



REPUBLIC OF NAMIBIA

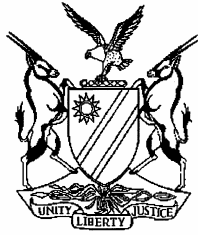


**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
TOWN COUNCIL OF ONGWEDIVA
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008**

Published by authority

Price (Vat excluded) N\$ 27.48
Report no 760

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 Ongwediva for the financial year ended 30 June 2008, 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, December 2009

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL
ON THE ACCOUNTS OF THE TOWN COUNCIL OF ONGWEDIVA
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2008**

1. INTRODUCTION

The accounts of the Town Council of Ongwediva for the year ended 30 June 2008 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, (Act 23 of 1992).

The firm EDB & Associates of Windhoek 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, **except that they were only signed on 7 February 2009 instead of within three months after the financial year as required by the Act.** 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, 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

The Accounting Officer of the Town Council is responsible for the preparation of the financial statements and for ensuring the regularity of the financial transactions. 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 audit as carried out by the said firm, included:

- a) Examination on a test basis of the evidence relevant to the amounts, disclosure and regularity of financial transactions included in the financial statements;
- b) assessment of the significant estimates and judgements made by the Accounting Officer of the Town Council in preparation of the financial statements and whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed; and
- c) evaluation of the overall adequacy of the presentation of information in the financial statements.

The audit was planned and performed so as to obtain all the information and explanations considered necessary to provide sufficient evidence to give reasonable assurance that:

- The financial statements are free from material misstatement, whether caused by error, fraud or other irregularities;
- in all material respects, the expenditure and income have been applied to the purposes intended; and
- The financial transactions conform to the authorities which govern them.

4. AUDIT OBSERVATIONS AND COMMENTS

Items reported in prior years are indicated by an asterisk (*).

4.1 Unrecorded liabilities (*)

The Council did not provide for creditors amounting to N\$ 359 635 as at 30 June 2008. The stated accrued creditors were recorded at VAT exclusive amounts and as such the liability and VAT account were misstated by an amount of N\$ 89 222.

Such practice leads to inadequate accounting control over accruals and provisions made by the Council. It is recommended that measures should be implemented to keep accurate creditor reconciliations.

Due to the significance of this matter, the audit opinion has to be qualified on accounts payable for the year under review.

4.2 Recoverability of debtors - Bad and doubtful debts (*)

During the year under review, the Council's outstanding debt has increased by 3% whilst provision for bad debts has increased by 13%. It is notable that a greater portion of the long outstanding debtors has been inherited by the Council during its establishment phase. Also, effective debt recovery policies implemented during prior years, has improved the recoverability and quality of debtors.

	2008	2007	2006
	N\$	N\$	N\$
Debt outstanding	5 514 591	5 340 701	5 123 759
Provision for bad debts	3 231 303	2 849 593	3 216 452
Percentage (decrease)/increase in outstanding debts	3%	4%	(21%)
Percentage (decrease)/increase in provision for bad debts	13%	(11%)	(26%)
Percentage provision vs. debt	59%	53%	63%

It should, however, be concerning to Council that debtors outstanding for 120 days and above has increased in proportion and as at 30 June consisted of 62% of the total debt. Furthermore, the auditors reasonability analysis revealed that the provision for doubtful debts, as at year-end, has been under provided by N\$ 182 825.

4.3 Consumer deposits (*)

The consumer deposits balance as stated on 30 June 2008 represents only 14% of total debt which should be alarming bearing in mind that debt at 120 days and above has increased. In addition, numerous debtor accounts still reflected deposits of prior years and were consequently not requested to update the deposit payable in line with the latest gazetted rates.

4.4 Stock control (*)

A physical stocktaking was conducted, but the accounting records were not properly updated, therefore the value of stock recorded in the balance sheet does not agree with the values indicated in the actual stock records. In addition, no provision has been made for slow-moving and obsolete stock.

Due to the significance of this matter, the audit opinion has to be qualified on stock.

4.5 Fixed assets

4.5.1 Depreciation (*)

As reported in prior years, Council did not calculate depreciation per fixed asset category according to the approved rates as stated in the accounting policy (ref annexure D paragraph 1.1). The accounting system was not able to calculate depreciation on a pro-rata basis for all fixed assets bought during the year.

4.6 Activities of the Trade Fair Centre (*)

As also reported in the previous reports there is uncertainty as to whether the operations of the Trade Fair Centre should be incorporated into the Town Council `s accounting records or remain independent. The Council compensates the employees who are working at the Trade Fair Centre but the Council does not raise invoices in time, hence costs incurred are not recovered in time. Also the Council is funding all the fuel costs for the operations of the Trade Fair Centre. There is no formal agreement in place which spells out the existing relationship between these two parties. Management should resolve this uncertainty to avoid unnecessary legal challenges.

