



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
VILLAGE COUNCIL OF BETHANIE  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

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**REPUBLIC OF NAMIBIA**



**TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY**

I have the honour to submit herewith my report on the accounts of the Village Council of Bethanie for the financial year ended 30 June 2015, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991, (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**JUNIAS ETUNA KANDJEKE**  
**AUDITOR-GENERAL**

**WINDHOEK, March 2017**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF  
THE VILLAGE COUNCIL OF BETHANIE  
FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2015**

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**1. Report on the Financial Statements**

**1.1 INTRODUCTION**

The accounts of the Village Council of Bethanie for the financial year ended 30 June 2015 are being reported on in accordance with the provisions set out in Section 85 of the Local Authorities Act, 1992 (Act 23 of 1992).

The firm Mostert Landgrebe of Windhoek has been appointed by the Auditor-General in terms of Section 26(2) of the State Finance Act, 1991, to audit the accounts of the Village Council on behalf of the Auditor-General and under his supervision.

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

I certify that I have audited the accompanying financial statements of the Bethanie Village Council for the financial year ended 30 June 2015. These financial statements comprise the following:

- Annexure A: Balance sheet
- Annexure B: Abridged income statement
- Annexure C: Cash flow statement
- Annexure D: Notes to the financial statements

The financial statements were submitted by the Accounting Officer to the Auditor-General in compliance with Section 87(1) of the Local Authorities Act, 1992.

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

**2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 87(1) of the Local Authorities Act, 1992, (Act 23 of 1992), and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **3. AUDITOR'S RESPONSIBILITY**

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

#### **Powers and duties**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

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

#### **4. ACKNOWLEDGEMENT**

The assistance and co-operation by the staffs of the Village Council of Bethanie during the audit is appreciated.

#### **5. KEY AUDIT FINDINGS**

##### **5.1 Internal controls and accounting records**

There was insufficient system of internal controls at the Village Council on which the auditors could rely upon for audit purposes.

##### **Recommendation**

**It is recommended that the Council should implement a system of internal controls.**

##### **5.2 Property, plant and equipment**

The auditors could not confirm the completeness and existence of property plant and equipment due to a lack of supporting documents.

##### **Recommendation**

**It is recommended that the Council properly files and safeguards all supporting documents and provide for audit purpose.**

##### **5.3 Unreconciled balances for accrued creditors**

The auditors noted that trade creditors amounting to N\$ 444 009 as reflected in the financial statements should have been cleared at year end, as these creditors have been already paid.

##### **Recommendation**

**It is recommended that the Council should review creditor's balances and ensure that proper reconciliations are performed to reflect correct balances in the financial statements.**

##### **5.4 Trade receivables**

No list for Build Together advances to the value of N\$ 5 383 090 was provided for audit purposes, thus auditors were unable to verify the correctness of the Build Together Programme.

##### **Recommendation**

**It is recommended that the Council should ensure that supporting documents, and explanations of adjustments disclosed in the financial statements are provided for audit purposes.**

### **5.5 Non-submission of supporting documents**

The Council did not provide supporting documents to verify the balance of external loans payable to the Government amounting to N\$ 2 251 841 as disclosed in the financial statements.

#### **Recommendation**

**It is recommended that the Council properly file and safeguard all supporting documents and provide for audit purposes.**

### **5.6 Water and electricity distribution in units**

No statistics were kept by the Village Council to calculate the distribution losses.

#### **Recommendation**

**It is recommended that the Council should ensure that records are kept for cubic meters sold and purchased to support the calculations of distribution losses.**

### **5.7 No approval for tariffs**

The Council increased water tariffs on business without any approval from the Ministry. The Council could also not provide explanations for adjustments amounting to (N\$ 1 794 730).

#### **Recommendation**

**It is recommended that the Council should ensure that all tariff increases must be approved prior to any adjustment.**

### **5.8 Provision for doubtful debts**

The Council does not have debt collection mechanisms in place. The audit noted that provision for doubtful debts was understated by N\$ 290 464.

#### **Recommendation**

**It is recommended that the Council should ensure that adequate provision is provided which is in accordance with an applicable policy, and effective debt recovery mechanisms should be implemented.**

### **5.9 Value Added Tax**

The auditors could not confirm the accuracy and completeness of value added tax because most transactions were incorrectly processed and claimed.



