



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MUNICIPALITY OF GROOTFONTEIN
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013**

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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 Municipality of Grootfontein for the financial year ended 30 June 2013, 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, February 2014

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MUNICIPALITY OF GROOTFONTEIN
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013**

1. INTRODUCTION

The accounts of the Municipality of Grootfontein for the year ended 30 June 2013 are being reported on in accordance with the provisions set out in the State Finance Act, 1991 (Act 31 of 1991) and the Local Authorities Act, 1992 (Act 23 of 1992).

The firm MAC & Associates of Windhoek has been appointed in terms of Section 26(2) of the State Finance Act, 1991, to audit the accounts of the Municipality on behalf of the Auditor-General and under his supervision.

Figures in the report are rounded off to the nearest Namibia Dollar. Deficits are indicated in brackets.

2. FINANCIAL STATEMENTS

The Municipality's financial statements were submitted to the Auditor-General by the Accounting Officer in compliance with Section 87(1) of the Local Authorities Act, 1992. The audited financial statements are in agreement with the general ledger and are filed in the Office of the Auditor-General. The abridged balance sheet at Annexure A is a true reflection of the original signed by the Accounting Officer.

The financial statements also include:

Annexure B: Abridged income statement

Annexure C: Cash flow statement

Annexure D: Notes to the financial statements

3. SCOPE OF THE AUDIT

Management's responsibility for the financial statements

The Accounting Officer of the Municipality is responsible for the preparation and fair presentation of these financial statements and for ensuring the regularity of the financial transactions. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them and to report his opinion to the National Assembly. The said firm conducted the audit in accordance with International Standards on Auditing. Those standards require that the firm comply with ethical requirements, plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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.

4. AUDIT OBSERVATION AND COMMENTS

4.1 Property, plant and equipment - completeness

A fire engine valued at N\$ 2 608 164 is not included in the financial statements resulting in understatement of the property, plant and equipment and the related fund account.

4.2 Understatement of depreciation charge

The depreciation of property, plant and equipment is materially understated resulting in the overstatement of property, plant and equipment and the related fund account.

4.3 Understatement of liabilities

A liability owing by the Municipality to CENORED amounting of N\$ 350 816 and the Regional Council levy for 2013 amounting to N\$ 319 657 were not accrued resulting in understatement of liabilities and the related expenditure by N\$ 670 473.

4.4 Inventories

The auditors did not observe the counting of the inventories at year-end. There were no alternative practical audit procedures that they could perform to confirm the quantities of the inventories (petrol and diesel) due to the nature of the accounting records.

5. ACKNOWLEDGEMENT

The assistance and co-operation by the staff of the Grootfontein Municipality during the audit is appreciated.

6. FINANCIAL RESULTS

The results of the operations of, and transactions on the Revenue account for the year were as follows:

	Revenue	Expenditure	Surplus/ (deficit)	Balance
	N\$	N\$	N\$	N\$
Accumulated surplus on 01/07/2012				3 727 976
General accounts				
- Non-profitable services	12 062 743	24 900 044	(12 837 301)	
- Self-supporting services	11 553 883	12 706 909	(1 153 026)	
Trade accounts				
- Electricity	7 860 841	35 440	7 825 401	
- Water	11 943 682	5 844 841	6 098 841	
Surplus for the year	43 421 149	43 487 234	(66 085)	(66 085)
				3 661 891
Adjustments and utilisations (See Note 11 Annexure D)				(8 489 970)
Accumulated deficit on 30/06/2013				(4 828 079)

7. CURRENT BANK ACCOUNT

	2013	2012
	N\$	N\$
Cash-book balance at 30 June - Balance sheet	1 341 772	2 775 181
Outstanding cheques	1 013 772	1 471 696
Outstanding deposits	-	(141 108)
Balance as per bank statement	2 355 544	4 105 769

8. INVESTMENTS

The investments as at 30 June are as follows:

Institution	2013	2012
	N\$	N\$
Commercial banks	30 710 615	32 269 765
CENORED	28 804 555	28 804 555
	59 515 170	61 074 320
Distribution		
Build Together Fund	29 584 422	28 192 283
Renewal Fund	1 126 193	4 077 482
Revenue	28 804 555	28 804 555
	59 515 170	61 074 320

9. FUND ACCOUNTS

The position of the Funds and accounts at year-end was as shown in note 8 in Annexure D.