4.7 Income - Long-term matured

The Council's financial statements reflected an amount of N\$ 3 200 000 as income and the contrary to the Capital Development Fund as an expense. This amount actually relates to the investment in treasury bills which has matured on 08 June 2008 and therefore the allocation recorded through this transaction in the financial statements creates a distorted view of the Council's financial performance and position for the year under review.

The annual financial statements as at 30 June 2008 reported a surplus of N\$ 84 989, however, as a result of the above a deficit would have actually been experienced.

Due to the significance of this matter, the audit opinion has to be qualified on the accounts of the Council.

5. ACKNOWLEDGEMENT

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

6. FINANCIAL RESULTS

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

	Revenue	Expenditure	Surplus/ (deficit)	Balance
	N\$	N\$	N\$	N\$
Accumulated (Deficit) as at 01/07/2007				(13 514 081)
General services				
Rate and general	5 282 974	7 154 273	(1 871 299)	
Non-profitable	15 550 540	14 432 220	1 118 320	
Self-supporting	5 246 599	4 191 864	1 054 735	
Trade accounts				
Water supply	8 816 260	8 654 567	161 693	
Electricity supply	920 272	1 298 732	(378 460)	
	35 816 645	35 731 656	84 989	
Surplus for the year				84 989
(Adjustments and utilizations detailed in Note 10 of the financial statements.)				(2 524 429)
				(15 953 521)

7. CURRENT BANK ACCOUNT

The cash-book balance reflected a favourable balance of N\$ 5 070 859 (2007: N\$ 1 250 481) while the bank statements reflected a favourable balance of N\$ 8 222 174 (2007: N\$ 8 194 461). Cheques not presented for payment totaling N\$ 3 190 666 (2007: 6 925 988) were outstanding at year-end.

8. INVESTMENTS AND INTEREST PROCEEDS

On 30 June 2008 there was N\$ 8 314 126 (2007: N\$ 22 511 563) invested at financial institutions, as follows:

	2008	2007
	N\$	N\$
Commercial banks notice deposits	2 949 414	2 697 418
Standard Bank Call	3 385 589	808 050
Bank Windhoek Build Together Call	1 858 318	1 839 786
Bank Windhoek Build Together Current	100 755	83 255
Nedbank Build Together Current Account	20 050	15 955
Nampost Fixed Deposit	-	13 867 099
Treasury Bills Bank of Namibia	-	3 200 000
	8 314 126	22 511 563
Investments were allocated to the following Funds:		
Build Together Fund	1 979 123	1 938 996
Capital Development Fund	6 335 003	20 572 567
	8 314 126	22 511 563

Investment interest of N\$ 1 462 517 (2007: N\$ 3 080 339) was accounted for in the income and expenditure account for the year.

9. FUND ACCOUNTS

The position of the Fund accounts at the end of the year is shown in Note 2 of Annexure D.

10. TRADE ACCOUNTS

10.1 The results of operations of water were as follows:

	2008	2007
	N\$	N\$
Sales	8 505 487	7 804 166
Cost of bulk purchases	(6 885 696)	(6 275 140)
Gross profit on bulk purchases	1 619 791	1 529 026
Expenses (net)	(1 458 098)	(799 636)
Net Surplus	161 693	729 390
Gross profit % on cost of bulk purchases	25%	24%
Net profit % on cost of bulk purchases	2%	12%

10.2 Distribution losses for water were:

	2008	2007
	m ³	m ³
Units sold for the year	834 170	753 534
Units purchased during the year	997 047	991 379
Distribution loss	(162 877)	(237 845)
Distribution loss percentage	(16.3%)	(24.0%)

11. SELF-SUPPORTING SERVICES

The net results of self-supporting services were as follows:

	2008	2007
	N\$	N\$
Civic buildings	(1 274 270)	339 850
Licenses and vehicle registration	121 008	181 554
Cleaning services	1 292 910	991 593
Sewerage	915 086	821 954
	1 054 734	2 334 951

12. FRUITLESS, UNAUTHORIZED OR AVOIDABLE EXPENDITURE

No fruitless, unauthorized or avoidable expenditure was incurred during the year.

13. SUSPENSE ACCOUNTS

No money was accounted for in suspense accounts during the year under review.

14. IRREGULARITIES AND LOSSES

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

15. CAPITAL PROJECTS

The following expenditure was incurred during the year for capital projects or acquisitions.