## **Recommendation**

**It is recommended that the Council should ensure that VAT are correctly processed and claimed.**

### **6. BASIS FOR DISCLAIMED AUDIT OPINION**

- No proper system of internal control;
- Inability to confirm the existence of assets;
- Overstatement of creditors by N\$ 444 009;
- Inadequate supporting evidence for installments on Government loans amounting to N\$ 2 251 841;
- Unexplained adjustments made to the Build Together loans receivable repayment account to the value of N\$5 383 090 ;
- Understatement of provision for doubtful debts by N\$ 290 464;
- No approval for increases in water tariffs; and
- Misstatement of VAT.

### **7. DISCLAIMED AUDIT OPINION**

The accounts of the Bethanie Village Council for the financial year ended 30 June 2015 summarised in Annexures A to D were audited by me in terms of Section 85 of the Local Authorities Act, 1992, Act 23 of 1992 read with Section 25(1) (b) of the State Finance Act, 1991, Act 31 of 1991).

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



WINDHOEK, March 2017

**JUNIAS ETUNA KANDJEKE  
AUDITOR- GENERAL**

## 8. 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/(deficit) 01/07/2014				422 574
<b>General accounts</b>				
Non-profitable	2 974 385	5 762 850	(2 788 465)	
Self-supporting	2 080 205	1 697 556	382 649	
<b>Trade accounts</b>				
Water	1 392 147	1 029 525	362 622	
Electricity	4 050 661	3 168 167	882 494	
Deficit for the year	10 497 398	11 658 098	(1 160 700)	(1 160 700)
Adjustments and utilisations (See note 10, Annexure D)				(738 126)
Accumulated surplus/(deficit ) 30/06/2015				(5 291 908)
				<b>(6 030 034)</b>

## 9. CURRENT BANK ACCOUNT

	2015	2014
	N\$	N\$
Cash-book balance at 30 June - Balance sheet	(713 010)	(381 952)
Cash in transit	(70 438)	-
Deposits not yet received	148 180	-
Outstanding cheques	924 584	292 696
Balance as per bank statement	<b>289 316</b>	<b>(89 256)</b>

## 10. INVESTMENTS

The investments as at 30 June as stated in the Council's balance sheet were as follows:

	2015	2014
	N\$	N\$
<b>Total</b>	<b>231 913</b>	<b>-</b>

The investments were allocated as follows:

Allocation	2015	2014
	N\$	N\$
Build Together Fund	60 628	-
Capital Reserve Fund	171 285	-
Revenue section	-	56 471
	<b>231 913</b>	<b>56 471</b>

## 11. FUND ACCOUNTS

The position of the Funds and accounts at year-end was as shown in note 7 in Annexure D.

## 12. TRADE ACCOUNTS

### 12.1 The results of electricity and water operations were as follows:

	Electricity		Water	
	2015	2014	2015	2014
	N\$	N\$	N\$	N\$
Sales	3 877 037	3 283 308	1 088 856	826 445
Cost of sales	(2 453 222)	(1 584 916)	(558 689)	(615 345)
Gross profit/(loss)	1 423 815	1 698 392	530 167	211 100
Net expenditure	(541 321)	(472 723)	(167 545)	(310 680)
<b>Net (deficit)/surplus</b>	<b>882 494</b>	<b>1 225 669</b>	<b>362 622</b>	<b>(99 580)</b>
Gross (loss)/profit percentages on sales	36.7%	51.7%	48.7%	25.5%
Net (loss)/profit percentage on sales	22.8%	37.3%	33.3%	-12.0%

The Council should address the unacceptable high financial losses on water with immediate effect.

### 12.2 Distribution results in units were as follows:

	Electricity		Water	
	2015 Units	2014 Units	2015 Units	2014 Units
Sales	*	Kw/h	*	m <sup>3</sup>
Purchases	*	2 440 000	*	101 047
Gross profit	*	2 571 000	*	98 130
Percentage gain/(loss) in units	*	(131 000)	*	2 917
		(5.1%)	*	3.0%

\* No statistics were available at the Council.

### 13. SELF SUPPORTING SERVICES

The results for the year under review were as follows:

	<b>Income 2015</b>	<b>Expenses 2015</b>	<b>Profit/(Loss) 2015</b>	<b>Profit/(Loss) 2014</b>
	N\$	N\$	N\$	N\$
Natis	536 131	283 786	252 345	(126 872)
Townlands	551 448	555 101	(3 653)	(205 084)
Cleansing services	992 626	858 669	133 957	160 034
	<b>2 080 205</b>	<b>1 697 556</b>	<b>382 649</b>	<b>(171 922)</b>

The Council should introduce measures to reduce the losses on the loss-making services.

