



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE**  
**VILLAGE COUNCIL OF WITVLEI**  
**FOR THE FINANCIAL YEARS ENDED 30 JUNE 2010 AND 2011**

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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 Witvlei for the financial years ended 30 June 2010 and 2011, 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 2014**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
VILLAGE COUNCIL OF WITVLEI  
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2010 AND 2011**

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**1. INTRODUCTION**

The accounts of the Village Council of Witvlei for the years ended 30 June 2010 and 2011 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 NC Tromp Accountants of Windhoek has been appointed 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 off to the nearest Namibia Dollar. Deficits are indicated in brackets.

**2. FINANCIAL STATEMENTS**

The Village 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 finalised on 19 April 2013 instead of six months after the year-end 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 sheets at Annexure A are a true reflection of the original signed by the Accounting Officer.

The financial statements also include:

Annexure B: Income statements

Annexure C: Cash flow statements

Annexure D: Notes to the financial statements

**3. SCOPE OF THE AUDIT**

***Management's responsibility for the financial statements***

The Accounting Officer of the Village 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 controls 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 complies with ethical requirements and plans and performs the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

#### **4. AUDIT OBSERVATION AND COMMENTS**

##### **4.1 Internal control and accounting records**

There was no sufficient system of internal control at the Village Council on which the auditors could rely upon for audit purposes.

##### **4.2 Property, plant and equipment**

No list of assets or fixed asset register were available at the time of the audit.

No depreciation was calculated on plant and equipment and no evidence of insurance could be provided by the Council.

##### **4.3 Trade receivables**

No debtors list or age analysis were available at the time of the audit. It was also noted that the Council did not provide for doubtful debts. It is advised that Council should prepare a debtors list/age analysis and provide for possible bad debts in future.

No listing for housing fund debtors was available and the auditors thus could not verify the housing fund balance to their satisfaction.

##### **4.4 Inventories**

No provision for inventories was made in the financial statements of the Village Council. Due to poor record keeping at the Village Council the auditors were unable to calculate the estimated amount of inventories.

##### **4.5 Trade and other payables**

At the time of the audit no list of creditors or creditors age analysis could be provided.

No adjustment was made in the financial statements to reflect the P.A.Y.E. and VAT liabilities.

No records for the provision for VAT control account was available at the Village Council and the auditors were thus unable to verify anything on the VAT account. The Council must reconcile its ledger balance with the Receiver of Revenue records.

The provision for leave pay balance was nil. The auditors suggest a calculated leave provision in the financial statements.

It is noted that no provision was made for the Employee Benefits - Payment on retirement. The auditors suggest that a calculation been done and provided for in the financial statements.

##### **4.6 Consumer deposits**

No details of consumer deposits are available at the Village Council.

##### **4.7 Salaries**

The PAYE calculated on the employees salaries are not correct and was deducted incorrect. The PAYE is not paid over timeously to the authorities. The auditors suggest proper calculations should be done and the monies paid over according to the law.

##### **4.8 Liquidity position**

Although current ratio appears to be adequate on the face of the balance sheet, the estimated fair value of the debtors book could not be calculated. The non-payment of the GRN loan and the under statement of creditors can result in a negative current ratio and lead to the non-payment of liabilities.

#### 4.9 Minutes of meetings

The minutes of meetings provided for audit purposes were not complete.

#### 5. ACKNOWLEDGEMENT

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

#### 6. FINANCIAL RESULTS

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

	<b>Revenue</b>	<b>Expenditure</b>	<b>Surplus/ (Deficit)</b>	<b>Balance</b>
	N\$	N\$	N\$	N\$
Accumulated deficit 01/07/2010				(175 600)
General accounts				
- Non-profitable	2 576 501	2 616 954	(40 453)	
- Self-supporting	230 180	-	230 180	
Trade accounts				
- Water	531 765	797 436	(265 671)	
- Electricity	858 933	884 335	(25 402)	
Deficit for the year	4 197 379	4 298 725	(101 346)	(101 346)
Adjustments and utilisations				(276 946)
				(328 443)
Accumulated deficit 30/06/2011				<b>(605 389)</b>

