



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
REGIONAL COUNCIL OF THE ZAMBEZI
REGION**

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2013, 2014 AND 2015

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REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Regional Council of the Zambezi Region for the financial years ended 31 March 2013, 2014 and 2015 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act 1991 (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

WINDHOEK, April 2018


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
ZAMBEZI REGIONAL COUNCIL
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2013, 2014 AND 2015**

1. Report on the Financial Statements

1.1 INTRODUCTION

The accounts of the Zambezi Regional Council for the financial years ended 31 March 2013, 2014 and 2015 are being reported on in accordance with the provision set out in Section 38 of the Regional Council Act, 1992 (Act 22 of 1992).

Figures in the report are rounded to the nearest Namibia dollar and deficits are indicated in (brackets).

I certify that I have audited the accompanying financial statements of the Zambezi Regional Council for the financial years ended 31 March 2013, 2014 and 2015. These financial statements comprise the following:

Annexure A: Balance sheet;
Annexure B: Income statement;
Annexure C: Cash flow; and
Annexure D: Notes to financial statement.

The financial statements were submitted by the Accounting Officer to the Auditor-General in compliance with Section 40(1) Regional Council Act, 1992, except that they were only submitted late instead of three months (3 months) after the year end as required by the Act.

The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure A-D.

2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 39 of the Regional Council's Act, 1992 and relevant legislation, and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

3. AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Powers and duties

Section 25(1) (c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- (a) All reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;
- (b) All reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State's assets, such as stores, equipment, securities and movable goods; and
- (c) The expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, Section 26(1) (b)(iv) of the State Finance Act, 1991, empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is insufficient and inappropriate to provide a basis for the audit opinion.

4. ACKNOWLEDGEMENT

The courtesy received from the management and staff of Zambezi Regional Council for cooperating and assisting with the audit.

5. KEY AUDIT FINDINGS

5.1 ANALYSIS OF FINANCIAL STATEMENTS

Differences amounting to N\$ (3 427 290) for (2014) and N\$ 315 222 582 for (2015) were observed between the trial balance and the financial statement.

RECOMMENDATION

It is recommended that the Council should ensure that figures disclosed in the financial statements are in agreement with the Trial Balance. The Council is further recommended to perform regular management checks and reconciliations balances to avoid misstatements.

MANAGEMENT COMMENT

The above difference has been noted; therefore Council will ensure that management checks are done regularly as advised. You will note some improvements in the next report.

5.2 5% ASSESSMENT RATES

The Council failed to disclose assessment rate levies amounting to N\$ 449 140 (2013), N\$ 648 810 (2014) and N\$ 1 167 077 (2015).

RECOMMENDATION

It is recommended that the Council should obtain transaction lists from the respective local authorities and process the levies accordingly.

MANAGEMENT COMMENT

Zambezi Regional Council has taken note of the recommendation and has so far obtained the statements for 2015/16 and 2016/17 financial years. Therefore levies will be disclosed in the above financial years.

5.3 CUSTOMER AGE ANALYSIS

Customer Age Analysis were understated by N\$ 107 956 (2013), N\$ 157 197 (2014) and N\$ 157 198 (2015), this is due to the inclusion of credit debtors.

RECOMMENDATION

It is recommended that the Council should reconcile all trade receivable balances at year end.

5.4 DEBTORS ACCOUNT

The auditors found that debtor accounts are not reconciled each year. The total debtors balances consists of subsistence and travelling allowance (S&T) control accounts amounting to N\$ 1 085 469 (2013) and N\$ 1 508 401 (2014 & 2015) that were either not reconciled or closed after each trip or at year end, as a result of this, trade debtors disclosed in the financial statements may be overstated by these balances as they all arise from the prior year.

RECOMMENDATION

It is recommended that the Council should reconcile all trade receivable balances at year end.

MANAGEMENT COMMENT

The above recommendation has been addressed in the next financial statements for 2015/16 financial year.

5.5 DUPLICATED TRANSACTIONS

The audit discovered that transactions amounting to N\$ 832 597 in (2015) were duplicated in the general ledger.

RECOMMENDATION

It is recommended that the Council should ensure that correct figures are disclosed in the General Ledger.