### 14. FRUITLESS UNAUTHORIZED OR AVOIDABLE EXPENDITURE

There were no such expenses.

### 15. SUSPENSE ACCOUNTS

All suspense accounts are cleared on a regular basis.

### 16. IRREGULARITIES AND LOSSES

There were no irregularities and losses.

### 17. CAPITAL PROJECTS

<b>Nature of projects/acquisitions</b>	<b>Total expenditure 2015</b>	<b>Total expenditure 2014</b>
	N\$	N\$
General administration	92 804	415 269
Cleansing services	-	344 037
Townlands	268 597	-
Water supply	-	17 049
Parks	401 150	1 065 217
	<b>762 551</b>	<b>1 841 572</b>

### 18. BURSARIES

There were no such expenses.

**19. CONTRIBUTIONS GRANTS AND FINANCIAL AID**

	<b>2015</b>	<b>2014</b>
	N\$	N\$
Contribution from Government	2 943 341	3 102 319

**20. COMPENSATION PAYMENTS**

There were no such expenses.

**21. VISITS TO FOREIGN COUNTRIES**

There were no such expenses.

**22. CLAIMS AGAINST THE LOCAL AUTHORITY**

There were no such expenses.

**23. GIFTS/DONATIONS BY THE LOCAL AUTHORITY**

There were no such expenses.

**24. TRANSFER OF PROPERTY**

There were no transfers of property to the local authority.

**25. TRADE AND OTHER RECEIVABLES/PAYABLES**

**25.1 Trade and other receivables at 30 June were as follows:**

	<b>2015</b>	<b>2014</b>
	N\$	N\$
Services	5 629 610	5 142 049
Consumer deposits	(25 197)	(13 922)
Build Together advances	5 383 090	5 497 992
Receiver of Revenue - VAT	32 184	268 408
Suspense accounts	4 821	139 605
Provision for bad debts	(4 634 818)	(553 076)
<b>Total</b>	<b>6 389 690</b>	<b>10 481 056</b>

The average collection period of trade receivables is 480 days. Council should attend to the arrears as a matter of urgency. Due to this statistics the auditors are of the opinion that a provision for bad debts is not sufficient.

**25.2 Trade and other payables at 30 June were as follows:**

	<b>2015</b>	<b>2014</b>
	N\$	N\$
Trade payables	444 009	442 409
Other payables	2 129 376	2 261 622
Provisions	710 832	101 314
Arrear installments on Government loans	1 990 561	1 323 359
Control account	-	66 506
Sundry creditors	36 102	-
<b>Total</b>	<b>5 310 880</b>	<b>4 195 210</b>

**26. ASSESSMENT RATES**

	<b>2015</b>	<b>2014</b>
	N\$	N\$
The net proceeds from assessment rates were	570 398	513 879
Tariffs per N\$1 valuation per annum - Business		
- Land	0.0160	0.0160
- Improvements	0.0216	0.0216
Tariffs per N\$1 valuation per annum - Residential		
- Land	0.0155	0.0155
- Improvements	0.0216	0.0216

**27 LOANS**

**27.1 External loans**

	<b>2015</b>	<b>2014</b>
	N\$	N\$
<b>Total</b>	<b>261 280</b>	<b>277 275</b>

Instalments in arrears amounted to N\$ 1 990 561 (2014: N\$ 1 323 360).

**27.2 Internal loans**

<b>Total</b>	<b>2015</b>	<b>2014</b>
	N\$	N\$
	-	12 853

**27.3 Housing loans**

<b>Total</b>	<b>2015</b>	<b>2014</b>
	N\$	N\$
	5 383 090	5 497 992

**28. SALE OF ERVEN**

The income credited to the income statement amounted to N\$ 15 569 (2014: N\$ 22 700).

**29. LOCAL AUTHORITY PROPERTY SOLD ON AN INSTALMENT BASIS**

No details of houses sold on an installment basis during the financial year under review could be provided.

**30. TARIFF ADJUSTMENTS**

Council approved tariff adjustments which was made during the year is in line with the government gazette.

**31. APPROVALS**

Approvals for all over expenditure were obtained.