	2008	2007
	Revenue account	Revenue account
	N\$	N\$
Furniture & equipment	232 156	781 882
Vehicles	240 435	-
Electricity reticulation	1 298 732	673 786
Town planning	345 914	468 583
Water reticulation	584 442	-
Office building fittings	149 999	-
Storm water	123 920	-
Park and Sport ground	26 856	-
Civic / Tennis Club	-	99 284
Road construction	2 793 812	1 507 131
Land compensation	499 991	33 652
Open market	622 505	10 504
Water tower	45 733	-
Servicing other extensions	1 871 723	-
Extension 11 - Water services	4 358 613	15 606 656
Total	13 194 831	19 181 478

16. BURSARIES

No bursaries were granted during the year under review.

17. CONTRIBUTIONS, GRANTS AND FINANCIAL AID

No donations were granted to the Council during the year under review. No Government subsidies or contributions were received by the Council during the year under review.

18. COMPENSATION PAYMENTS

An amount of N\$ 499 991 (2007: N\$ 372 028) was spent on crop fields compensation payments during the year under review.

19. VISITS TO FOREIGN COUNTRIES

No visits to foreign countries were undertaken during the year under review.

20. CLAIMS AGAINST THE LOCAL AUTHORITY

No claims for losses were received during the year.

21. GIFTS / DONATIONS BY / TO THE LOCAL AUTHORITY

An amount of N\$ 7 214 (2007: N\$ 23 100) has been paid as donations for the year under review. Also, land measuring 19,97 hectares was donated to UNAM by the Council and the calculated value amount to N\$ 1 598 000.

22. TRANSFER OF PROPERTY TO / FROM GOVERNMENT

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

23. DEBTORS AND CREDITORS

23.1 Debtors at 30 June were:

	2008	2007
	N\$	N\$
Consumers	5 514 591	5 340 701
Provision for bad debts	(3 231 303)	(2 849 593)
	2 283 288	2 491 108
Value added taxation	1 134 537	3 139 140
Other debtors	708 255	425 701
	4 126 080	6 055 949

For the year under review, a debtors' billings system was used of whereby assessment rates, water services and related services were combined. No split was made between relevant services rendered. However, upon receipt of cash, monies were accounted for in terms of different services rendered.

23.2 Creditors at 30 June were:

	2008	2007
	N\$	N\$
Trade creditors	886 524	384 289
Provision for leave pay	791 001	740 586
Consumer deposits	790 277	740 245
Long-term loan current interest payable	-	1 185 850
Long-term loan – Development Bank of Namibia	-	14 942 088
	2 467 802	17 993 058

The long-term loan from the Development Bank of Namibia has now been correctly disclosed in the current financial year as it is evident from Annexure A.

24. ASSESSMENT RATES

Net proceeds from assessment rates, amounted to N\$ 4 944 134 (2007: N\$ 4 894 205). The tariffs for private and business properties of N\$ 0.04000 per dollar per year on site valuations plus N\$ 0.00950 per dollar per year on the valuation of improvements is in line with gazette rates.

25. LOANS

25.1 External loans

The loan from Development Bank of Namibia has been disclosed as N\$ 5 972 740 (2007: N\$ 14 942 088) in the annual financial statements.

25.2 Internal loans

No internal loans were advanced or received during the year under review.

25.3 Housing loans

The amounts advanced in favour of housing loans under the Build-Together Housing Scheme are disclosed as N\$ 1 684 249 (2007: N\$ 1 528 687) in the financial statements.

26. SALE OF ERVEN

During the current financial year, cash proceeds to the value of N\$ 5 650 158 (2007: N\$ 4 900 433) were received for erven sold and allocated to the Capital Development Fund.

27. PROPERTY SOLD ON AN INSTALMENT BASIS

No erven were sold on an instalment basis for the year under review. The Council's policy is to sell all erven on a cash basis.

28. TARIFF ADJUSTMENTS

All tariff adjustments were in accordance with the relevant Official Government notice.

29. STOCK AND EQUIPMENT

Inventory valued at N\$ 1 119 312 (2007: N\$ 1 014 067) is disclosed in the financial statements of the Council.

29.1 Motor vehicles

	Sedan vehicles		4 x 4 passenger vehicles		LDV & combi's		Heavy vehicles	
	Number	Value	Number	Value	Number	Value	Number	Value
On hand		N\$		N\$		N\$		N\$
01/07/2007	2	169 547	3	177 187	6	-	11	1 230 243
Additions		-	1	240 435		-		-
Less:								
Depreciation		(18 839)		(75 511)		-		(130 243)
On hand								
30/06/2008	2	150 708	4	342 111	6	-	11	1 100 000

30. SPECIAL INVESTIGATIONS

No special investigations were carried out during the year.