10. TRADE ACCOUNT

10.1 The results of water operations are as follows:

	2013	2012
	N\$	N\$
Sales	10 879 481	9 992 879
Cost of sales	-	-
Gross surplus	10 879 481	9 992 879
Other income/(expenses)	(4 780 640)	(5 950 462)
Net surplus	6 098 841	4 042 417
Gross surplus percentages on sales	100.0%	100.0%
Net surplus percentage on sales	56.1%	40.5%

11. SELF-SUPPORTING SERVICES

11.1 The results for the year under review are as follows:

Service	Income 2013	Expenses 2013	Surplus/ (Deficit) 2013	Surplus/ (Deficit) 2012
	N\$	N\$	N\$	N\$
House rentals	793 864	224 623	569 241	532 655
Single quarters	2 171 956	1 562 538	609 418	10 227 093
Abattoir	353 759	1 991 848	(1 638 089)	(1 787 641)
Cleansing	5 569 085	7 346 204	(1 777 119)	(2 276 793)
Sewerage	2 665 218	1 581 696	1 083 522	738 236
	11 553 882	12 706 909	(1 153 027)	7 433 550

The Council should address the loss making services to make them self-supporting.

12. FRUITLESS, UNAUTHORIZED OR AVOIDABLE EXPENDITURE

No fruitless, unauthorized or avoidable expenditure was revealed during the audit.

13. SUSPENSE ACCOUNTS

Suspense accounts were properly maintained, controlled and reconciled on a regular basis.

14. IRREGULARITIES AND LOSSES

No irregularities and losses were revealed by the audit for the year under review.

15. CAPITAL PROJECTS

The following were spend on capital projects:

Nature of projects/acquisitions	Financed by		Total expenditure 2013	Total expenditure 2012
	Revenue account	Internal loans		
	N\$	N\$	N\$	N\$
Abattoir	34 369	-	34 369	-
Administration	-	-	-	10 966
Cemetery	-	-	-	1 500
Civic buildings	605 615	17 155	622 770	19 894
Council general expenses	-	-	-	-
Health	-	-	-	5 865
Parks and gardens	40 158	-	40 158	2 372 401
Human resources	12 750	-	12 750	-
Sanitation	-	155 196	155 196	-
Sewerage	368 436	-	368 436	49 898
Show and sport grounds	-	-	-	8 494
Single quarters	53 536	-	53 536	256 989
Townlands	445 479	-	445 479	-
Town Clerk	11 972	-	11 972	17 181
Town Engineer	418 294	-	418 294	949 944
Town Treasurer	23 236	-	23 236	8 021
Water	3 127 126	172 700	3 299 826	-
	5 140 971	345 051	5 486 022	3 701 153

16. STUDY LOANS/BURSARIES

No bursaries were granted during the year under review.

17. COMPENSATION PAYMENTS

No compensation payments were made during the year under review (2012: N\$ 10 704).

18. VISITS TO FOREIGN COUNTRIES

There were no foreign trips during the year under review.

19. CLAIMS AGAINST THE LOCAL AUTHORITY

There were no claims against the local authority.

20. GIFTS/DONATIONS BY THE LOCAL AUTHORITY

The Municipality made the following gifts/donations:

Nature of gift/donation	Beneficiary	Value
		N\$
Cash donation	Ada Magagu-Elders Association	8 800
Cash donation	Disabled Association of Grootfontein	1 200
Cash donation	Municipal Social Club	35 000
Water subsidy	Rugby Club	37 556
Food rations	Makalani Maize Mills	14 280
Total		96 836

21. TRANSFER OF PROPERTY

No properties were transferred from/to the Ministry of Regional and Local Government, Housing and Rural Development.