**32. INVENTORY AND EQUIPMENT**

**32.1 Motor vehicle and values thereof**

	<b>Passenger vehicles LDV's and Kombi's</b>		<b>Heavy vehicles Lorries Trucks and Tankers</b>	
	<b>Number</b>	<b>Value</b>	<b>Number</b>	<b>Value</b>
Balance 01/07/2014		N\$		N\$
Adjustment	7	1 412 197	9	732 881
Depreciation	(1)	(921 470)	(2)	915 119
		(98 145)		(329 600)
Balance 30/06/2015	<b>6</b>	<b>392 582</b>	<b>7</b>	<b>1 318 400</b>

### **32.2 Inventory**

Livestock inventory on hand has value amounted to N\$ 404 260 (2014: N\$ 603 400).

### **33. SPECIAL INVESTIGATIONS**

No comment regarding special investigation was presented by the Council.

### **34. GENERAL**

There is not a sufficient system of internal control at the Village Council. Proper segregation of duties is not possible due to the small number of staff employed. While increased management involvement does not reduce risks, it causes the risk that management and Council override existing controls a potentially dangerous practice, which Council should vigilantly guard against.

### **35. FORMAL AND INFORMAL QUERIES**

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

**35.2** Informal queries were communicated to the Council.



**VILLAGE COUNCIL OF BETHANIE  
BALANCE SHEET AS AT 30 JUNE**

	Note	2015 N\$	2014 N\$
<b>ASSETS</b>			
NON CURRENT ASSETS			
Property plant and equipment	2	15 035 546	15 314 672
Investments	3	14 803 633	15 314 672
		231 913	-
CURRENT ASSETS			
Trade and other receivables	4	6 793 950	10 859 206
Inventory - Livestock		6 389 690	10 481 056
		404 260	378 150
<b>TOTAL ASSETS</b>		<b>21 829 496</b>	<b>26 173 878</b>
<b>FUNDS AND LIABILITIES</b>			
FUNDS AND RESERVES			
Capital outlay	6	15 544 326	21 319 441
Funds and accounts	7	14 497 191	14 992 235
		1 047 135	6 327 206
NON-CURRENT LIABILITIES			
Long-term liabilities	8	261 280	277 275
		261 280	277 275
CURRENT LIABILITIES			
Trade and other payables	9	6 023 890	4 577 162
Bank overdraft	5	5 310 880	4 195 210
		713 010	381 952
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>21 829 496</b>	<b>26 173 878</b>

## ANNEXURE B

**VILLAGE COUNCIL OF BETHANIE  
 INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE**

	Note	2015 N\$	2014 N\$
INCOME		10 489 411	9 330 032
EXPENDITURE		(11 658 098)	(10 407 039)
NET OPERATING DEFICIT		(1 168 687)	(1 077 007)
INTEREST ON INVESTMENTS		7 987	-
NET DEFICIT AFTER INTEREST		(1 160 700)	(1 077 007)
APPROPRIATION ACCOUNT	10	(5 291 908)	1 209 015
NET SURPLUS/(DEFICIT) FOR THE YEAR		(6 452 608)	132 008
REVENUE ACCOUNT - Beginning of the year		422 574	290 566
REVENUE ACCOUNT - End of the year		<b>(6 030 034)</b>	<b>422 574</b>

**VILLAGE COUNCIL OF BETHANIE**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE**

	<b>Note</b>	<b>2015</b>	<b>2014</b>
		N\$	N\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		10 489 411	9 330 032
Cash paid to suppliers		(11 769 080)	(11 604 747)
Cash utilised by operations	11	(1 279 669)	(2 274 715)
Interest received		7 987	-
Increase/(decrease) in Fund accounts		1 172 537	(719 404)
(Decrease)/Increase in capital outlay		(495 044)	1 520 780
Net cash flow from operating activities		(594 189)	(1 473 339)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net capital expenditure		511 039	1 533 001
Increase in investments		(231 913)	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Decrease in long-term loans		(15 995)	(12 221)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(331 058)	47 441
Cash and cash equivalents at the beginning of the year		(381 952)	(429 393)
Cash and cash equivalents at the end of the year	5	<b>(713 010)</b>	<b>(381 952)</b>

**VILLAGE COUNCIL OF BETHANIE****NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE**

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**1. ACCOUNTING POLICIES****1.1 Basis of presentation**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment properties where appropriate.