31. GENERAL

31.1 Internal controls

The accounting and internal controls are satisfactory, except where indicated otherwise in this report. Proper segregation of duties is feasible, but due to the small number of staff employed, increased management involvement reduces risks, The risk arises however that management and Council override existing controls, a potentially dangerous practice which Council should vigilantly guard against.

31.2 Temporary advances

There were temporary advances from the Capital Development Fund and the Build Together Fund to Revenue amounting to N\$ 17 829 230 (2007: N\$ 3 841 520) for the year under review. This means that the Funds are no longer fully cash backed. The cash on hand of N\$ 5 070 860 decreases the shortfall to N\$ 12 758 370.

32. FORMAL AND INFORMAL QUERIES

Formal queries are embodied in this report.

Informal queries addressed to the Town Clerk consist of:

- * Inadequate inventory control.
- * Inadequate consumer deposits.
- * Long overdue debtors' accounts and monies long outstanding becoming doubtful.
- * Accounting and recording of depreciation.
- * Activities of the Trade Fair Centre.
- * Fixed asset register not updated.
- * P.A.Y.E. incorrectly calculated.
- * Discount on Treasury Bills not accounted for.
- * Incorrect calculation of VAT.
- * Capital Development Fund – Expenditure not valid.
- * Build Together loans incorrect.

33. QUALIFIED AUDIT OPINION

The accounts of the Ongwediva Town Council for the financial year ended 30 June 2008, summarized in Annexure A to D, were audited by me in terms of provisions of Section 85 of the Local Authorities Act, 1992 read with Section 25(1) of the State Finance Act, 1991.

The statements have been prepared on the basis of accounting practices applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

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

- Accrued liabilities to the amount of N\$ 448 857 have not been provided for.
- The value of stock disclosed in the balance sheet differs for the stock-taking lists.
- The provision for bad debts has been understated by N\$ 182 825.
- Activities of the Ongwediva trade fair are not incorporated in the Town Council's financial statements.
- Matured investments to the amount of N\$ 3 200 000 have been wrongly disclosed as revenue.

Except for the above-mentioned remarks, in my opinion the financial statements fairly present the financial position of the Town Council at 30 June 2008 and the results of its operations and cash flow for the year then ended.

THE TOWN COUNCIL OF ONGWEDIVA

BALANCE SHEET ON 30 JUNE 2008

	Notes	2008 N\$	2007 N\$
ASSETS			
Non-current assets			
		89 737 544	96 260 466
Property, plant and equipment	3	79 739 169	72 220 217
Loans	6	1 684 249	1 528 687
Investments	4	8 314 126	22 511 562
Current assets			
		10 316 252	8 320 497
Inventory	5	1 119 312	1 014 067
Accounts receivable	7	4 126 080	6 055 949
Cash and cash equivalents		5 070 860	1 250 481
TOTAL ASSETS		100 053 796	104 580 963
FUNDS AND LIABILITIES			
Funds			
		91 613 254	86 587 905
Fund accounts and reserves	2	11 874 085	14 367 688
Capital outlay	2	79 739 169	72 220 217
Non-current liabilities			
Long-term loan	9	5 972 740	-
Current liabilities			
Accounts payable	8	2 467 802	17 993 058
TOTAL FUNDS AND LIABILITIES		100 053 796	104 580 963

THE TOWN COUNCIL OF ONGWEDIVA

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 N\$	2007 N\$
INCOME		34 354 128	40 684 413
EXPENDITURE		(35 731 656)	(38 896 137)
NET OPERATING (DEFICIT) / SURPLUS		(1 377 528)	1 788 276
INVESTMENT INTEREST EARNED		1 462 517	3 080 339
NET INCOME for the year		84 989	4 868 615
ADJUSTMENTS	10	(2 524 429)	(15 490 722)
NET DEFICIT for the year		(2 439 440)	(10 622 107)
APPROPRIATION ACCOUNT - AT THE BEGINNING OF THE YEAR		(13 514 081)	(2 891 974)
APPROPRIATION ACCOUNT - AT THE END OF THE YEAR		(15 953 521)	(13 514 081)