22. TRADE AND OTHER RECEIVABLES/PAYABLES**22.1 Trade and other receivables at 30 June were:**

	2013	2012
	N\$	N\$
Services rendered and assessment rates	48 637 421	48 905 077
Interest accrued on investments	-	1 110
VAT receivable	165 047	206 927
Sundries	72 747	1 507 531
Provision for bad debts	48 875 215 (46 803 054)	50 620 645 (42 606 270)
Total	2 072 161	8 014 375

22.2 Trade and other payables at 30 June were:

	2013	2012
	N\$	N\$
Trade payables	225 324	193 992
Provisions and accruals	78 495	78 495
Suspense accounts	87 733	103 236
Consumer deposits	787 216	717 837
Total	1 178 768	1 093 560

23. ASSESSMENT RATES

	2013	2012
	N\$	N\$
The net proceeds from assessment rates were	6 393 143	5 778 912
Tariffs per N\$1 valuation per month		
Private property: Town		
- Site	0.040688	0.040688
- Improvement	0.008925	0.008500
- Building clause	0.011092	0.010366
Luiperdheuwel		
- Site	0.039795	0.039795
- Improvement	0.008925	0.008500
- Building clause	0.011092	0.010366
Omulunga		
- Site	0.040700	0.040700
- Improvement	0.008925	0.008500
- Building clause	0.011092	0.010366
Central Authority - 90%		
- Site	0.044760	0.044760
- Improvement	0.011981	0.011410
Central Authority - 80%		
- Site	0.0498830	0.0498830
- Improvement	0.013052	0.012430
Agricultural		
- Site	0.010170	0.010170
- Improvement	0.002709	0.002580
Interim valuations		
- Improvement	0.010893281	0.010375

24. LOANS

24.1 External loans

	2013	2012
	N\$	N\$
Capital outlay	2 844 832	3 061 900
Housing Fund	459 431	459 431
	3 304 263	3 521 331

The balances agree with actuarial tables. Loan assets have been capitalised and no loan assets were disposed of before the loan was redeemed. Loan monies were used for the purpose they were obtained for.

24.2 Internal loans

	2013	2012
	N\$	N\$
Total	7 545 391	8 079 515

All new internal loans advanced during the year were authorised and all assets financed by internal loans were capitalised.

24.3 Due to the Municipality

	2013	2012
	N\$	N\$
Housing and Build Together loans	12 421 341	12 340 435

25. SALE OF ERVEN

During the current financial year, cash proceeds to the value of N\$ 421 881 (2012: N\$ 13 475 278) were received for erven and houses sold and allocated to the Fixed Property Fund and Betterment Fund in a 25% to 75% ratio.

26. LOCAL AUTHORITY PROPERTY SOLD ON AN INSTALMENT BASIS

	Luiperd Heuwel	Omulunga	Build Together	Total
	N\$	N\$	N\$	N\$
Balance - 01/07/2012	7 015	69 225	12 264 196	12 340 436
New advances	708	5 577	1 394 056	1 400 341
Receipts	(1 991)	(20 881)	(1 296 564)	(1 319 436)
Balance - 30/06/2013	5 732	53 921	12 361 688	12 421 341

27. TARIFF ADJUSTMENTS

Tariff adjustments were duly approved and promulgated in the Government Gazette.

28. APPROVALS

All overspending were approved by the Council.