MANAGEMENT COMMENT

The above recommendation have been addressed in 2015/16 and 2016/17 financial years. Invoices have been captured without VAT.

5.6 NON-SUBMISSION EXPENDITURE VOUCHERS

Payment vouchers totalling N\$ 2 226 272 (2013), N\$ 3 927 295 (2014) and N\$ 2 006 554 (2015) were not provided for audit purpose.

5.7 WORK IN PROGRESS CAPITAL PROJECT

Payment vouchers amounting to N\$ 7 223 226 (2013), N\$ 9 872 652 (2014) and N\$ 3 141 673 (2015), were not provided for auditing purpose.

5.8 ADDITIONS OF FIXED ASSETS

The auditors were unable to confirm the accuracy and completeness of the acquisition of fixed assets amounting to N\$ 63 221 (2013), N\$ 137 850 (2014) and N\$ 1 670 195 (2015) due to payment vouchers not provided.

RECCOMENDATION

It is recommended that the Council submit all the payment vouchers requested for audit purpose.

MANAGEMENT COMMENT

Management agrees.

5.9 INVENTORY

The Council did not disclose inventory in the financial statements for the financial years ended 31 March 2013, 2014 and 2015. It was further found that the Council failed to provide stock reports for consumable goods for the 2013 financial year.

RECOMMENDATION

It is recommended that the Council should adhere to the requirements of the financial accounting policies and procedures manual for Regional Councils and disclose the value of its inventory at year end.

MANAGEMENT COMMENT

Omission of inventories in the financial statements was just an error and will be rectified in the next financial statements.

6. BASIS FOR DISCLAIMED AUDIT OPINION

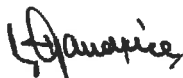
- Differences amounting to N\$ (3 427 290) (2014) and N\$ 315 222 582 (2015) between the trial balance and financial statement;
- Non disclosure of assessment rate levies amounting to N\$ 449 140 (2013), N\$ 648 810 (2014) and N\$ 1 167 077 (2015);
- Understatement of Customer Age Analysis amounting to N\$ 107 956 (2013), N\$ 157 197 (2014) and N\$ 157 198 (2015);
- Duplicated expenses amounting to N\$ 832 597 (2015);
- Non-Submission of payment vouchers for expenses totalling to N\$ 2 226 272 (2013), N\$ 3 927 295 (2014) and N\$ 2 006 554 (2015);
- Non-Submission of payment vouchers for Capital Projects amounting to N\$ 7 223 226 (2013), N\$ 9 872 652 (2014) and N\$ 3 141 673 (2015);
- Non-Submission of payment voucher for assets bought amounting to N\$ 63 221 (2013), N\$ 137 850 (2014) and N\$ 1 670 195 (2015); and
- Non-disclosure of Inventores.

7. DISCLAIMER AUDIT OPINION

The accounts of the Regional Council of the Zambezi Region for the financial year ended 31 March 2016 summarised in Annexure A to D, were audited by me in terms of Section 38 of the Regional Councils Act, 1992 (Act 22 of 1992).

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

WINDHOEK, April 2018


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

**ZAMBEZI REGIONAL COUNCIL
BALANCE SHEET AS AT 31 MARCH**

	Note	2015	2014	2013	2012
		N\$	N\$	N\$	N\$
ASSETS					
Non-Current Assets		187 603 680	136 700 853	115 707 298	73 402 488
Property, Plant and Equipment	4	187 603 680	136 700 853	115 707 298	73 402 488
Current Assets		55 657 604	54 153 882	34 443 945	56 844 289
Trade and other receivables	5	16 321 372	10 588 383	7 866 756	7 145 181
Cash and cash equivalents	6	39 336 232	43 565 500	26 577 189	49 699 108
TOTAL ASSETS		243 261 283	190 854 735	150 151 243	130 246 777
EQUITY AND LIABILITIES					
Funds		236 729 035	189 551 196	149 824 863	129 759 367
Capital Development Fund		120 507 916	120 507 916	120 507 916	120 507 916
Build-Together Fund		3 530 023	3 530 023	3 530 023	3 539 000
Accumulated funds	8	112 691 096	65 513 257	25 786 924	5 712 451
Current Liabilities		6 532 248	1 303 540	326 380	487 409
Trade and other payables	7	6 532 248	1 303 540	309 794	487 409
Bank Overdraft		-	-	16 586	-
TOTAL EQUITY AND LIABILITIES		243 261 283	190 854 736	150 151 243	130 246 776

