



**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 Town Council of Omuthiya for the financial year ended 30 June 2010, 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, January 2011**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF  
THE TOWN COUNCIL OF OMUTHIYA  
FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2010**

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**1. INTRODUCTION**

The above accounts of the Town Council of Omuthiya for the year ended 30 June 2010 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 BDO has been appointed in terms of Section 26(2) of the State Finance Act, 1991, to audit the accounts of the Town Council on behalf of the Auditor-General and under his supervision.

Figures in the report are rounded off to the nearest Namibian Dollar.

**2. FINANCIAL STATEMENTS**

The Town Council'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 of Annexure A is a true reflection of the original. The following annexures are also attached to this report:

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 Town Council 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 and 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 an 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 OBSERVATIONS AND COMMENTS**

Items marked with the asterisk (\*) were also reported in the prior year.

##### **4.1 Stock Control (\*)**

The value of the stock at year-end is not disclosed in the financial statements of the Council. The auditors reported that, to their knowledge and after discussion with the staff of the Council there were stock on hand at year-end. Council had expenses related to stock since it started with operations. Council should implement a stock recording and control system, as they are currently understating their assets.

##### **4.2 Fixed assets**

The auditors observed that there were differences between fixed asset register and the ledger of N\$ 69 264. In addition fixed assets amounting to N\$ 1 771 178 purchased during the year were processed inclusive of value added tax.

The fixed asset additions per the fixed asset register differed from the capital expenditure per the annual financial statements due to not being processed inclusive of VAT. The difference amounts to N\$ 255 321. The Council did not claim the VAT on these additions.

##### **4.3 Sale of erven income**

Council did not process credit sales of erven to the amount of N\$ 1 136 322 in their accounts. The sales per debtor listing amounted to N\$ 2 553 665 whereas the amount per the financial statements is disclosed as N\$ 1 417 343. The completeness of erven sales income could thus not be verified.

##### **4.4 Water sales (\*)**

The auditors noted that all the water sales accounts that were tested ended up with differences after the recalculations. The auditors used the consumption units as per the meter reading cards multiplied by the gazetted tariff. Although the differences are not material in value, it is material by nature because all the accounts tested were incorrect.

##### **4.5 Adjustments on the appropriation account**

The Council could not provide the auditors with supporting documentation for a debit adjustment of N\$ 116 935 and a credit adjustment of N\$ 258 735 that were made within the appropriation account. The auditors could thus not ascertain the existence, completeness and accuracy of these adjustments to the accumulated fund.

##### **4.6 Debtors**

The Council could not provide the auditors with a detailed age analysis hence they could not perform any procedures to satisfy themselves as to the accuracy of debtors. Due to the fact that the ageing could not be determined the adequacy of the provision for doubtful debts could also not be ascertain.

##### **4.7 Bank account**

The confirmed bank statement balance was N\$ 325 090 while the recalculated bank statement's balance was N\$ 313 270, resulting in a difference of N\$ 11 820. Council should investigate the reason for this difference and rectify the mistake during the next financial year.

#### 4.8 Investments

The Council incorrectly included a cheque account with a balance of N\$ 278 834 under investments. Council should rectify this mistake during the next financial year.

According to calculations investments are understated by N\$ 20 815 in the financial statements of the Council. Council should investigate the reason for this and rectify the mistake during the next financial year.

#### 5. ACKNOWLEDGEMENT

The assistance and co-operation given by the staff of the Town Council during the audit is highly appreciated.

#### 6. FINANCIAL RESULTS

The results of the various operations and transactions on the Revenue Account for the year are as follows:

	Revenue	Expenditure	Surplus/ (Deficit)	Balance
	N\$	N\$	N\$	N\$
<b>Accumulated surplus 01/07/2009</b>				2 975 693
<b>General accounts</b>				
Non-profitable services	6 414 215	4 421 065	1 993 150	
Self-supporting services	734 240	235 647	498 593	
<b>Trade accounts</b>				
Water	203 886	168 697	35 189	
Surplus for the year	7 352 341	4 825 409	2 526 932	2 526 932
Adjustments and appropriations (Note7, Annexure D)				5 502 625
				141 799
<b>Accumulated surplus 30/06/2010</b>				<b>5 644 424</b>

Supporting documentation for adjustments to the appropriation account could not be made available to us for verification.

#### 7. CURRENT BANK ACCOUNT

The current account held at Standard Bank closed with an overdrawn cash-book balance of N\$ 25 566. According to the bank conformation the account closed with a credit balance to the amount of N\$ 325 090.