29. INVENTORY AND EQUIPMENT

29.1 Motor vehicles and values thereof:

	Sedan		LDV's, 4x4's and Combi's		Other	
	Number	Value	Number	Value	Number	Value
Balance - 01/07/2012	3	N\$ 405 121	18	N\$ 247 712	42	N\$ 5 792 990
Additions	-	-	2	310 392	-	-
Sub-total	3	405 121	20	558 104	42	5 792 990
Write off	-	-	-	-	-	-
Depreciation	-	-	-	(1 821)	-	(28 428)
Balance - 30/06/2013	3	405 121	20	556 283	42	5 764 562

29.2 Inventory

Inventories comprises of stationery and consumables amounting to N\$ 1 123 144 (2012: N\$ 470 807).

30. SPECIAL INVESTIGATIONS

There were no special investigations carried out during the year.

31. GENERAL

The accounting and internal controls are satisfactory, except where indicated otherwise in this report. While increased management involvement reduces risks, the risk arises that management and Council override existing controls, a potentially dangerous practice, which the Municipality should vigilantly guard against.

32. FORMAL AND INFORMAL QUERIES

32.1 Formal queries are embodied in this report.

32.2 Informal queries were discussed with the Municipality.

33. QUALIFIED AUDIT OPINION

The accounts of the Grootfontein Municipality for the financial year end 30 June 2013, summarised in Annexures A to D, were audited by me in terms of Section 85 of the Local Authorities Act, 1992, read with Section 25 (1) (b) of the State Finance Act, 1991.

The audit opinion has been qualified due to the following reasons:

- Understatement of property, plant and equipment as well as the related fund account due to the omission of the donated fire engine;
- Understatement of depreciation charge;
- Understatement of liabilities; and
- Lack of supporting documentation for physical quantities of diesel and petrol at year end.

Except for the effects of any adjustments which might have been necessary as referred to in the preceding paragraph, in my opinion these financial statements fairly present the financial position of the Municipality at 30 June 2013 and the result of its operations and cash flows for the year then ended.

MUNICIPALITY OF GROOTFONTEIN

BALANCE SHEET AT 30 JUNE

	Notes	2013 N\$	2012 N\$
ASSETS			
Non-current assets			
		129 549 888	123 115 136
Property, plant and equipment	2	46 770 499	42 297 882
Investments	3	59 515 170	61 074 320
Loans receivable	4	23 264 219	19 742 934
Current assets			
		4 537 607	11 260 894
Trade and other receivables	5	2 072 161	8 014 375
Inventories	6	1 123 144	470 807
Bank and cash		1 342 302	2 775 712
TOTAL ASSETS		134 087 495	134 376 030
FUNDS AND LIABILITIES			
Funds and reserves			
		122 059 073	121 681 624
Capital outlay	7	36 534 538	31 310 730
Funds and accounts	8	85 524 535	90 370 894
Non-current liabilities			
Long-term loans	9	10 849 654	11 600 846
Current liabilities			
Trade and other payables	10	1 178 768	1 093 560
TOTAL FUNDS AND LIABILITIES		134 087 495	134 376 030

MUNICIPALITY OF GROOTFONTEIN

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE

	<u>Note</u>	<u>2013</u>	<u>2012</u>
		N\$	N\$
INCOME		43 265 506	49 267 125
EXPENDITURE		<u>(43 487 233)</u>	<u>(44 126 344)</u>
NET OPERATING (DEFICIT)/SURPLUS		(221 727)	5 140 781
INTEREST ON INVESTMENTS		<u>155 642</u>	<u>160 686</u>
NET (DEFICIT)/SURPLUS AFTER INTEREST		(66 085)	5 301 467
APPROPRIATION ACCOUNT	11	<u>(8 489 970)</u>	874 671
NET (DEFICIT)/SURPLUS AFTER APPROPRIATIONS		(8 556 055)	6 176 138
REVENUE ACCOUNT - Beginning of year		<u>3 727 976</u>	<u>(2 448 162)</u>
REVENUE ACCOUNT - End of year		<u>(4 828 079)</u>	<u>3 727 976</u>

