



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE**  
**TOWN COUNCIL OF OUTAPI**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

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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 Town Council of Outapi for the financial year ended 30 June 2014, 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, May 2015**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF  
THE TOWN COUNCIL OF OUTAPI  
FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2014**

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## **1. INTRODUCTION**

The accounts of the Town Council of Outapi for the year ended 30 June 2014 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 Town Council 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 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 on 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 these financial statements based 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 complies with ethical requirements, plan and perform the audit to obtain reasonable assurance about 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 auditors' judgement, including 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 controls 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 overall presentation of the financial statements.

#### 4. AUDIT OBSERVATIONS AND COMMENTS

##### 4.1 Understatement of liabilities

Liabilities outstanding at year end amounting to N\$ 617 710 are not included in the financial statements.

##### 4.2 Investment in equity

The investment by the Town Council in the shareholding of Local Authorities Electricity Company (Proprietary) Limited is not reflected in the financial statements.

##### 4.3 Incorrect recognition of sale of erven revenue

Instalments (deposits) received on the intended sale of erven were credited to the revenue account instead of the liability account resulting in an overstatement of revenue and understatement of liabilities.

#### 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 01/07/2013</b>				7 362 212
<b>General accounts</b>				
Rates and general	13 238 397	16 821 271	(3 582 874)	
Non-profitable services	10 314 647	6 040 388	4 274 259	
Self-supporting services	4 616 992	3 867 770	749 222	
<b>Trade accounts</b>				
Water	4 444 686	3 636 252	808 434	
Electricity	827 159	694 734	132 425	
	33 441 881	31 060 415	2 381 466	2 381 466
Surplus for the year				9 743 678
Adjustments and appropriations (Note 10, Annexure D)				(1 096 233)
<b>Accumulated surplus 30/06/2014</b>				<b>8 647 445</b>

#### 7. CURRENT BANK ACCOUNT

	2014	2013
	N\$	N\$
Cash-book balance at 30 June 2014	358 963	182 439
Outstanding cheques	1 619 616	1 489 237
<b>Balance as per bank statement</b>	<b>1 978 579</b>	<b>1 671 676</b>

## 8. INVESTMENTS AND INTEREST PROCEEDS

The investments as at 30 June 2014 were as follows:

	Investments		Interest	
	2014	2013	2014	2013
	N\$	N\$	N\$	N\$
<b>Invested at:</b>				
Commercial banks	26 205 237	25 810 416	1 181 400	931 249
	<b>26 205 237</b>	<b>25 810 416</b>	<b>1 181 400</b>	<b>931 249</b>
<b>Distribution</b>				
Capital Reserve Fund	4 018 919	5 026 055	227 393	28 650
Shack Dwellers Fund	585 180	489 325	9 899	8 695
Build Together Fund	1 984 827	2 817 362	39 258	40 096
Government Contribution Fund	2 593 997	2 481 717	112 280	192 150
Revenue Fund	10 604 314	9 995 957	792 570	661 658
Loan Capital	6 418 000	5 000 000	-	-
	<b>26 205 237</b>	<b>25 810 416</b>	<b>1 181 400</b>	<b>931 249</b>

## 9. FUND ACCOUNTS

The position of internal Funds and Reserves as at year end is shown in Note 7 of Annexure D.

## 10. TRADE ACCOUNTS

### 10.1 Operating results

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

	Water	
	2014	2013
	N\$	N\$
Sales	4 247 825	3 957 306
Cost of sales	(2 759 590)	(2 116 479)
Gross profit	1 488 235	1 840 827
Other net expenses	(679 800)	(1 100 314)
<b>NET PROFIT</b>	<b>808 435</b>	<b>740 513</b>
Gross profit as a percentage of sales	35.0%	46.5%
Net profit as a percentage of sales	19.0 %	18.7%

### 10.2 Water distribution results were as follows:

Water distribution results, in cubic metres (m<sup>3</sup>), were as follows:

	Water	
	2014	2013
	m <sup>3</sup>	m <sup>3</sup>
Sold	276 038	258 214
Bought	(298 618)	(238 259)
Distribution (loss)/gain	<b>(22 580)</b>	<b>19 955</b>
(Loss)/gain as percentage of units bought	(7.6%)	8.4%

## 11. SELF-SUPPORTING EXTERNAL SERVICES

The net result of these services is as follows:

	<b>Income</b>	<b>Expenses</b>	<b>Surplus/ (Deficit)</b>	<b>Surplus/ (Deficit)</b>
	<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>2013</b>
	N\$	N\$	N\$	N\$
Licenses and vehicle registration	924 717	750 120	174 597	343 879
Open Market	478 647	670 054	(191 407)	(146 610)
Waste management	1 710 265	1 688 631	21 634	(189 415)
Sewerage	1 503 363	758 965	744 398	427 860
	<b>4 616 992</b>	<b>3 867 770</b>	<b>749 222</b>	<b>435 714</b>

## 12. FRUITLESS, UNAUTHORISED OR AVOIDABLE EXPENDITURE

The audit did not reveal any fruitless, unauthorized or avoidable expenditure that were incurred during the year under review.

## 13. SUSPENSE ACCOUNTS

The suspense accounts balance amounted to N\$ 2 280 174 (2013: N\$ 3 975 150) for the year under review. These accounts are properly maintained, controlled and reconciled on a regular basis.

## 14. IRREGULARITIES AND LOSSES

14.1 The audit did not reveal any irregularities.

14.2 No losses were reported.

## 15. CAPITAL PROJECTS

Capital expenditure for the financial year amounted to N\$ 16 207 985 (2013: N\$ 19 092 512) and comprises the following:

	<b>Financed by</b>		<b>Total expenditure 2014</b>	<b>Total expenditure 2013</b>
	<b>General and loan capital</b>	<b>Revenue account</b>		
	N\$	N\$	N\$	N\$
Council – General expenses	-	50 739	50 739	357 189
Town clerk	-	-	-	2 999
Town administration	-	204 634	204 634	924 801
Town treasurer	-	22 915	22 915	-
Town engineer	-	6 593 872	6 593 872	13 877 670
Health	-	10 850	10 850	38 684
Town planning and development	-	-	-	791 450
Workshop	-	-	-	348 551
Streets and sidewalks	1 889 224	751 936	2 641 160	1 022 789
Local, Economic and Tourism	-	-	-	5 564
Open market	-	61 775	61 775	-
Waste management	-	-	-	773 274
Sewerage	1 373 356	-	1 373 356	-
Water supply	1 600 454	-	1 600 454	54 659
Electricity services	2 953 496	694 734	3 648 230	894 882
	<b>7 816 530</b>	<b>8 391 455</b>	<b>16 207 985</b>	<b>19 092 512</b>

## 16. STUDY LOANS/BURSARIES

No bursaries or loans were granted during the year.

## 17. CONTRIBUTIONS, GRANTS AND FINANCIAL AID

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

## 18. COMPENSATION PAYMENTS

Land compensation payments amounting to N\$ 2 235 899 (2013: N\$ 7 655 359) were made during the year.

## 19. VISITS TO FOREIGN COUNTRIES

A foreign trip at a total cost of N\$ 22 624 (2013: N\$ 107 984) was undertaken and was approved by the Minister.

## 20. CLAIMS AGAINST THE LOCAL AUTHORITY

In the prior year, the Town Council received a claim of N\$ 30 903 121 from the Onawa Business Venture for land compensation. The case was handed over to the lawyers and the Ministry. There is no progress on the matter that was reported.

## 21. GIFTS AND DONATIONS BY THE LOCAL AUTHORITY

A total amount of N\$ 6 000 (2013: N\$ 12 000) was paid as donations during the year under review.

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

No property was transferred to/or from the Government during the year.

