



African Cashew Alliance

Report and Financial Statement For the year ended 31 December 2017

African Cashew Alliance

Report and financial statements

For the year ended 31 December 2017

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African Cashew Alliance

Corporate information

For the year ended 31 December 2017

Board Members

Members of Executive Committee: Florentino Nanque
Minata Kone
Kate Kamba
Joanna Adotevi
Charles Muigai
Lars Wallevik
Ronald Zaa

Registered office: 34 Boundary Road
East legon
Accra

Auditors: Deloitte & Touche
Chartered Accountants
The Deloitte Place, Plot No. 71,
Off George Walker Bush Highway,
North Dzorwulu
P O Box GP 453,
Accra, Ghana

Bankers: Ecobank Ghana Ltd
Societe General Ghana
UMB Ghana
Ecobank Kenya
Ecobank Mozambique
Ecobank Benin

African Cashew Alliance

Report of the directors

For the year ended 31 December 2017

The Board Members of African Cashew Alliance, Ghana, has the pleasure in submitting their annual report together with the Financial Statements for the year ended 31 December 2017.

1. Nature of business

The Organization has the objective of:

- Helping to Strengthen the African Cashew Sector's competitiveness through ;
- Provision of market Information
- Provision of Technical Assistance to cashew processors
- Provision of ACA Seal certification.
- Advocacy

There was no change in the nature of business during the year under review.

2. Financial results

The statement of financial position has been signed by two directors indicating the board's approval of such statement of financial position and attached accounts on pages 8 to 12.

	US\$
The balance brought forward on retained earnings at 1 January 2017 was	281,359
To which must be deducted losses for the year after charging all expenses including depreciation of US\$4,269	<u>(548,941)</u>
Leaving a balance to be carried forward on income surplus account at 31 December 2017 of	<u>(267,582)</u>

3. Auditors


The Auditors Deloitte & Touché, have expressed their willingness to continue in office pursuant to Section 134 (5) of the Companies Act 1963, Act 179.

4. Approval of financial statements

The financial statements were approved by the board of directors on

On behalf of the board

Director: 

Director: 

Signed: 06/11/2019 Florentino

Signed:  

African Cashew Alliance

Statement of directors' responsibilities

For the year ended 31 December 2017

The directors are responsible for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the organisation at the end of the financial year and of the profit or loss of the company for the year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the organisation keeps proper accounting records which disclose with reasonable accuracy the financial position of the organization and which enables them to ensure that the financial statements comply with International Public Sector Accounting Standards (IPSAS) and the Companies Act 1963, Act 179. They are responsible for taking such steps as are reasonably open to them to safeguard the assets of the organisation and to prevent and detect fraud and other irregularities.

The above statement, should be read in conjunction with the statement of the auditors' responsibilities on page 6.

Independent Auditors' Report To the members of African Cashew Alliance

Opinion

We have audited the accompanying financial statements of African Cashew Alliance which comprise the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in net assets, statement of cash flows for the year then ended, the notes to the financial statements including a summary of significant accounting policies and other national disclosures.

In our opinion, the financial statements give a true and fair view of the financial position of African Cashew Alliance as at 31 December 2017 and the financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards, and in the manner required by the Companies Act 1963, Act 179.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants (IFAC Code) as adopted by the Institute of Chartered Accountants Ghana (ICAG) and we have fulfilled our other ethical responsibilities in accordance with IFAC Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

The Company reported a loss of US\$ 548,941 for the year and at 31 December 2017. The Company's total liabilities exceeded its total assets by US\$ 267,582 as at 31 December 2017. As stated in Note 13, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Based on approved budgetary support from its donors, the directors expect the company to continue as a going concern realising its assets and discharging its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the Statement of Directors' Responsibility and the Report of the Directors. The other information does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Independent Auditors' Report To the members of African Cashew Alliance

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Public Sector Accounting Standards and the requirements of the Companies Act 1963, Act 179 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent Auditors' Report To the members of African Cashew Alliance