MUNICIPALITY OF GROOTFONTEIN

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE

	Note	2013 N\$	2012 N\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		43 265 506	49 267 125
Cash paid to suppliers and employees		(46 602 118)	(47 378 156)
Cash (utilised)/generated by operations	12	(3 336 612)	1 888 969
Interest received		155 642	160 686
		(3 180 970)	2 049 655
CASH FLOWS FROM INVESTING ACTIVITIES			
Net capital expenditure		(4 472 617)	(3 283 586)
Decrease/(Increase) in investments		1 559 150	(15 934 791)
Increase in loans receivable		(3 521 285)	(4 555 114)
		(6 434 752)	(23 773 491)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in Fund accounts		3 709 696	18 577 648
Increase in Capital Outlay		5 223 808	1 246 965
(Decrease)/Increase in long-term liabilities		(751 192)	2 036 622
		8 182 312	21 861 235
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1 433 410)	137 399
CASH AND CASH EQUIVALENTS			
- BEGINNING OF YEAR		2 775 712	2 638 313
CASH AND CASH EQUIVALENTS - END OF YEAR		1 342 302	2 775 712

MUNICIPALITY OF GROOTFONTEIN

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE

1. ACCOUNTING POLICIES**1.1 Introduction**

The annual financial statements set out in Annexures A to D were prepared on the historical cost basis and incorporate the following principal accounting policies, which are consistent in all material aspects with those applied in the previous year.

1.2 Property, plant and equipment

Property, plant and equipment acquired with loan funds are stated at cost and no depreciation is provided thereon until the loan is fully redeemed. All other items of property, plant and equipment are stated at cost or valuation, and except fixed property, the cost or valuation of these items of property, plant and equipment is depreciated on the reducing-balance basis over their expected useful lives.

1.3 Inventory

Fuel inventory is valued at cost on the first-in first-out basis. Consumables are valued at the average landed costs.

	2013	2012
	N\$	N\$
2. PROPERTY, PLANT AND EQUIPMENT		
Loan assets	18 096 206	17 751 155
Income assets	28 016 932	23 829 495
General capital assets	657 361	717 232
Total	46 770 499	42 297 882
3. INVESTMENTS		
Commercial banks	30 710 615	32 269 765
CENORED	28 804 555	28 804 555
	59 515 170	61 074 320
ALLOCATED AS FOLLOWS		
Build Together Fund	29 584 422	28 192 283
Renewal Fund	1 126 193	4 077 482
Revenue	28 804 555	28 804 555
	59 515 170	61 074 320

MUNICIPALITY OF GROOTFONTEIN

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
(continued)

	2013	2012
	N\$	N\$
4. LOANS RECEIVABLE		
Property loans		
Luiperd Heuwel	5 732	7 014
Omulunga	53 921	69 225
Build Together loans	12 361 688	12 264 196
	<u>12 421 341</u>	<u>12 340 435</u>
Vehicle loans	46 457	46 457
Clubs and societies	59 589	59 589
Internal loans	10 736 832	7 296 453
	<u>23 264 219</u>	<u>19 742 934</u>
5. TRADE AND OTHER RECEIVABLES		
Services rendered and assessment rates	48 637 421	48 905 077
Interest accrued on investments	-	1 110
VAT receivable	165 047	206 927
Sundries	72 747	1 507 531
	<u>48 875 215</u>	<u>50 620 645</u>
Provision for bad debts	(46 803 054)	(42 606 270)
	<u>2 072 161</u>	<u>8 014 375</u>
6. INVENTORIES		
Stores and fuel	<u>1 123 144</u>	<u>470 807</u>
7. CAPITAL OUTLAY		
Loans redeemed	7 860 245	6 764 003
Revenue contributions	28 016 932	23 829 495
General capital contributions	657 361	717 232
	<u>36 534 538</u>	<u>31 310 730</u>

MUNICIPALITY OF GROOTFONTEIN

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
(continued)