## 23. TRADE AND OTHER RECEIVABLES/PAYABLES

### 23.1 Trade and other receivables at 30 June 2014 comprise the following:

	2014	2013
	N\$	N\$
Consumer debtors	8 547 829	8 775 803
Build Together loans	2 003 371	1 226 765
Other	271 836	961 887
Shack Dwellers loans	630 530	763 911
Value added tax receivable	1 787 305	260 193
	13 240 871	11 988 559
Less: Provision for bad debts	(6 545 015)	(5 732 754)
	<b>6 695 856</b>	<b>6 255 805</b>

The average collection period of trade receivables, before taking the provision for bad debts into account, is 209 days (2013: 218 days). The Council should attend to the arrears as a matter of urgency.

**23.2 Trade and other payables at 30 June 2014 comprise the following:**

	<b>2014</b>	<b>2013</b>
	N\$	N\$
Trade creditors and other accruals	824 649	710 583
Provision for leave pay	1 685 500	1 555 083
Consumer deposits	530 464	442 239
Sundry payables	-	30 106
Prepayments	556 035	-
Suspense accounts	2 280 174	3 975 150
	<b>5 876 822</b>	<b>6 713 161</b>

**24. ASSESSMENT RATES**

	<b>2014</b>	<b>2013</b>
	N\$	N\$
The proceeds from assessment rates	4 710 023	3 925 554
<b>Business</b>		
Tariffs per N\$1 valuation per annum – Site valuation	0.05844	0.05844
Tariffs per N\$1 valuation per annum – Improvements	0.00704	0.00704
<b>Residential</b>		
Tariffs per N\$1 valuation per annum – Site valuation	0.04840	0.04840
Tariffs per N\$1 valuation per annum – Improvements	0.00600	0.00600

**25. LOANS****25.1 External loan**

The external loan balance outstanding at year-end amounted to N\$ 10 000 000 (2013: N\$ 5 000 000).

**25.2 Internal loans**

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

**25.3 Housing loans**

	<b>2014</b>	<b>2013</b>
	N\$	N\$
Build Together Fund advances	2 003 371	1 226 765
Shack Dwellers Housing advances	630 530	763 911

**26. SALE OF ERVEN**

During the current financial year, erven sales amounting to N\$ 3 474 934 (2013: N\$ 3 693 284) were allocated to the revenue account.

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

During the current financial year, proceeds to the value of N\$ 904 836 (2013: N\$ 1 885 641) were received for erven sold on an instalment basis and allocated to the revenue account.



## 28. TARIFF ADJUSTMENTS

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

## 29. APPROVALS

Approvals for all over expenditure were obtained.

## 30. INVENTORIES 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 01/07/2013	2	N\$ 231 673	4	N\$ 543 570	2	N\$ 1 080 000
Acquisitions	-	-	-	-	1	1 978 541
Depreciation	2	231 673	4	543 570	3	3 058 541
	-	(31 755)	-	(86 780)	-	(135 000)
On hand 30/06/2014	<b>2</b>	<b>199 918</b>	<b>4</b>	<b>456 790</b>	<b>3</b>	<b>2 923 541</b>

Log books were reviewed and were found to be completed accurately and on time.

### Inventories

Inventories comprising stationery and consumables amounted to N\$ 447 403 (2013: N\$ 384 712).

## 31. SPECIAL INVESTIGATIONS

No special investigations were carried out during the year.

## 32. GENERAL

### 32.1 Internal controls

The accounting and internal controls applied by the Council are satisfactory, except where indicated in this report. Proper segregation of duties is feasible but hindered by the small number of staff employed.

### 32.2 Temporary advances

There were temporary advances from Funds to revenue amounting to N\$ 949 868 (2013: N\$ 754 364) for the year under review.

## 33. FORMAL AND INFORMAL QUERIES

**33.1 Formal** queries are embodied in this report.

**33.2 Informal** queries were discussed with management:

#### **34. QUALIFIED AUDIT OPINION**

The accounts of the Town Council of Outapi for the financial year ended 30 June 2014, 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.

- Understatement of liabilities;
- The investment in the shareholding of the Local Authorities Electricity Company (Proprietary) Limited is not reflected in the financial statements; and
- Incorrect recognition of the sale of erven revenue.