This account can be reconciled as follows:

	N\$
Cash-book balance	(25 566)
Less: Cash in transit	(11 762)
Add: Deposits not yet receipted	*59 566
Less: Cash in transit	(11 763)
Plus: Outstanding cheques	302 795
Re-calculated bank statements	313 270
Balance as per bank statements	325 090
Difference that could not be explained by Council	<b>11 820</b>

\* This related to various valid deposits by NORED for surcharge income that were not yet processed into the computerized system at year-end.

## 8. INVESTMENTS AND INTEREST PROCEEDS

The investments as at 30 June 2010 and the interest thereon were as follows:

Institution	2010		2009	
	Investment	Interest	Investment	Interest
	N\$	N\$	N\$	N\$
<b>Invested at:</b>				
Commercial banks	*5 786 601	164 032	3 018 607	218 343
	<b>5 786 601</b>	<b>164 032</b>	<b>3 018 607</b>	<b>218 343</b>
<b>Distribution</b>				
Revenue	5 786 601	164 032	3 018 607	218 343
	<b>5 786 601</b>	<b>164 032</b>	<b>3 018 607</b>	<b>218 343</b>

The auditors confirmed that an amount of N\$ 278 834 is a business cheque account held at First National Bank. This account is wrongly disclosed as investments on the financial statements. Council should rectify the mistake during the next financial year.

According to the financial statements of the Council, the investments are N\$ 578 601. When looking at the bank conformations received from the individual banks, it differs with N\$ 20 815 and is calculated as follows:

	N\$
Call account – Standard Bank	2 703 706
Call account – First National Bank	2 824 876
Business cheque account - First National Bank	*278 834
	5 807 416
Investments according to Council	5 786 601
Financial statements (understated)	<b>(20 815)</b>

\* Wrongly disclosed (see paragraph above).

## 9. FUND ACCOUNTS

Council does not have other internal funds except for the accumulated fund.

## 10. TRADE ACCOUNTS

### 10.1 Operating results

The results for the financial year under review and the previous year were as follows:

	Water	
	2010	2009
	N\$	N\$
Sales	135 667	9 994
Cost of bulk purchases	(137 924)	-
Gross profit/(deficit)	(2 257)	9 994
Other income/ (expenses)	37 446	228 383
<b>NET PROFIT</b>	<b>35 189</b>	<b>238 377</b>
Gross deficit on bulk purchases	(1.6%)	-
Net deficit/(profit) on bulk purchases	25.5%	-

Although the Council still made a profit of N\$ 35 189 (2009: N\$ 238 377), they should keep in mind that if the contribution from Central Government is taken away, the profit will come down to only N\$ 11 189. The profit for 2009 was unrealistic high because the cost of sales (bulk water purchases) was not available.

Nored is responsible for the electricity distribution for the Council. They paid a royalty of N\$ 380 769 to the Council. This amount was credited to the Vote – Finance.

## 10.2 Distribution losses

No water distribution losses statistics could be obtained from the council.

## 11. SELF-SUPPORTING EXTERNAL SERVICES

The net result of these services, compared with the previous year, is as follows:

	<b>Revenue</b>	<b>Expenditure</b>	<b>Surplus/ (Deficit)</b>	<b>Surplus/ (Deficit)</b>
	<b>2010</b>	<b>2010</b>	<b>2010</b>	<b>2009</b>
	N\$	N\$	N\$	N\$
Sewerage	98 207	59 783	38 424	159 995
Cleansing	212 976	175 864	37 112	177 395
Assessment rates	423 057	-	423 057	-
	<b>734 240</b>	<b>235 647</b>	<b>498 593</b>	<b>337 390</b>

The above table shows that the net results of self-supporting services are improving. This can be attributed to the introduction of assessment rates during the year under review.

## 12. FRUITLESS, UNAUTHORISED OR AVOIDABLE EXPENDITURE

No such expenditure was revealed.

## 13. SUSPENSE ACCOUNTS

No suspense accounts were used during the year under review.