ANNEXTURE B

**ZAMBEZI REGIONAL COUNCIL
INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH**

	Note	2015 N\$	2014 N\$	2013 N\$	2012 N\$
Income		95 725 114	48 580 933	22 358 305	21 613 222
Expenditure		(48 757 589)	(33 177 474)	(25 483 942)	(25 043 401)
Operating surplus/(loss) before investment income and finance costs		46 967 525	15 403 459	(3 125 637)	(3 430 179)
Investment revenue	9	2 156 359	2 510 987	1 605 615	1 480 727
Other income		588 505	706 460	328 708	352 058
Finance costs	10	-	(36 911)	(3 999)	(411)
Surplus for the year		49 712 390	18 583 996	(1 195 313)	(1 597 805)
Delegated income	3	(2 534 550)	21 142 337	21 269 787	4 028 688
Net surplus for the year		47 177 840	39 726 333	20 074 474	2 430 883
Appropriation account at beginning of year		65 513 257	25 786 924	5 712 450	3 281 567
Appropriation account at end of year		112 691 097	65 513 257	25 786 924	5 712 450

ANNEXTURE C

**ZAMBEZI REGIONAL COUNCIL
CASHFLOW STATEMENT AT 31 MARCH 2013, 2014 AND 2015**

Note	2015	2014	2013	2012
	N\$	N\$	N\$	N\$
Net cash from operating activities				
Cash generated from operations	52 092 099	41 425 743	22 552 581	3 354 138
Interest income	49 935 739	38 951 667	20 950 965	1 873 822
Finance costs	2 156 359	2 510 987	1 605 615	1 480 727
	-	(36 911)	(3 999)	(411)
	(56 321 367)	(24 420 846)	(45 691 084)	(19 524 768)
Net cash from investing activities				
Purchase of property, plant and equipment	(56 321 367)	(24 420 846)	(45 682 107)	(19 524 768)
Decrease in build together fund	-	-	(8 977)	-
	-	-	-	-
Net Cash flows from financing activities				
Capital development fund	-	-	-	23 500 000
	-	-	-	23 500 000
Total cash movement for the period	(4 229 268)	17 004 897	(23 138 503)	7 329 370
Cash at the beginning of the period	43 565 500	26 560 603	49 699 107	42 369 737
Total Cash at end of the period	39 336 232	43 565 500	26 560 604	49 699 107

ZAMBEZI REGIONAL COUNCIL**NOTES TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2013, 2014 AND 2015****1. Presentation of Annual Financial Statements**

The annual financial statements are compiled in accordance with the historical cost convention modified by the restatement of the financial instruments to fair value, except where otherwise stated.

The annual financial statements are prepared in line with the accrual concept. It should be noted, however, that income and expenditure in relation to Delegated Functions is accounted for during the year under review on a cash accounting basis, in line with the State Finance Act, 1992; and since all liabilities relating to the Delegated Funds remains with the relevant Ministries and all unexpended Delegated Funds are returned to the State Account, it does not materially affect the Regional Council's financial statements.

The principal accounting policies of the Regional Council, which are set out below, have been consistent and comply with Namibian Statements of Generally Accepted Accounting Practices. The financial statements have been prepared in accordance with the requirements of the Namibian Regional Council's Act.

1.1 Fixed assets and depreciation

Fixed assets are stated at cost or at valuation where assets have been acquired by grant or donation, less depreciation written off over the expected useful lives as determined by the Regional Council from time to time. Fixed assets acquired with loan funds are not depreciated until the loan is repaid, unless the expected lifetime of the asset is less than the repayment period of the loan in which case depreciation is calculated on the shortfall.

The estimated useful economic lives for each category of asset are as follows:

Buildings	50 years
Machinery and Equipment	5 years
Motor vehicles	5 years
Office furniture and equipment	3 years-5 years
Computer equipment	3 years

Land and infrastructure assets are not depreciated.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

1.2 Inventories

Inventories are measured at lower cost and net realizable value. The cost of inventories should comprise all cost of purchases, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

ZAMBEZI REGIONAL COUNCIL**NOTES TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2013, 2014 AND 2015**

1.3 Trade receivables

Trade receivables are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified.