	<b>Revenue</b>	<b>Expenditure</b>	<b>Surplus/ (Deficit)</b>	<b>Balance</b>
	N\$	N\$	N\$	N\$
Accumulated surplus 01/07/2009				241 694
General accounts				
- Non-profitable	2 597 500	2 994 150	(396 650)	
- Self-supporting	201 781	-	201 781	
Trade accounts				
- Water	429 557	295 945	133 612	
- Electricity	534 773	850 809	(316 036)	
Deficit for the year	3 763 611	4 140 904	(377 293)	(377 293)
Adjustments and utilisations				(135 599)
				(40 001)
Accumulated deficit 30/06/2010				<b>(175 600)</b>

#### 7. CURRENT BANK ACCOUNT

According to the Village Council the bank balances at year-end were N\$ 29 341: 2009 and N\$ 32 313: 2008.

## 8. INVESTMENTS AND INTEREST PROCEEDS

According to the financial statements of the Council there were N\$ 731 739: 2011 and N\$ 805 152: 2010 invested at year-end. These investments could not be confirmed due to lack of documentation.

The investments as at 30 June were as follow:

<b>Institution</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	N\$	N\$	N\$
Housing Fund	731 739	805 152	986 778
Capital Reserve Fund	-	-	380 160
<b>Totals</b>	<b>731 739</b>	<b>805 152</b>	<b>1 366 938</b>

The investments were allocated as follow:

<b>Allocation</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	N\$	N\$	N\$
Housing Fund	731 739	805 152	986 778
Capital Reserve Fund	-	-	380 160
	<b>731 739</b>	<b>805 152</b>	<b>1 366 938</b>

## 9. FUND ACCOUNTS

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

## 10. TRADE ACCOUNTS

### 10.1 The results of electricity and water operations were as follow:

	<b>Electricity</b>		<b>Water</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	N\$	N\$	N\$	N\$
Sales	858 933	534 773	531 765	429 557
Cost of sales	(884 335)	(850 809)	(797 436)	(295 945)
Gross (loss)/ profit	(25 402)	(316 036)	(265 671)	133 612
Net expenditure	-	-	-	-
<b>Net (deficit)/surplus</b>	<b>(25 402)</b>	<b>(316 036)</b>	<b>(265 671)</b>	<b>133 612</b>
Gross (loss)/profit percentages on sales	(3)	(59.1%)	(50.0%)	31.1%
Net (loss)/profit percentage on sales	(3)	(59.1%)	(50.0%)	31.1%

	<b>Electricity</b>		<b>Water</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	N\$	N\$	N\$	N\$
Sales	534 773	439 448	429 557	390 894
Cost of sales	(850 809)	(315 270)	(295 945)	(850 864)
Gross (loss)/profit	(316 036)	124 178	133 612	(459 970)
Net expenditure	-	-	-	-
<b>Net (deficit)/surplus</b>	<b>(316 036)</b>	<b>124 178</b>	<b>133 612</b>	<b>(459 970)</b>
Gross (loss)/profit percentages on sales	(59)	28.3%	31.1%	(117.7%)
Net (loss)/profit percentage on sales	(59)	28.3%	31.1%	(117.7%)

The cost of sales of water includes interest charge on the overdue account at Namwater, and is thus overstated.

## 10.2 Water distribution results, in cubic meters

No statistics were kept by the Village Council to calculate the distribution losses. The Village Council, in future, must record the cubic meters sold and purchased to calculate distribution losses.

## 11. SELF-SUPPORTING SERVICES

### 11.1 The result for the years under review are as follows:

	<b>Income 2011</b>	<b>Surplus/ (Deficit) 2011</b>	<b>Surplus/ (Deficit) 2010</b>
Housing	N\$ 50 660	N\$ 50 660	N\$ 40 017
Sewerage and cleansing services	179 520	179 520	161 764
	<b>230 180</b>	<b>230 180</b>	<b>201 781</b>

	<b>Income 2010</b>	<b>Surplus/ (Deficit) 2010</b>	<b>Surplus/ (Deficit) 2009</b>
Housing	N\$ 40 017	N\$ 40 017	N\$ 37 672
Sewerage and cleansing services	161 764	161 764	131 566
	<b>201 781</b>	<b>201 781</b>	<b>169 238</b>

## 12. FRUITLESS, UNAUTHORIZED OR AVOIDABLE EXPENDITURE

No fruitless, unauthorised or avoidable expenditure was incurred during the years under review.