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

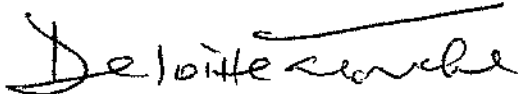
We communicate with the audit committee and the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The Companies Act 1963, Act 179 requires that in carrying out our audit work we consider and report on the following matters. We confirm that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Company has kept proper books of account, so far as appears from our examination of those books.
- iii) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

The engagement partner on the audit resulting in this independent auditor's report is **Daniel Kwadwo Owusu (ICAG/P/1327)**



For and on behalf of Deloitte & Touche (ICAG/F/2019/129)
Chartered Accountants

The Deloitte Place, Plot No.71, Off George Walker Bush Highway
North Dzorwulu
Accra Ghana

4th December, 2019

CLASSIFICATION: CONFIDENTIAL

National Executive: *C Larbi-Odam *D Owusu *K Ampim-Darko *G Ankomah E Fayorsey *A Biney *C Forson

*Partner and Chartered Accountant

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

African Cashew Alliance

Statement of comprehensive income

For the year ended 31 December 2017

Income	Notes	2017 Core US\$	2017 Projects US\$	Total US\$	Core US\$	2016 Projects US\$	Total US\$
Membership Contribution		91,162	-	91,162	67,111	-	67,111
Conference Revenue		190,382	-	190,382	256,845	-	256,845
Budget Support Adverts/Others Service Fees		50,000 4,148 15,734	-	50,000 4,148 15,734	52,042 688 390,097	-	52,042 688 390,097
USAID GDA II project funds received		-	333,264	333,264	-	327,180	327,180
USDAID TIME project funds		-	-	-	-	291,429	291,429
USAID WATH		-	-	-	-	278,484	278,484
WALMART FDN Project funds		-	-	-	-	500,000	500,000
AfDB AFTRA funds		-	179,454	179,454	-	-	-
Total Income		<u>351,426</u>	<u>512,718</u>	<u>864,144</u>	<u>766,783</u>	<u>1,397,093</u>	<u>2,163,876</u>

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African Cashew Alliance

Statement of comprehensive income

For the year ended 31 December 2017

Expenses	Notes	2017		2016		Total US\$
		Core US\$	Projects US\$	Core US\$	Projects US\$	
Core Activities	3	592,353	-	597,032	-	597,032
GDA Project		-	432,312	-	482,412	482,412
TIME Project		-	-	-	501,857	501,857
WATHN Project		-	-	-	195,763	195,763
WALMART FDN		-	76,642	-	351,997	351,997
AFDB AFTRA		-	85,486	-	-	-
Other Expenses	13	226,292	-	-	-	-
Total Expenses		818,645	594,440	597,032	1,532,029	2,129,061
Surplus/(Deficit) for the year		(467,219)	(81,722)	169,751	(134,936)	34,815

African Cashew Alliance

Statement of financial position

As at 31 December 2017

	Notes	2017 US\$	2016 US\$
Assets			
Non-current assets			
Property, plant and equipment	4	-	-
Total Non-Current Assets		<u>-</u>	<u>-</u>
Current assets			
Accounts Receivables	5	52,632	296,810
Cash and Bank	6	113,962	209,931
Total Current Assets		<u>166,594</u>	<u>506,761</u>
Total assets		<u>166,594</u>	<u>506,761</u>
Accumulated Fund, Grants, Liabilities			
Accumulated Fund		(267,582)	281,359
Total Accumulated Fund		<u>(267,582)</u>	<u>281,359</u>
Liabilities			
Accounts payables	7	387,907	225,402
Project Grants		46,269	-
Total Liabilities		<u>434,176</u>	<u>225,402</u>
Total Accumulated Fund and Liabilities		<u>166,594</u>	<u>506,761</u>

The Financial Statement on pages 13 to 19 were approved by the Board Members and signed on its behalf by:

Director.....

Date: 06/11/2019

Director.....