#### 14. IRREGULARITIES AND LOSSES

14.1 No irregularities by employees were reported.

14.2 No losses were reported.

#### 15. CAPITAL PROJECTS

Capital expenditure for the 2010 financial year amounted to N\$ 1 515 857 (2009: N\$ 11 804 286) and comprises the following:

	Financed by			2009
	Total 2010	General capital	Revenue	
	N\$	N\$	N\$	N\$
Council – General administration	137 506	62 050	75 456	10 991 655
Chief Executive Officer	3 000	-	3 000	34 933
Technical services	-	-	-	689 879
Health services	138 934	-	138 934	-
Cleansing	336 266	-	336 266	-
Sewerage	195 456	-	195 456	-
Development control, planning and environment	532 739	-	532 739	87 819
Finance	171 956	-	171 956	-
	<b>1 515 857</b>	<b>62 050</b>	<b>1 453 807</b>	<b>11 804 286</b>

The fixed asset financed from revenue differs materially between the fixed asset register and the respective expenditure votes. The difference of N\$ 317 372 should be investigated and the mistakes should be rectified during the next year. The difference is reported as follows:

	Expenses according to the fixed asset register	Expenses according to votes	Fixed asset register (over)/under stated
	N\$	N\$	N\$
Council - General administration	75 456	86 774	11 318
Chief Executive Officer	3 000	219 125	216 125
Technical services	-	614 081	614 081
Health services	138 934	159 775	20 841
Cleaning services	336 266	60 000	(276 266)
Development, control, planning and Environment	532 739	612 650	79 911
Finance	171 956	-	(171 956)
Water	-	18 774	18 774
Sewerage	195 456	-	(195 456)
	<b>1 453 807</b>	<b>1 771 179</b>	<b>317 372</b>

Furthermore fixed asset purchased during the year were processed to the fixed asset register inclusive of value added tax.



**16. STUDY LOANS/BURSARIES**

No study loan /bursaries were awarded during the year.

**17. CONTRIBUTIONS, GRANTS AND FINANCIAL AID**

No contributions, grants and financial aid were made during the year.

**18. COMPENSATION PAYMENTS**

No Compensation payments were made during the year.

**19. VISITS TO FOREIGN COUNTRIES**

No visits to foreign countries were undertaken.

**20. CLAIMS AGAINST THE LOCAL AUTHORITY**

No claims for losses were received during the year.

**21. GIFTS AND DONATIONS BY THE LOCAL AUTHORITY**

No claims/donations or gifts were received during the year.

**22. TRANSFER OF PROPERTY TO/FROM THE GOVERNMENT**

No property was transferred to/or from the Government.

**23. DEBTORS**

**23.1 Debtors** on 30 June 2010 comprise the following:

	<b>2010</b>	<b>2009</b>
	N\$	N\$
Consumers	351 434	7 799
Inland Revenue - VAT	24 754	68 529
	<b>376 188</b>	<b>76 328</b>
Less: Provision for bad debts	(117 240)	-
	<b>258 948</b>	<b>76 328</b>

The auditors could not verify the accuracy of aging of debtors as the debtors age analysis could not be availed to them. VAT input of N\$ 204 167 was not claimed on fixed assets purchased during the year.

The consumer debt collection period worsened during the year under review as it increased from 96 days during 2009 to 124 days for the year under review. The increase in the collection period is as a result of the increased operations during the year. It is recommended that the Town Council continue to implement strong measures and policies to decrease the outstanding debtors in future.

**23.2 Creditors** on 30 June 2010 comprise the following:

	<b>2010</b>	<b>2009</b>
	N\$	N\$
Trade payables	12 528	4 974
Consumer deposits	*150	-
Other payables	1 279	1 100
Provisions	361 602	336 750
	<b>375 599</b>	<b>342 824</b>

\* Consumer deposits are not sufficient to cover one months' average consumption.

#### **24. ASSESSMENT RATES**

Proceeds from assessment rates amounted to N\$ 423 057 (2009: N\$ -), of which none (2009: N\$ -) was paid to the Regional Council nor did the Council make any provision to pay the Regional Council as provided for in Section 77(1) of the Local Authorities Act, 1992 as amended.

The following gazetted tariffs were as used by the Council.

- N\$ 0.0459 (2009: N\$ 0.0459) on the value of the land per year and
- N\$ 0.00916 (2009: N\$ 0.00916) on the value of improvements per year.

#### **25. LOANS**

The Council does not have any external or internal loans.

#### **26. SALE OF ERVEN**

The proceeds of erven and plots sold were:

	<b>2010</b>	<b>2009</b>
	N\$	N\$
Ervens sold 106 (2009 : -)	2 553 665	-
Ervens sold (quantity and value information unavailable)	-	-

An amount of N\$ 1 417 343 was accounted for in the accounting records. The difference of N\$ 1 136 322 being credit sales not accounted for.