## 13. SUSPENSE ACCOUNTS

There are no suspense accounts except as reflected in the financial statements for the years under review.

## 14. IRREGULARITIES AND LOSSES

No irregularities and losses were incurred by the Village Council for the years under review.

## 15. CAPITAL PROJECTS

According to the financial statements of the Council no expense of a capital nature was incurred during the years under review.

## 16. BURSARIES

No bursaries were granted by the Village Council for the years under review.

## 17. CONTRIBUTIONS, GRANTS AND FINANCIAL AID.

According to financial statements of the Council, contribution from Government amounted to N\$ 1 500 000: 2011 and N\$ 1 293 478: 2010. The auditors could not verify this due to a lack of documentation.

## 18. COMPENSATION PAYMENTS

No compensation payments were claimed against the Village Council for the years under review.

**19. VISITS TO FOREIGN COUNTRIES**

There were no visits to foreign countries during the years under review.

**20. CLAIMS AGAINST THE LOCAL AUTHORITY**

There were no claims against the Village Council for the years under review.

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

There were no such expenses for the years under review.

**22. TRANSFER OF PROPERTY**

No property was sold and transferred during the years under review

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

**23.1 Trade and other receivables at 30 June were:**

	<b>2011</b>	<b>2010</b>	<b>2009</b>
	N\$	N\$	N\$
Services	1 321 793	1 086 770	791 131
Assessment rates	1 323 546	1 312 498	1 077 949
<b>Total</b>	<b>2 645 339</b>	<b>2 399 268</b>	<b>1 869 080</b>

No debtors list or age analysis were available at the time of the audit. It was also noted that the Council did not provide for doubtful debts. It is advised that the Council should prepare a debtors list/age analysis and provide for possible bad debts in future.

No list of debtors was available and the auditors thus could not verify the debtor balance to their satisfaction.

**23.2 Trade and other payables at 30 June were:**

	<b>2011</b>	<b>2010</b>	<b>2009</b>
	N\$	N\$	N\$
Trade payables	2 518 159	1 936 877	1 720 710
Deposits	10 490	10 990	10 990
<b>Totals</b>	<b>2 528 649</b>	<b>1 947 867</b>	<b>1 731 700</b>

No list of creditors was available and the auditors thus could not verify the creditor balance to their satisfaction.

**24. ASSESSMENT RATES**

No documentation was available for the years under review.

**25. LOANS**

**25.1 External loans**

	<b>2011</b>	<b>2010</b>	<b>2009</b>
	N\$	N\$	N\$
GRN	1 257 379	1 257 379	1 257 379



**25.2 Due to the Village Council**

None.

**25.3 Loans written off**

No loans were written off during the years under review.

**26. SALE OF ERVEN**

Due to non-availability of sale of erven register, this information is not available.

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

No erven were sold on an instalment basis during the years under review.

**28. TARIFF ADJUSTMENTS**

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

**29. APPROVALS**

**29.1 Excess on approved budget**

There was no excess on approved budget for the years under review.

**29.2 Internal loans**

There were no internal loans for the years under review.

**29.3 Revenue written off**

No revenue was written off during the years under review.

**30. INVENTORY AND EQUIPMENT**

No fixed asset register was available at the time of the audit.

**30.2 Inventory**

No inventory records were available for the years under review.

**31. SPECIAL INVESTIGATIONS**

No special investigations were performed for the years under review.

**32. 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 the Council should vigilantly guard against.

### **33. FORMAL AND INFORMAL QUERIES**

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

**33.2** Informal queries

#### **Supporting documentation**

Some of the supporting documentation to verify the expenses could not be obtained.

#### **Water distribution in units**

No statistics were kept by the Village Council to calculate the distribution losses. The Village Council, in future, must record the cubic meters sold and purchase to calculate distribution losses.