Date: 06/11/2019 K.M. ZAK

African Cashew Alliance

Statement of changes in net assets

For the year ended 31 December 2017

	2017 US\$	2016 US\$
Balance brought forward	281,359	246,544
Deficit for the year	<u>(548,941)</u>	<u>34,815</u>
Balance as at 31 December 2017	<u>(267,582)</u>	<u>281,359</u>

The notes on pages 13-19 form an integral part of these financial statements

African Cashew Alliance
Statement of cash flows
For the year ended 31 December 2017

	2017 US\$	2016 US\$
Operating activities		
Surplus/Deficit for the year	(548,941)	34,814
Adjustment for non-cash items:		
Depreciation	<u>4,269</u>	<u>10,734</u>
Operating cash flow before changes in working capital	<u>(544,672)</u>	<u>45,548</u>
Working Capital		
Change in Receivables	244,198	(140,516)
Change in Payables	<u>208,774</u>	<u>132,587</u>
Net cash outflow from operating activities	<u>(91,700)</u>	<u>37,619</u>
Investing activities		
Purchase of property, plant and equipment	<u>(4,269)</u>	<u>(9,742)</u>
Net cash outflow from investing activities	<u>(4,269)</u>	<u>(9,742)</u>
Net increase in cash and cash equivalent	(95,969)	27,877
Cash and cash equivalents at beginning of year	<u>209,931</u>	<u>182,054</u>
Cash and cash equivalent at end of year	<u>113,962</u>	<u>209,931</u>

The notes on pages 13-19 form an integral part of these financial statement

African Cashew Alliance

Notes to the financial statement

For the year ended 31 December 2017

1. General information

African Cashew Alliance Ghana, is a Not-for-profit Organization registered under the Ghana Companies Act 1963 (Act 179).

The Organization is authorized to engage in cashew sector improvement projects and support services to cashew Stakeholders worldwide. ACA's activities include the provision of Technical Assistance, Food safety certification, Market information and Advocacy.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared on accrual and going-concern basis and accounting policies have been applied consistently throughout the period. The statements comply with the requirements of International Public Sector Accounting Standards (IPSAS). This is the first time the organization is reporting under this framework.

2.2 Income

Income is mainly revenue from non-exchange transactions (grants) and comprises inflows of economic benefits or service potential received and receivable by the reporting entity, which represents an increase in net assets/equity, other than increases relating to contributions from owners. Where an entity incurs some cost in relation to revenue arising from a non-exchange transaction, the revenue is the gross inflow of future economic benefits or service potential, and any outflow of resources is recognized as a cost of the transaction.

2.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments that are readily convertible to cash and subject to insignificant risk of change in value.

2.4 Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

African Cashew Alliance

Notes to the financial statement

For the year ended 31 December 2017

Depreciation is charged so as to allocate the cost of assets over their estimated useful lives or project period using the straight-line method:

Equipment	20%
Furniture and Fittings	20%
Moto Vehicles	33.33%

2.5 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

2.6 Contingent liabilities

The company does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

2.7 Contingent assets

The company does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

2.8 Employee benefits

Defined contribution plan

The company operates a defined contribution plan. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Under the National pension scheme, the company contributes 13% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pension. The company's obligation is limited to the relevant contribution, which were settled on due dates. The pension liabilities and obligation therefore rest with SSNIT.

African Cashew Alliance

Notes to the financial statement

For the year ended 31 December 2017

2.9 Foreign currency transactions

The company's foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the transaction at period and exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the income and expenditure account.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the income statement

2.10 Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the company. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

2.11 Significant judgments and sources of estimation uncertainty

The preparation of the company's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

In the process of applying the company's accounting policies, management has made judgments, which have the most significant effect on the amounts recognized in the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The company based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the company. Such changes are reflected in the assumptions when they occur.

African Cashew Alliance

Notes to the financial statement

For the year ended 31 December 2017

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

3. Expenses

2017

	CORE/PVT	GDA	AFTRA	WATHN	WALMART	Total
Staff Cost-Personnel	186,013	261,632	30,051	-	6,806	484,502
Staff Cost-Fringe	54,994	43,284	2,738	-	459	101,475
Travels	105,378	26,893	-	-	17,820	150,091
Consultancy	16,946	21,679	26,401	-	6,295	71,321
Contracted Services	225,945	70,879	23,418	-	44,418	323,342
Supplies	3,077	7,148	-	-	250	10,475
Other expense (Note 13)	226,292	-	-	-	-	226,292
Equipment(Depreciation)	-	798	2,877	-	594	4,269
Total Expenses	818,645	432,312	85,486	-	76,642	1,413,085