1.4 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

2. REVENUE**2.1 Contributions, Grants and Financial Aid from MRLGH & RD**

The Zambezi Regional Council receives administrative grants from the Ministry of Regional and Local Government, Housing and Rural Development. These grants are for the day-to-day operations of the Regional Council.

2.2 Rates Levies from Local Authorities

The Zambezi Regional Council as per Regional Councils' Act of 1992, levies an amount equal to 5% of the rates levied on all ratable property in constituent local authority areas.

2.3 Royalties and surcharges

The Zambezi Regional Council receives royalties in respect of surcharges levied on its behalf by Nored. These rates are based on approved tariffs by the Electricity Control Board and may vary from time to time.

ZAMBEZI REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2013, 2014 AND 2015

3. DELEGATED FUNDS

The Zambezi Regional Council is currently handling the following funds as delegated by central governmental ministries, in accordance with the Decentralization Enabling Act 2000 (Act 33 of 2000)

When under delegation, the Regional Council only acts as an agent for a particular line Ministry, while the latter retains full control and overall responsibility to approve the related budget. After approval, the approved budget is transferred to the Regional Council via cash tranches.

Line Ministry	2015	2014	2013	2012
	N\$	N\$	N\$	N\$
Revenue				
Min. of Gender, Equality & Child Welfare	246 000	908 066	582 810	124 585
Min. of Regional & Local Government	-	27 727 803	20 236 185	2 612 713
Min. of Regional & Local Government	-	208 622	134 140	1 393 847
Office of the Prime Minister	287 974	77 720	1 170 572	372 686
Min of Agriculture & Forestry - Income	1 409 552	430 015	10 000	-
	1 943 526	29 352 226	22 133 707	4 503 831
Line Ministry				
Expenses				
Min. of Gender, Equality & Child Welfare	-	(897 907)	(175 437)	(34 732)
Min. of Regional & Local Government	(4 108 877)	(7 164 983)	(567 166)	(424 310)
Min. of Agriculture	(369 200)	(146 999)	(108 076)	(16 100)
	-	-	(13 241)	-
	(4 478 077)	(8 209 889)	(863 920)	(475 142)
Total (deficit) / surplus for the period	(2 534 551)	21 142 337	21 269 787	4 028 689

ZAMBEZI REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENT AS AT 31 MARCH (continued)

4. Property, plant and equipment

	Asset under construction	Land and Buildings	Machinery and vehicles	Office Furniture, Equipment and Computers	Total
31 March 2015					
Opening carrying amount	-	134 708 786	1 269 963	722 104	136 700 853
Additions	-	52 056 059	3 647 220	618 088	56 321 367
Depreciation charge	-	(3 891 509)	(1 062 223)	(464 808)	(5 418 540)
Closing carrying amount	-	182 873 336	3 854 960	875 384	187 603 680
Cost	-	194 575 464	12 217 500	3 961 118	210 754 082
Accumulated Depreciation	-	(11 702 128)	(8 362 540)	(3 085 735)	(23 150 403)
Closing carrying amount	-	182 873 336	3 854 960	875 383	187 603 679
31 March 2014					
Opening carrying amount	-	112 833 272	1 986 030	887 996	115 707 298
Additions	-	24 241 080	-	179 766	24 420 846
Depreciation charge	-	(2 365 566)	(716 067)	(345 658)	(3 427 291)
Closing carrying amount	-	134 708 786	1 269 963	722 104	136 700 853
Cost	-	142 519 405	8 570 280	3 343 030	154 432 716
Accumulated Depreciation	-	(7 810 619)	(7 300 317)	(2 620 927)	(17 731 863)
Closing carrying amount	-	134 708 786	1 269 963	722 103	136 700 853

ANNEXTURE D

ZAMBEZI REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENT AS AT 31 MARCH (continued)

31 March 2013

Opening carrying amount		70 592 974	2 186 619	622 895	73 402 488
Additions	44 605 864	-	416 779	659 464	1 076 243
Transfers from WIP	(44 605 864)	44 605 864	-	-	44 605 864
Depreciation charge	-	(2 365 566)	(617 368)	(394 363)	(3 377 297)
Closing carrying amount	-	112 833 272	1 986 030	887 996	115 707 298