#### **Sale of erven**

No Sale of Erven Register was kept at the Village Council.

#### **VAT returns**

No evidence could be obtained for VAT returns submitted to inland revenue.

### **34. DISCLAIMED AUDIT OPINION**

The accounts of the Village Council of Witvlei for the financial years ended 30 June 2011 and 2010, summarised in Annexures A to D, were audited by me in terms of Section 85 of the Local Authorities Act, 1992, read with Section 25(1)(b) of the State Finance Act, 1991.

I am unable to express an audit opinion due to the following reasons:

- No internal control system exists;
- No asset register exists;
- No debtors list exist;
- No inventories list exists;
- No list of creditors could be provided;
- No details of consumer deposits were provided; and
- PAYE was wrongly calculated.

**WINDHOEK, December 2014**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## VILLAGE COUNCIL OF WITVLEI

## BALANCE SHEETS AS AT 30 JUNE 2010 AND 2011

	Notes	2011 N\$	2010 N\$	2009 N\$
<b>ASSETS</b>				
NON CURRENT ASSETS				
		5 77 481	5 133 179	4 579 637
Property, plant and equipment	2	5 065 742	4 328 027	3 212 699
Investments	3	731 739	805 152	1 366 938
CURRENT ASSETS				
		2 674 680	2 431 581	1 961 745
Trade and other receivables	4	2 645 339	2 399 268	1 869 080
Bank and cash	5	29 341	32 313	92 665
<b>TOTAL ASSETS</b>				
		<b>8 472 161</b>	<b>7 564 760</b>	<b>6 541 382</b>
<b>FUNDS AND LIABILITIES</b>				
FUNDS AND RESERVES				
		4 686 133	4 359 514	3 552 303
Capital outlay	6	3 862 866	3 125 151	2 009 823
Funds and accounts	7	823 267	1 234 363	1 542 480
NON-CURRENT LIABILITIES				
Long-term liabilities	8	1 257 379	1 257 379	1 257 379
CURRENT LIABILITIES				
Trade and other payables	9	2 528 649	1 947 867	1 731 700
<b>TOTAL FUNDS AND LIABILITIES</b>				
		<b>8 472 161</b>	<b>7 564 760</b>	<b>6 541 382</b>

## VILLAGE COUNCIL OF WITVLEI

## INCOME STATEMENTS FOR THE YEARS ENDED 30 JUNE 2010 AND 2011

	<b>2011</b>	<b>2010</b>	<b>2009</b>
	N\$	N\$	N\$
INCOME	4 197 379	3 763 611	3 473 845
EXPENDITURE	(4 298 725)	(4 140 904)	(3 176 238)
NET OPERATING PROFIT	(101 346)	(377 293)	297 607
NET PROFIT FOR THE YEAR	(101 346)	(377 293)	297 607
REVENUE ACCOUNT ADJUSTMENT	(288 442)	(40 001)	72 000
Prior year adjustment	(389 788) (40 001)	(417 294) -	369 607 -
REVENUE ACCOUNT - Beginning of year	(429 789) (175 600)	(417 294) 241 694	(369 607) (127 913)
REVENUE ACCOUNT - End of year	<b>(605 389)</b>	<b>(175 600)</b>	<b>241 694</b>

## VILLAGE COUNCIL OF WITVLEI

## CASH FLOW STATEMENTS FOR THE YEARS ENDED 30 JUNE 2010 AND 2011

	<u>Notes</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
		N\$	N\$	N\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Cash receipts from customers		4 197 379	3 763 611	3 473 845
Cash paid to suppliers		(4 292 457)	(4 494 926)	(2 921 178)
Cash utilised by operations	10	(95 078)	(731 315)	552 667
Movement in Fund accounts				
- Fund accounts		18 693	109 177	6 612
- Capital outlay		737 715	1 115 328	162 462
Net cash flow from operating activities		661 330	493 190	721 741
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Net capital expenditure		(737 715)	(1 115 328)	(162 462)
Increase in investments		73 413	561 786	(514 897)
		(664 302)	(553 542)	(677 359)
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>				
		(2 972)	(60 352)	44 382
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>				
		32 313	92 665	48 283
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>				
	5	<b>29 341</b>	<b>32 313</b>	<b>92 665</b>

## VILLAGE COUNCIL OF WITVLEI

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED  
30 JUNE 2010 AND 2011**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 at historical cost or valuation where applicable.