	2013	2012
	N\$	N\$
8. FUNDS, ACCOUNTS AND RESERVES		
Leave Reserve Fund	1 058 789	1 174 326
Capital Development Fund	2 489 552	2 373 483
Housing Funds	44 119 994	42 550 801
Bonus Reserve Fund	710 378	709 493
Insurance Reserve Fund	687 626	650 202
Personnel Housing Fund	2 943 763	2 897 586
Motor Loan Scheme Fund	1 969 896	1 916 113
Loans to clubs and societies	81 150	81 150
Fixed Property Fund	8 656 517	8 317 868
Betterment Fund	8 145 914	7 566 420
Renewal Fund	19 482 874	18 405 476
Temporary advance to Fixed Property Fund	6 161	-
Revenue account kept in compliance with Section 86(1) of the Local Authority Act, 1992.	(4 828 079)	3 727 976
	85 524 535	90 370 894
9. LONG-TERM LIABILITIES		
Capital outlay	2 844 832	3 061 900
Housing Fund	459 431	459 431
Internal loans	7 545 391	8 079 515
	10 849 654	11 600 846
10. TRADE AND OTHER PAYABLES		
Trade payables	225 324	193 992
Provisions and accruals	78 495	78 495
Suspence accounts	87 733	103 236
Consumer deposits	787 216	717 837
	1 178 768	1 093 560

MUNICIPALITY OF GROOTFONTEIN

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
(continued)

	2013	2012
	N\$	N\$
11. ADJUSTMENTS TO APPROPRIATION ACCOUNT		
Bad debts written back	-	(72 148)
Condemnations of food	-	30
Correction of CENORED account	(792 739)	-
Correction of insurance premiums	47 098	44 788
Correction of interest	-	17 332
Correction of investment	(3 432)	1 075 817
Correction of overcharges	(67 562)	(31 088)
Correction of paving charges	-	41 850
Correction of suspense accounts	-	(143 226)
Correction previous year	-	50 461
Daily fault adjustments	-	(14 545)
Bad debts written off	(3 305 870)	-
Insurance claim	28 526	42 970
Inventory adjustment	(21 773)	-
Leave payment	-	(6 855)
Over charge on municipal services	-	809
Other prior year payments	(15 887)	-
Over payment	-	2 700
Payment previous year	-	(121 584)
Penalties	(2 000)	166
Prior year Regional Council levy	(240 832)	-
Prior year investment correction	(1 500 000)	-
Prior year membership fees -AMICAAL	(25 000)	-
Prior year severance pay paid	(578 288)	-
Provision for bad debts	(2 097 102)	-
Prior year water subsidy	(37 557)	-
Rectification of levies on various debtors accounts	30 756	-
Refunds	-	(9 124)
Refuse bags	-	563
Rent received	-	(774)
Stale cheques	510 151	(2 321)
Store fault adjustments	-	4 566
Unclaimed debtors refunds	(10 026)	(3 665)
VAT adjustment	(408 433)	-
Water over read	-	(2 051)
	(8 489 970)	874 671

MUNICIPALITY OF GROOTFONTEIN

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
(continued)

	<u>2013</u>	<u>2012</u>
	N\$	N\$
12. CASH GENERATED/(UTILISED) BY OPERATIONS		
Net operating (deficit)/surplus before interest and transfers	(221 727)	5 140 781
Adjustments for:		
- Adjustments to appropriation account	(8 489 970)	874 671
OPERATING (DEFICIT)/SURPLUS BEFORE CHANGES IN WORKING CAPITAL	<u>(8 711 697)</u>	<u>6 015 452</u>
CHANGES IN WORKING CAPITAL		
Decrease/(Increase) in trade and other receivables	5 942 214	(4 059 821)
(Increase)/decrease in inventories	(652 337)	247 768
Increase/(decrease) in trade and other payables	85 208	(314 430)
	<u>5 375 085</u>	<u>(4 126 483)</u>
CASH (UTILISED)/ GENERATED BY OPERATIONS	<u>(3 336 612)</u>	<u>1 888 969</u>