#### **27. PROPERTY SOLD ON AN INSTALMENT BASIS**

No information could be obtained with regards to the ervens sold on an instalment basis.

#### **28. TARIFF ADJUSTMENTS**

Tariff adjustments were applied in accordance with the relevant Official Government Notices.

#### **29. APPROVALS**

Over expenditure of N\$ 9 173 was incurred on cleaning expenses.

### 30. STOCK AND EQUIPMENT

#### 30.1 Motor vehicles

	Sedan vehicles		LDV and kombi's		Heavy vehicles (Lorries and busses)	
	Number	Value	Number	Value	Number	Value
On hand 01/07/2009	-	N\$ -	2	N\$ 339 640	1	N\$ 440 000
Acquisitions	1	163 913	-	-	3*	864 135
Depreciation	1	163 913 (32 783)	2	339 640 (84 910)	4	1 304 135 (151 930)
On hand 30/06/2010	<b>1</b>	<b>131 130</b>	<b>2</b>	<b>254 730</b>	<b>4*</b>	<b>1 152 205</b>

The asterisk (\*) means that heavy vehicles and a trailer are included.

#### 30.2 Inventory

The balance of inventories is disclosed as N\$ NIL (2009: N\$ NIL) in the financial statements of the Council. The Council did have expenses related to inventory during the year. (See paragraph 4.1.)

### 31. SPECIAL INVESTIGATIONS

No special investigations were carried out during the year.

### 32. GENERAL

The accounting and internal controls applied by the Council are satisfactory. Proper segregation of duties is hindered by the small number of staff employed.

### 33. FORMAL AND INFORMAL QUERIES

33.1 Formal queries are embodied in this report.

33.2 The following matters were brought to the attention of the Chief Executive Officer by way of a report to management:

- Over expenditure
- Sale of erven
- Regional council levy
- Unexplained audit differences

### 34. QUALIFIED AUDIT OPINION

The accounts of the Town Council of Omuthiya for the financial year ended 30 June 2010, summarized in Annexure A to D, were audited by me in terms of the provisions 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:

- Value of stock at year-end is not disclosed by the Council at year-end.
- It was noted that there are a difference in value related to fixed assets of N\$ 69 264 between the fixed asset register and the general ledger of the Council.

- Fixed assets were wrongly capitalized because VAT to the amount of N\$ 255 321 was capitalized and also not claimed from the Receiver of Revenue.
- Erven sold on credit to the amount of N\$ 1 136 322 is not disclosed in the accounts of the Council.
- The confirmed bank statement balance and the reconciled bank statement balance differs with N\$ 11 820.
- Investments are understated by N\$ 20 815 in the financial statements of the Council. A cheque account with a balance of N\$ 278 834 is also wrongly included in the calculations.

Except for the above-mentioned issue, in my opinion, the financial statements fairly present the financial position of the Town Council at 30 June 2010 and the results of its operations and cash flows for the year then ended in the manner required by the Local Authorities Act, 1992, and the State Finance Act, 1991

**WINDHOEK, January 2011**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## BALANCE SHEET AS AT 30 JUNE 2010

<b>ASSETS</b>	<b>Notes</b>	<b>2010</b>	<b>2009</b>
		N\$	N\$
<b>Non-current assets</b>		17 387 091	13 994 757
Property, plant and equipment	2	11 600 490	10 976 150
Investments	3	5 786 601	3 018 607
<b>Current assets</b>		258 948	299 910
Accounts receivable	4	258 948	76 328
Bank		-	223 582
<b>TOTAL ASSETS</b>		<b>17 646 039</b>	<b>14 294 667</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		17 244 914	13 951 843
Capital outlay	5.1	11 600 490	10 976 150
Accumulated surplus	5.2	5 644 424	2 975 693
<b>Current liabilities</b>		401 125	342 824
Accounts payable	6	375 559	342 824
Bank overdraft		25 566	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17 646 039</b>	<b>14 294 667</b>

## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

	<b>Note</b>	<b>2010</b>	<b>2009</b>
		N\$	N\$
INCOME		7 188 309	5 129 901
EXPENDITURE		(4 825 409)	(2 372 551)
OPERATING SURPLUS FOR THE YEAR		2 362 900	2 757 350
Interest earned		164 032	218 343
NET SURPLUS FOR THE YEAR		2 526 932	2 975 693
Add : Appropriation and adjustments	7	141 799	-
RETAINED SURPLUS FOR THE YEAR		2 668 731	2 975 693
30 June 2009		2 975 693	-
<b>30 June 2010</b>		<b>5 644 424</b>	<b>2 975 693</b>

## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE

	<b>2010</b>	<b>2009</b>
	N\$	N\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	7 188 309	5 129 901
Cash paid to suppliers	(4 833 495)	(2 106 055)
Cash generated from operations	8 2 354 814	3 023 846
Investment income	164 032	218 343
Net cash flow from operating activities	2 518 846	3 242 189
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(624 340)	(10 976 150)
Increase in capital outlay	624 340	10 976 150
(Increase) in investment	(2 767 994)	(3 018 607)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(2 767 994)</b>	<b>(3 018 607)</b>
Net increase/(decrease) in cash and cash equivalents	(249 148)	223 582
Cash and cash equivalents at the beginning of the year	223 582	-
<b>Cash and cash equivalents at the end of the year</b>	<b>(25 566)</b>	<b>223 582</b>

## TOWN COUNCIL OF OMUTHIYA

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

**1. ACCOUNTING POLICIES****1.1 Introduction**

The annual financial statements set out in Annexures A, B and C, are prepared on the historical cost basis and incorporate the following principal accounting policies which are consistent with those applied in the prior year:

**1.2 Property, plant and equipment**

Property, plant and equipment acquired are stated at a cost or at valuation where assets have been acquired by grant or by donations, less depreciation written off over the expected useful lives as determined by the Council from time to time. Property, plant and equipment 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.

**1.3 Cash and Cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprises of cash in hand and deposits held at commercial banks.

**1.4 Revenue account**

All monies received by and accrued to and expenses paid are reflected in this account and are kept in compliance with section 86 (1) (b) of the Local Authorities Act of 1992.

	<b>2010</b>	<b>2009</b>
	N\$	N\$
<b>2. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Consists of :</b>		
Infrastructure, land and buildings, motor vehicles, office equipment, furniture and fittings and computer equipment	<b>11 600 490</b>	<b>10 976 150</b>
<b>Financed by :</b>		
Revenue account	2 058 837	876 650
General Capital account	9 541 653	10 099 500
	<b>11 600 490</b>	<b>10 976 150</b>



## TOWN COUNCIL OF OMUTHIYA

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

	<b>2010</b>	<b>2009</b>
	N\$	N\$
<b>3. INVESTMENTS</b>		
Fixed deposits and money on call and is allocated to revenue	<b>*5 786 601</b>	<b>3 018 607</b>
* See paragraph 4.8.		
<b>4. TRADE AND OTHER RECEIVABLES</b>		
Consumers	351 434	7 799
Inland Revenue - VAT	24 754	68 529
	<b>376 188</b>	<b>76 328</b>
<i>Less :</i>		
Provision for doubtful debts	(117 240)	-
	<b>258 948</b>	<b>76 328</b>
<b>5. FUNDS AND ACCOUNTS</b>		
<b>5.1 Capital outlay</b>		
Contributions ex revenue	2 058 837	876 650
Contributions ex General capital	9 541 653	10 099 500
	<b>11 600 490</b>	<b>10 976 150</b>
<b>5.2 Accumulated Funds</b>	<b>5 644 424</b>	<b>2 975 693</b>
	<b>17 244 914</b>	<b>13 951 843</b>
<b>6. TRADE AND OTHER PAYABLES</b>		
Consumer deposits	150	-
Trade payables	12 528	4 974
Provisions	361 602	336 750
Other payables	1 279	1 100
	<b>375 559</b>	<b>342 824</b>

**TOWN COUNCIL OF OMUTHIYA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE (continued)**

	<b>2010</b>	<b>2009</b>
	N\$	N\$
<b>7. ADJUSTMENTS AND APPROPRIATIONS</b>		
Adjustments	141 799	-
	<b>141 799</b>	<b>-</b>
<b>8. CASH UTILISED IN OPERATIONS</b>		
Net operating surplus	2 362 900	2 757 350
Adjustments (appropriations)	141 799	-
<b>Operating surplus before changes in working capital</b>	<b>2 504 699</b>	<b>2 757 350</b>
<b>Changes in working capital</b>		
Increase/(decrease) in trade and other payables	32 735	342 824
(Increase)/decrease in trade and other receivables	(182 620)	(76 328)
	<b>(149 885)</b>	<b>266 496</b>
	<b>2 354 814</b>	<b>3 023 846</b>