No depreciation is calculated on property, plant and equipment.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

**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 marked 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 Town Council:

**1.4.1 Fixed Property Fund**

Proceeds from the sale of land, that has been developed by the Town Council, accumulate in this Fund. Costs incurred on the development of land are charged to this Fund.

**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.

**2. PROPERTY, PLANT AND EQUIPMENT**

	<b>2011</b>	<b>2010</b>	<b>2009</b>
		N\$	N\$
Property development, vehicles, plant and equipment	5 065 742	4 328 027	3 212 699
Total	<b>5 065 742</b>	<b>4 328 027</b>	<b>3 212 699</b>

## VILLAGE COUNCIL OF WITVLEI

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED  
30 JUNE 2010 AND 2011 (continued)

	<b>2011</b>	<b>2010</b>	<b>2009</b>
	N\$	N\$	N\$
<b>3. INVESTMENTS</b>			
The investments were allocated as follows:			
Housing Fund	731 739	805 152	986 778
Capital Reserve Fund	-	-	380 160
<b>Total</b>	<b>739 739</b>	<b>805 152</b>	<b>1 366 938</b>
<b>4. TRADE AND OTHER RECEIVABLES</b>			
Services	1 321 793	1 086 770	791 131
Assessment rates	1 323 546	1 312 498	1 077 949
	<b>2 645 339</b>	<b>2 399 268</b>	<b>1 869 080</b>
<b>5. CASH AND BANK BALANCES</b>			
Current bank account	5 821	5 472	(2 992)
Witvlei Namwater joint account	23 514	26 841	95 657
Petty cash	6	-	-
	<b>29 341</b>	<b>32 313</b>	<b>92 665</b>
<b>6. CAPITAL OUTLAY</b>			
Revenue contributions	3 719 856	2 982 141	1 866 813
Loans redeemed	142 990	142 990	142 990
General capital contributions	20	20	20
	<b>3 862 866</b>	<b>3 125 151</b>	<b>2 009 823</b>
<b>7. FUNDS AND ACCOUNTS</b>			
Housing Fund	987 472	987 282	986 777
Capital Reserve Fund	8 006	8 006	8 006
Fixed Property Fund	433 178	414 675	306 003
Revenue account kept in compliance with Section 86(1) of the Local Authorities Act, 1992.	(605 389)	(175 600)	241 694
	<b>823 267</b>	<b>1 234 363</b>	<b>1 542 480</b>

## VILLAGE COUNCIL OF WITVLEI

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED  
30 JUNE 2010 AND 2011 (continued)

	<u>2011</u>	<u>2010</u>	<u>2009</u>
	N\$	N\$	N\$
<b>8. LONG-TERM LIABILITIES</b>			
Government loans	1 257 379	1 257 379	1 257 379
	<b>1 257 379</b>	<b>1 257 379</b>	<b>1 257 379</b>
<b>9. TRADE AND OTHER PAYABLES</b>			
Trade payables	2 518 159	1 936 877	1 720 710
Deposits	10 490	10 990	10 990
	<b>2 528 649</b>	<b>1 947 867</b>	<b>1 731 700</b>
<b>10. CASH UTILISED BY OPERATIONS</b>			
Net operating loss before transfers	(429 789)	(417 294)	369 607
OPERATING INCOME BEFORE CHANGES IN WORKING CAPITAL	(429 789)	(417 294)	369 607
CHANGES IN WORKING CAPITAL			
(Increase)/Decrease in trade and other receivables	(246 071)	(530 188)	(396 274)
Increase in trade and other payables	580 782	216 167	579 334
	334 711	(314 021)	183 060
<b>CASH UTILISED BY OPERATIONS</b>	<b>(95 078)</b>	<b>(731 315)</b>	<b>552 667</b>