Except for the effects of any adjustments which might be necessary as referred to in the preceding paragraph, in my opinion, the financial statements fairly present the financial position of the Town Council as at 30 June 2014, and the results of its operations and cash flows for the year then ended and in the manner required by the Local Authorities Act, 1992, and the State Finance Act, 1991.

**WINDHOEK, May 2015**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## BALANCE SHEET AS AT 30 JUNE 2014

	Notes	2014 N\$	2013 N\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	78 631 680	64 289 220
Investments	3	52 426 443	38 478 804
		26 205 237	25 810 416
<b>Current assets</b>			
Trade and other receivables	4	7 503 722	6 824 456
Inventories	5	6 695 856	6 255 805
Cash and cash equivalents	6	447 403	384 712
		360 463	183 939
<b>TOTAL ASSETS</b>		<b>86 135 402</b>	<b>71 113 676</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Funds and accounts	7.1	70 258 580	59 400 515
Accumulated funds	7.2	48 844 443	38 478 804
Internal funds	7.3	8 647 445	7 362 212
		12 766 692	13 559 499
<b>Non-current liabilities</b>			
Long-term loan	8	10 000 000	5 000 000
<b>Current liabilities</b>			
Trade and other payables	9	5 876 822	6 713 161
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>86 135 402</b>	<b>71 113 676</b>

## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 N\$	2013 N\$
INCOME		32 649 311	28 221 908
EXPENDITURE		(31 060 415)	(39 296 387)
<b>OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</b>		1 588 896	(11 074 479)
Investment income		792 570	662 401
<b>NET SURPLUS /DEFICIT) FOR THE YEAR</b>		2 381 466	(10 412 078)
Add : Appropriation and adjustments	10	(1 096 233)	(1 715 829)
RETAINED SURPLUS/(DEFICIT) FOR THE YEAR		1 285 233	(12 127 907)
30 June 2013		7 362 212	19 490 119
<b>30 June 2014</b>		<b>8 647 445</b>	<b>7 362 212</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 N\$	2013 N\$
<b>Cash flows from operating activities</b>			
Cash receipts from customers		32 649 311	28 221 908
Cash paid to suppliers		(33 495 728)	(37 944 753)
<b>Cash utilised by operations</b>	11	<b>(846 417)</b>	<b>(9 722 845)</b>
Investment income		792 570	662 401
<b>Net cash utilised by operating activities</b>		<b>(53 847)</b>	<b>(9 060 444)</b>
<b>Cash flows from investing activities</b>			
Increase in property, plant and equipment		(13 947 639)	(15 914 501)
Increase in investments		(394 821)	(2 338 093)
<b>Net cash flows from investing activities</b>		<b>(14 342 460)</b>	<b>(18 252 594)</b>
<b>Cash flows from financing activities</b>			
Increase in funds		9 572 831	22 336 779
Increase in long-term liabilities		5 000 000	5 000 000
<b>Net cash flows from financing activities</b>		<b>14 572 831</b>	<b>27 336 779</b>
Net increase in cash and cash equivalents		<b>176 524</b>	<b>23 741</b>
Cash and cash equivalents at the beginning of the year		<b>183 939</b>	<b>160 198</b>
Cash and cash equivalents at the end of the year	6	<b>360 463</b>	<b>183 939</b>

## TOWN COUNCIL OF OUTAPI

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

**1. ACCOUNTING POLICIES**

The annual financial statements are compiled in accordance with the historical cost convention method 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, have been consistently applied and were prepared in accordance with the requirements of the Namibian Local Authorities Act.