Cost	44 605 864	6 011 606	8 570 280	3 163 265	62 351 015
Capitalized WIP	(44 605 864)	112 266 719	-	-	67 660 855
Accumulated Depreciation	-	(5 445 053)	(6 584 250)	(2 275 269)	(14 304 572)
Closing carrying amount	-	112 833 272	1 986 030	887 996	115 707 298

31 March 2012

Opening carrying amount	-	54 221 251	1 399 787	491 659	56 112 697
Additions	17 845 172	-	1 247 116	432 480	19 524 768
Transfers from WIP	(17 845 172)	17 845 172	-	-	-
Depreciation charge	-	(1 473 449)	(460 284)	(301 244)	(2 234 977)
Closing carrying amount	-	70 592 974	2 186 619	622 895	73 402 488

Cost	17 845 172	6 011 605	8 153 501	2 503 801	34 514 079
Capitalized WIP	(17 845 172)	67 660 855	-	-	49 815 683
Accumulated Depreciation	-	(3 079 486)	(5 966 882)	(1 880 906)	(10 927 274)
Closing carrying amount	-	70 592 974	2 186 619	622 895	73 402 488

5. Trade and other receivables

Trade receivables		3 144 796	3 144 796	2 769 679	2 585 578
Value added tax		13 176 576	7 443 587	5 097 077	4 559 603
		<u>16 321 372</u>	<u>10 588 383</u>	<u>7 866 756</u>	<u>7 145 181</u>

ANNEXTURE D

ZAMBEZI REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENT AS AT 31 MARCH (continued)

	2015	2014	2013	2012
	N\$	N\$	N\$	N\$
6. Cash and cash equivalents				
Bank Windhoek - Operational Acc	168 075	1 274 278	-	2 021 924
Bank Windhoek - Remuneration	5 988 386	515 311	27 133	15 192
Bank Windhoek - Development	4 681 422	4 803 631	2 597 889	987 469
Bank Windhoek - Revenue Acc	630 238	240 744	113 474	343 179
Bank Windhoek - Btp Receipts	182 102	156 091	142 116	124 119
Bank Windhoek-Traditional	2 828	3 248	5 641	7 699
Bank Windhoek - NDP Acc	245 391	29 591	76 413	1 501
Bank Windhoek-Call Deposit	13 768 640	24 388 619	9 286 777	37 858 017
Bank Windhoek - Btp Revolving	345 140	345 461	345 760	361 392
Bank Windhoek - Btp Special Acc	4 526 435	4 321 163	4 125 198	3 933 762
Bank Windhoek - OVC Acc	-	4 541	4 822	7 314
First National Bank - Disaster Funds Acc	75	1 725	13 937	22 980
Bank Windhoek - Hiv & Aids Acc	102 912	23 760	84 035	5 940
Bank Windhoek - IGA Acc -	765 427	520 868	534 473	138 461
Bank Windhoek - Min of Education	-	100	100	100
Bank Windhoek - Min of Agriculture	336 950	290 265	-	-
STD Business Trust	294 217	367 890	-	-
STD Call Dep Trust	39 280	3 049 097	-	-
Bank Windhoek - Rural Dev Projects	7 258 714	3 229 117	9 219 421	3 829 885
Bank Windhoek- Call Dep (Equity Prov)	-	-	-	29 243
Bank Windhoek-NDP Call	39 336 232	43 565 500	26 577 189	49 699 108
Bank overdrafts				
Bank Windhoek- Operational	-	-	16 586	-
	-	-	16 586	-

ANNEXTURE D

ZAMBEZI REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENT AS AT 31 MARCH (continued)

7. Trade and other payables

Trade payables	6 532 248	1 303 540	-	379 133
Other payables	-	-	309 794	108 276
	<u>6 532 248</u>	<u>1 303 540</u>	<u>309 794</u>	<u>487 409</u>