Notes to the financial statement

For the year ended 31 December 2017

	2016					Total
	CORE/PVT	GDA	TIME	WATHN	WALMART	
Staff Cost-Personnel	167,983	213,160	150,360	19,158	71,508	622,169
Staff Cost-Fringe	71,402	62,254	45,236	15,730	9,476	204,098
Travels	177,054	63,527	39,331	87,458	74,718	442,088
Consultancy	41,046	77,540	65,283	30,227	10,769	224,865
Contracted Services	133,500	54,638	198,206	43,190	124,192	553,726
Supplies	2,499	5,101	1,653	-	60,140	69,393
Equipment(Depreciation)	3,549	6,193	1,788	-	1,194	12,724
Total Expenses	597,033	482,414	501,857	195,763	351,996	2,129,062

4. Property, Plant and Equipment

Cost	Other Equipment US\$	Motor Vehicles US\$	Total US\$
Balance at 1 January	95,948	65,000	160,948
Additions	4,269	-	4,269
Balance at 31 December	100,217	65,000	165,217

Accumulated Depreciation

Balance at 1 January	95,948	65,000	160,948
Charge for the period	4,269	-	4,269
Balance at 31 December	100,217	65,000	165,217

Net Book Value At 31/12/17

At 31/12/16	-	-	-
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African Cashew Alliance

Notes to the financial statement

For the year ended 31 December 2017

5. Accounts Receivable

	2017	2016
	US\$	US\$
Staff Advances	600	82,988
Other Debtors	<u>52,032</u>	<u>213,842</u>
	<u>52,632</u>	<u>296,892</u>

6. Cash and cash equivalent bank balances

	2017	2016
	US\$	US\$
Cash at bank	114,272	207,665
Cash on hand	<u>(310)</u>	<u>2,265</u>
	<u>113,962</u>	<u>209,930</u>

7. Accounts Payable

	2017	2016
	US\$	US\$
Accruals	<u>387,907</u>	<u>225,402</u>

8. Financial instruments – Financial risk management

Exposure to currency, liquidity and credit risk arises in the normal course of the company's operations. This note presents information about the company's exposure to each of the above risks, policies and processes for measuring and managing risk, and the company's management of capital.

Credit risk

Credit risk is the risk of financial loss to the company if customers or counterparties to financial instruments fail to meet their contractual obligations, and it arises principally from the company's receivables.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 December 2016 was:

	2017	2016
	US\$	US\$
Receivables	<u>52,632</u>	<u>296,810</u>

African Cashew Alliance

Notes to the financial statement

For the year ended 31 December 2017

Credit quality

To mitigate credit risk, the company has a policy of full or quarterly advance payment before services are rendered. The company only extends credit to reputable companies assessed through due diligence which is normally based on previous experience with the client if repeated, and general reputation in the market.

Liquidity risk

Liquidity risk is the risk of the company not being able to meet its obligations as they fall due. The company's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the company's reputation.

The company ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts.

9. Contingent liabilities

There were no contingent liabilities at the end of the reporting period.

10. Contingent assets

There were no contingent assets at the end of the reporting period.

11. Commitments

The company had no commitments at the end of the reporting period.

12. Events after the reporting period

There were no material post reporting date events that could affect the financial statement as at 31 December 2017 (2016:Nil).

13. Other Expense

This represents 2017 – year write-offs and adjustments of receivables balances brought forward from 2016. This is after assessment of these amounts and the likelihood of their recoverability. Below are the details:

	US\$
2016 year end Staff Advance Balance adjustments	2,515
Travel Advances write-off (External Consultants)	5,950
Staff Advances write-off – Mr. Akwasi Adom-Dankwa	53,417
Other Receivables write-off (Non-Staff related)	<u>164,410</u>
	<u>226,292</u>

14. Going concern

The Company reported a loss of US\$ 548,941 for the year and at 31 December 2017. The Company's total liabilities exceeded its total assets by US\$ 267,582 as at 31 December 2017. Based on approved budgetary support from its donors, the directors expect the company to continue as a going concern realising its assets and discharging its liabilities in the normal course of business.