**1.1 Property, plant and equipment**

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. 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 the lower of cost and net realisable value. The cost of inventories comprises all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

	<b>2014</b>	<b>2013</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>52 426 443</b>	<b>38 478 804</b>
<b>Financed by :</b>		
General capital	5 922 711	368 554
Revenue account	42 921 732	38 110 250
Loan	3 582 000	-
	<b>52 426 443</b>	<b>38 478 804</b>
<b>3. INVESTMENTS</b>		
Fixed deposits and money on call	<b>26 205 237</b>	<b>25 810 416</b>
<b><u>Allocated as follows:</u></b>		
Build Together Housing Fund	1 984 827	2 817 362
Shack Dwellers Fund	585 180	489 325
Capital Development Fund	4 018 919	5 026 055
Government Contribution Fund	2 593 997	2 481 717
Loan proceeds	6 418 000	5 000 000
Revenue Fund	10 604 314	9 995 957
	<b>26 205 237</b>	<b>25 810 416</b>

## TOWN COUNCIL OF OUTAPI

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	<b>2014</b>	<b>2013</b>
	N\$	N\$
<b>4. TRADE AND OTHER RECEIVABLES</b>		
Consumer debtors	8 547 829	8 775 803
Surcharges receivable	235 836	285 633
Other receivables	36 000	676 254
Value Added Tax receivable	1 787 305	260 193
Build Together Fund loans	2 003 371	1 226 765
Shack Dwellers Fund - receivables	630 530	763 911
	<b>13 240 871</b>	<b>11 988 559</b>
<i>Less :</i>		
Provision for doubtful debts	(6 545 015)	(5 732 754)
	<b>6 695 856</b>	<b>6 255 805</b>
<b>5. INVENTORIES</b>		
Consumable stores	<b>447 403</b>	<b>384 712</b>
<b>6. CASH AND CASH EQUIVALENTS</b>		
Petty cash	1 500	1 500
Bank balances	358 963	182 439
	<b>360 463</b>	<b>183 939</b>
<b>7. FUNDS AND ACCOUNTS</b>		
<b>7.1 Financing of capital</b>		
Contribution - General capital	5 922 711	368 554
Revenue contributions	42 921 732	38 110 250
	<b>48 844 443</b>	<b>38 478 804</b>
<b>7.2 Accumulated Funds</b>	<b>8 647 445</b>	<b>7 362 212</b>
<b>7.3 Internal Funds</b>		
Capital Development Fund	4 018 919	5 026 055
Government Contributions Fund	2 593 997	2 481 717
Build Together Fund	4 836 193	4 743 911
Shack Dwellers Fund	1 317 583	1 307 816
	<b>12 766 692</b>	<b>13 559 499</b>
	<b>70 258 580</b>	<b>59 400 515</b>
<b>8. LONG TERM LIABILITIES</b>		
First Capital Treasury Solutions (Proprietary) Limited	<b>10 000 000</b>	<b>5 000 000</b>

## TOWN COUNCIL OF OUTAPI

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	<b>2014</b>	<b>2013</b>
	N\$	N\$
<b>9. TRADE AND OTHER PAYABLES</b>		
Suspense account	2 280 174	3 975 150
Trade creditors	824 649	710 583
Consumer deposits	530 464	442 239
Provision for leave pay	1 685 500	1 555 083
Prepayments	556 035	-
Other	-	30 106
	<b>5 876 822</b>	<b>6 713 161</b>
<b>10. ADJUSTMENTS AND APPROPRIATIONS</b>		
Increase in provision for bad debts	(812 261)	(587 498)
Council approved write-offs	(114 325)	(446 016)
Increase in provision for personnel benefits	(305 923)	(509 852)
Unclaimed balances	391	-
Appropriations	-	(157 818)
Adjustment: Bank reconciliation	-	(18 633)
Stale cheques	107 580	3 988
Income adjustments	28 305	-
	<b>(1 096 233)</b>	<b>(1 715 829)</b>
<b>11. CASH UTILISED BY OPERATIONS</b>		
Net operating surplus/(deficit)	1 588 896	(11 074 479)
Adjustments (appropriations)	(1 096 233)	(1 715 829)
<b>11.1 Operating income before changes in working capital</b>	<b>492 663</b>	<b>(12 790 308)</b>
<b>Changes in working capital</b>		
(Decrease)/increase in trade and other payables	(836 338)	4 466 346
Increase in inventories	(62 691)	(14 279)
Increase in trade and other receivables	(440 051)	(1 384 604)
	<b>(1 339 080)</b>	<b>3 067 463</b>
	<b>(846 417)</b>	<b>(9 722 845)</b>