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

**Name of entity**

CLEAN TEQ WATER LIMITED

**ABN**

12 647 935 948

**Quarter ended ("current quarter")**

30 June 2022

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>A\$'000</b> | <b>Year to date<br/>(12 months)<br/>A\$'000</b> |
|---|------------------------------------|---|
| <b>1. Cash flows from operating activities</b>            |                                    |   |
| 1.1 Receipts from customers                               | 2,542                              | 9,189   |
| 1.2 Payments for  |                                    |   |
| (a) research and development                              | (182)                              | (812)   |
| (b) product manufacturing and operating costs             | (2,225)                            | (9,731)   |
| (c) advertising and marketing                             | (117)                              | (477)   |
| (d) leased assets   | -                                  | -   |
| (e) staff costs   | (1,432)                            | (6,087)   |
| (f) administration and corporate costs                    | (622)                              | (2,128)   |
| (g) insurance costs                                       | (2)                                | (176)   |
| 1.3 Dividends received (see note 3)                       | -                                  | -   |
| 1.4 Interest received                                     | 4                                  | 14  |
| 1.5 Interest and other costs of finance paid              | -                                  | -   |
| 1.6 Income taxes paid                                     | -                                  | -   |
| 1.7 Government grants and tax incentives                  | -                                  | 326   |
| 1.8 Other (provide details if material)                   | -                                  | -   |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(2,034)</b>                     | <b>(9,882)</b>                                  |
| <b>2. Cash flows from investing activities</b>            |                                    |   |
| 2.1 Payments to acquire:                                  |                                    |   |
| (a) entities  | -                                  | -   |
| (b) businesses  | -                                  | -   |
| (c) property, plant and equipment                         | (7)                                | (133)   |
| (d) investments   | -                                  | -   |
| (e) intellectual property                                 | -                                  | -   |

| Consolidated statement of cash flows |   | Current quarter<br>A\$'000 | Year to date<br>(12 months)<br>A\$'000 |
|--------------------------------------|---|----------------------------|--|
|                                      | (f) other non-current assets                          | -                          | -                                      |
| 2.2                                  | Proceeds from disposal of:                            |                            |  |
|                                      | (a) entities  | -                          | -                                      |
|                                      | (b) businesses  | -                          | -                                      |
|                                      | (c) property, plant and equipment                     | -                          | -                                      |
|                                      | (d) investments                                       | -                          | -                                      |
|                                      | (e) intellectual property                             | -                          | -                                      |
|                                      | (f) 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)                   | -                          | -                                      |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>(7)</b>                 | <b>(133)</b>                           |

|             |   |             |              |
|-------------|---|-------------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>   |             |              |
| 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   | -           | -            |
| 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 (repayment of lease liabilities)  | (47)        | (213)        |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>(47)</b> | <b>(213)</b> |

|           |  |         |         |
|-----------|--|---------|---------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> | -       | -       |
| 4.1       | Cash and cash equivalents at beginning of period                             | 7,959   | 16,005  |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (2,034) | (9,882) |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | (7)     | (133)   |

| Consolidated statement of cash flows |   | Current quarter<br>A\$'000 | Year to date<br>(12 months)<br>A\$'000 |
|--------------------------------------|---|----------------------------|--|
| 4.4                                  | Net cash from / (used in) financing activities<br>(item 3.10 above) | (47)                       | (213)                                  |
| 4.5                                  | Effect of movement in exchange rates on<br>cash held                | 32                         | 126                                    |
| 4.6                                  | <b>Cash and cash equivalents at end of<br/>period</b>               | <b>5,903</b>               | <b>5,903</b>                           |

Note: On 1 July 2021 Clean TeQ Water Limited was demerged from Sunrise Energy Metals Limited. The cash and cash equivalents at that date are noted at item 4.1

| 5.  | Reconciliation of cash and cash<br>equivalents<br>at the end of the quarter (as shown in the<br>consolidated statement of cash flows) to the<br>related items in the accounts | Current quarter<br>A\$'000 | Previous quarter<br>A\$'000 |
|-----|---|----------------------------|-----------------------------|
| 5.1 | Bank balances   | 3,571                      | 4,459                       |
| 5.2 | Call deposits   | 332                        | -                           |
| 5.3 | Bank overdrafts   | -                          | -                           |
| 5.4 | Term Deposits   | 2,000                      | 3,500                       |
| 5.5 | <b>Cash and cash equivalents at end of<br/>quarter (should equal item 4.6 above)</b>  | <b>5,903</b>               | <b>7,959</b>                |

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
A\$'000**

(131)

-

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<br>amount at quarter<br>end<br>A\$'000 | Amount drawn at<br>quarter end<br>A\$'000 |
|---------------------------------------|---|---|
| 7.1 Loan facilities                   | -   | -   |
| 7.2 Credit standby arrangements       | -   | -   |
| 7.3 Other (please specify)            | 332   | 332                                       |
| 7.4 <b>Total financing facilities</b> | -   | -   |

7.5 **Unused financing facilities available at quarter end** -

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.

7.3 Cash backed bank guarantees secured against amounts held within a restricted Cash Deposit Account (5.2), issued in accordance with contractual performance obligations.

| 8. Estimated cash available for future operating activities                       | A\$'000 |
|---|---------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9)                     | (2,034) |
| 8.2 Cash and cash equivalents at quarter end (Item 4.6)                           | 5,903   |
| 8.3 Unused finance facilities available at quarter end (Item 7.5)                 | -       |
| 8.4 Total available funding (Item 8.2 + Item 8.3)                                 | 5,903   |
| 8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b> | 2.9     |

*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: Not applicable as 8.5 is greater than 2.

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: n/a

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: n/a

*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: 29 July 2022

Authorised by the Board of Directors of Clean TeQ Water Limited

## 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.