THE TOWN COUNCIL OF ONGWEDIVA

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 N\$	2007 N\$
Cash generated / (absorbed) by operations			
Cash receipts from customers		34 354 128	32 736 306
Cash paid to suppliers		(51 956 717)	(32 551 138)
<i>Cash generated by operations</i>	11	(17 602 589)	185 168
Investment income		1 462 517	3 080 339
Movement in Fund accounts		13 140 668	19 101 491
- Fund accounts – (Decrease)		(54 163)	(79 988)
- Capital outlay - Increase		7 518 952	13 770 120
- Depreciation		5 675 879	5 411 359
Net cash flow from operating activities		(2 999 404)	22 366 998
Cash effects of investing activities		847 043	(22 481 351)
Capital expenditure		(13 194 831)	(19 181 478)
(Increase)/decrease in loans		(155 562)	60 072
Decrease/(increase) in investments		14 197 436	(3 359 945)
Cash flow from financing activities			
Change in net debt - Increase		5 972 740	-
Net movement in cash and cash equivalents		3 820 379	(114 353)
Cash and cash equivalents at the beginning of the year		1 250 481	1 364 834
Cash and cash equivalents at the end of the year		5 070 860	1 250 481
*Cash effect of financing activities change in long-term liabilities		5 972 740	-

THE TOWN COUNCIL OF ONGWEDIVA

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 30 JUNE 2008

1. ACCOUNTING POLICIES

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

The principal accounting policies of the Town Council, which are set out below, had 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 Local Authorities 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 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.

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.

	<u>2008</u>	<u>2007</u>
	N\$	N\$
2. OWN FUNDS		
2.1 <i>Financing of capital:</i>		
Contribution from:	79 739 169	72 220 217
Capital	16 936 043	18 475 684
Revenue	62 803 126	53 744 533
2.2 <i>Funds</i>	11 874 085	14 367 688
Capital Development Fund	24 139 217	24 414 086
Build Together Fund	3 688 388	3 467 683
Accumulated deficit	(15 953 520)	(13 514 081)
TOTAL FUNDS	91 613 254	86 587 905

THE TOWN COUNCIL OF ONGWEDIVA

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 30 JUNE 2008

	<u>2008</u>	<u>2007</u>
	N\$	N\$
3. FIXED ASSETS		
Infrastructure, land and buildings, motor vehicles, office equipment, furniture and fittings and computer equipment.	79 739 169	72 220 217
Financed from:		
Capital account	16 936 043	18 475 684
Revenue account	62 803 126	53 744 533
	79 739 169	72 220 217
4. INVESTMENTS		
Fixed deposits and money on call	8 314 126	22 511 562
	8 314 126	22 511 562
Comprising of:		
Capital Development Fund	6 335 003	20 572 567
Build-together Fund	1 979 123	1 938 996
	8 314 126	22 511 563
5. INVENTORY		
Comprising of:		
Consumable stores	1 119 312	1 014 067
	1 119 312	1 014 067
6. LOANS		
These loans were granted from the Build-Together to residents of Ongwediva.	1 684 249	1 528 687
	1 684 249	1 528 687
7. ACCOUNTS RECEIVABLE		
Debtors	7 357 383	8 905 542
Less: Provision for doubtful debts	(3 231 303)	(2 849 593)
	4 126 080	6 055 949

THE TOWN COUNCIL OF ONGWEDIVA

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008	2007
	N\$	N\$
8. ACCOUNTS PAYABLE		
Trade creditors	886 524	384 289
Provision for leave pay	791 001	740 586
Consumer deposits	790 277	740 245
Long-term loan current interest payable	-	1 185 850
Long-term loan - Development Bank of Namibia	-	14 942 088
	2 467 802	17 993 058
9. LONG-TERM LOANS		
Development Bank of Namibia	5 972 740	-
	5 972 740	-
10. ADJUSTMENTS AND UTILIZATIONS		
Adjustment of provision for bad debts	(381 710)	366 859
External loan	-	(14 942 088)
Correction of previous years debtors	(74 728)	(530 439)
Vat correction	(1 484 137)	(237 458)
Expenditure corrections	(583 854)	(147 596)
	(2 524 429)	(15 490 722)
11. CASH GENERATED BY OPERATIONS		
Net operating (loss)/profit before transfers	84 989	4 868 615
Adjustments for:		
- Adjustment to the appropriation account	(2 524 429)	(15 490 722)
- Investment income	(1 462 517)	(3 080 339)
Operating income before changes in working capital	(3 901 957)	(13 702 446)
Changes in working capital		
(Increase)/decrease in inventory	(105 245)	86 308
Decrease/(increase) in accounts receivable	1 929 869	(2 310 789)
(Decrease)/increase in accounts payable	(15 525 256)	16 112 095
	(13 700 632)	13 887 614
Cash (utilized)/generated by operations	(17 602 589)	185 168