**1.2 Property, plant and equipment and depreciation**

All plant and equipment are initially recorded at cost. Cost includes all costs directly attributable to bringing the assets to working condition for their intended use. All other plant and equipment are stated carrying value or valuation where applicable.

**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 comprise cash in hand, deposits held at call with banks and investments in money market instruments net of bank overdrafts. In the balance sheet, bank overdrafts are included in current liabilities.

**1.4 Internal Funds**

The following Funds were created by the Village Council:

**1.4.1 Capital Reserve Fund**

The purpose of this Fund is to provide for replacement of movable assets.

**1.4.2 Housing Fund**

The purpose of this Fund is to provide for housing loans. Income to this Fund is transferred from the general income account, external loans from Government and interest on investments and loans.

**VILLAGE COUNCIL OF BETHANIE**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE**  
**(Continued)**

**2. PROPERTY PLANT AND EQUIPMENT**

	<b>2015</b>	<b>2014</b>
	N\$	N\$
Property development vehicles plant and equipment	<b>14 803 633</b>	<b>15 314 672</b>

**3. INVESTMENTS**

Commercial banks	<b>231 913</b>	<b>56 471</b>
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The investments were allocated as follows:

Build Together Fund	60 628	-
Capital Reserve Fund	171 285	-
Revenue section	-	56 471
	<b>231 913</b>	<b>56 471</b>

**4. TRADE AND OTHER RECEIVABLES**

Services	5 629 610	5 142 049
Consumer deposits	(25 197)	(13 922)
Build Together advances	5 383 090	5 497 992
Receiver of Revenue - VAT	32 184	268 408
Suspense accounts	4 821	139 605
Provision for bad debts	(4 634 818)	(553 076)
	<b>6 389 690</b>	<b>10 481 056</b>

**5. CASH AND BANK BALANCES**

Current bank account	(713 010)	(381 952)
	<b>(713 010)</b>	<b>(381 952)</b>

**6. CAPITAL OUTLAY**

Loans redeemed	137 319	121 325
Revenue contributions	7 826 727	7 904 924
General Capital contributions	6 533 145	6 965 986
	<b>14 497 191</b>	<b>14 992 235</b>

## ANNEXURE D

## VILLAGE COUNCIL OF BETHANIE

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

## 7. FUNDS AND ACCOUNTS

	<b>2015</b>	<b>2014</b>
	N\$	N\$
Capital Reserve Fund	1 327 266	1 327 266
Student Loan Fund	12 853	12 853
Build Together Fund	5 737 050	4 564 513
Revenue account kept in compliance with Section 86(1) of the Local Authority Act, 1992.	(6 030 034)	422 574
	<b>1 047 135</b>	<b>6 327 206</b>

## 8. LONG-TERM LIABILITIES

External loans	<b>261 280</b>	<b>277 275</b>
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## 9. TRADE AND OTHER PAYABLES

Trade payables	444 009	442 409
Other payables	2 129 376	2 261 622
Provisions	710 832	101 314
Arrear installments on Government loans	1 990 561	1 323 359
Control account	-	66 506
Sundry creditors	36 102	-
	<b>5 310 880</b>	<b>4 195 210</b>

## 10. ADJUSTMENTS TO APPROPRIATION ACCOUNT

Prior year adjustments	(1 571 643)	1 209 015
Provision for bad debts	(4 081 742)	-
Unexplained difference on opening balance	361 477	-
	<b>(5 291 908)</b>	<b>1 209 015</b>

**VILLAGE COUNCIL OF BETHANIE**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE**  
**(Continued)**

**11. CASH UTILISED BY OPERATIONS**

	<b>2015</b>	<b>2014</b>
	N\$	N\$
Net deficit before adjustments and interest received	(1 168 687)	(1 077 007)
Adjustments for:		
Adjustments to appropriation account	(5 291 908)	1 209 015
Unexplained adjustments	-	(3 003 745)
<b>OPERATING DEFICIT BEFORE CHANGES IN WORKING CAPITAL</b>	<b>(6 460 595)</b>	<b>(2 871 737)</b>
<b>CHANGES IN WORKING CAPITAL:</b>		
Decrease/(increase) in trade and other receivables	4 091 366	(60 342)
(Increase)/decrease in inventories	(26 110)	148 450
Increase in trade and other payables	1 115 670	508 914
	5 180 926	597 022
<b>CASH UTILISED BY OPERATIONS</b>	<b>(1 279 669)</b>	<b>(2 274 715)</b>