8. Accumulated Funds

Accumulated surplus	65 513 257	25 786 924	5 712 450	3 281 567
Development Capital Funds	120 507 916	120 507 916	120 507 916	120 507 916
Build-Together Capital Funds	3 530 023	3 530 023	3 530 023	3 239 000
Surplus for the year	47 177 840	39 726 332	20 074 474	2 430 884
	<u>236 729 035</u>	<u>189 551 196</u>	<u>149 824 863</u>	<u>129 459 367</u>

9. Investment revenue

Bank	2 156 359	2 510 987	1 605 364	1 479 727
Trade receivables	-	-	251	1 000
	<u>2 156 359</u>	<u>2 510 987</u>	<u>1 605 615</u>	<u>1 480 727</u>

10. Finance costs

Bank	-	36 911	3 999	360
Trade payables	-	-	-	51
	<u>-</u>	<u>36 911</u>	<u>3 999</u>	<u>411</u>

ZAMBEZI REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENT AS AT 31 MARCH (continued)

	2015	2014	2013	2012
	N\$	N\$	N\$	N\$
11. Cash (Used in) generated from operations				
(Loss) Surplus for the period	47 177 840	39 726 333	20 074 474	2 430 884
Adjustments for:				
Depreciation and amortisation	5 418 540	3 427 291	3 377 298	2 234 977
Interest received	(2 156 359)	(2 510 987)	(1 605 615)	(1 480 727)
Finance costs	-	36 911	3 999	411
Changes in working Capital:				
Inventory	-	-	-	-
Trade and other receivables	(5 732 989)	(2 721 626)	(721 575)	(805 409)
Trade and other payables	5 228 708	993 746	(177 616)	(506 314)
	<u>49 935 739</u>	<u>38 951 668</u>	<u>20 950 965</u>	<u>1 873 822</u>
Revenue				
Government grants, subsidies and financial aid	94 971 957	48 160 359	21 800 053	21 400 000
Royalties and surcharges	318 919	-	87 850	60 652
Rental income	45 277	49 692	44 625	10 350
Donations	20 000	175 945	17 501	56 471
Settlement areas	368 962	194 937	408 276	85 749
	<u>95 725 114</u>	<u>48 580 933</u>	<u>22 358 305</u>	<u>21 613 222</u>
Other income				
Interest received	2 156 359	2 510 987	1 605 615	1 480 727
Dividends received	-	472 122	212 143	100 000
Tender Fees	226 965	-	-	-
Commission received	14 550	-	-	-
Sundry income	346 990	234 338	116 565	252 058
Total income	<u>2 744 865</u>	<u>3 217 447</u>	<u>1 934 323</u>	<u>1 832 785</u>

ANNEXTURE D

ZAMBEZI REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENT AS AT 31 MARCH (continued)

	2015	2014	2013	2012
	N\$	N\$	N\$	N\$
EXPENDITURE				
Administration	(4 182 973)	(1 799 016)	(2 364 298)	(910 206)
Depreciation, amortisation and impairments	(5 418 540)	(3 427 291)	(3 377 298)	(2 234 977)
Donations paid	(199 458)	(123 739)	-	-
Employee costs	(24 869 272)	(19 865 228)	(14 475 977)	(12 356 587)
Land compensation	(4 635 446)	-	-	(2 701 333)
Materials and supplies	(657 561)	(1 906 381)	(840 571)	(464 840)
Property rental, hiring and related activities	(232 240)	(238 939)	(12 832)	(39 738)
Repairs and maintenance	(1 129 019)	(77 929)	(79 305)	(1 042 342)
Subscriptions	(125 000)	(66 157)	(51 377)	(80 370)
Subsides, grants and contribution expenses	(39 192)	(540 915)	(211 355)	(1 426 570)
Travel and subsistence allowances	(3 037 845)	(1 723 490)	(1 639 635)	(1 230 958)
Transport and freight	(2 469 799)	(2 253 104)	(1 637 909)	(1 736 348)
Utilities	(1 761 244)	(1 155 286)	(793 385)	(819 132)
	(48 757 589)	(33 177 474)	(25 483 942)	(25 043 401)
Operating loss	49 712 390	18 620 906	(1 191 314)	(1 597 394)
Delegated functions	(2 534 550)	21 142 337	21 269 787	4 028 689
Finance costs	-	(36 911)	(3 999)	(411)
Surplus for the year	47 177 840	39 726 332	20 074 474	2 430 884

