



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MUNICIPALITY OF GOBABIS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

Published by authority

Price (Vat excluded) N\$ 27.29
Report no 1037

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 Municipality of Gobabis for the financial year ended 30 June 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, February 2012

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MUNICIPALITY OF GOBABIS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

1. INTRODUCTION

The accounts of the Municipality of Gobabis for the year ended 30 June 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 Mostert Landgrebe of Windhoek has been appointed in terms of Section 26 (2) of the State Finance Act, 1991, to audit the accounts of the Municipality on behalf of the Auditor-General and under his supervision.

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

2. FINANCIAL STATEMENTS

The Municipality'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 at 30 June 2011, Annexure A, is a true reflection of the original.

The financial statements also include:

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 Municipality is responsible for the preparation and fair presentation of these financial statements and for ensuring the regularity of the financial transactions. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them and to report his opinion to the National Assembly. The said firm conducted the audit in accordance with International Standards on Auditing. Those standards require that the firm comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including 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 Payroll related expenses

There is a difference of N\$ 847 546 between the salary register and general ledger. However, it is explained that the difference is due 1/3 of medical aid and pension of retired personnel that are paid through the register. The Council should ensure that monthly reconciliations are performed.

4.2 Inventory control

The auditors noted that only fuel stocks from the Municipality are carried as inventory in its accounting records while other inventory items such as electrical, water and vehicle spare parts are expensed to the Revenue Fund.

The Municipality, bearing in mind the nature of items kept at the stores, exposes itself to the risk of financial loss through stock theft and misappropriation of funds.

4.4 Consumer deposits

Consumer deposits of N\$ 1 115 602 (2010: N\$770 356) were recorded in the annual financial statements. The auditors were unable to satisfy themselves to the adequacy of consumer deposits as the recorded amounts only represent coverage of 6% of consumer debt outstanding for the year under review.

4.5 Fixed asset register

Although required in accordance with Generally Accepted Accounting Practice (GAAP), the accounting system does not make any provision for calculating depreciation on a pro-rata basis. As in previous years, all assets are depreciated annually instead of pro-rata, this practice was consistently applied since the system was introduced and implemented. The fixed asset register also did not agree with the general ledger.

4.6 Going concern

Although the accumulated deficit decreased with an amount of N\$ 263 916 to N\$ 7 518 348 (2010: N\$ 7 782 264) the Council's attention is drawn to the fact that the financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Municipality to continue as a going concern is dependent, amongst others, on the ability of the Council to recover outstanding debts.

4.7 Provision for doubtful debts

Provision made by the Municipality for bad and doubtful debts as per the financial statements were N\$ 9 375 746. The auditors review and considering the poor debt collection on consumer accounts indicate an under-provision of N\$ 8 136 660. It is acknowledge that a significant portion of debt has been handed over to lawyers for collection but to date, no fruitful recoveries have been made. It is recommended that the Municipality should take steps by getting judgments against the listed debtors.

The Municipality should review its provision for bad and doubtful debts at year-end and ensure that it's adequate.

5. ACKNOWLEDGEMENT

The assistance and co-operation by the staff of the Gobabis Municipality 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:

	Revenue	Expenditure	Surplus/ (Deficit)	Balance
	N\$	N\$	N\$	N\$
Accumulated deficit 01/07/2010				(7 782 264)
General accounts				
- Non-profitable	19 994 388	24 717 149	(4 722 761)	
- Self-supporting	6 446 147	5 035 421	1 410 726	
Trade accounts				
- Water	10 577 657	8 113 557	2 464 100	
- Electricity	26 930 358	22 087 914	4 842 444	
Surplus for the year	63 948 550	59 954 041	3 994 509	3 994 509
Adjustments and utilisations (See note 15, Annexure D)				(3 787 755)
				(3 730 593)
Accumulated deficit 30/06/2011				(7 518 348)

7. CURRENT BANK ACCOUNT

7.1 Operational account

	2011	2010
	N\$	N\$
Favourable/(Unfavourable) cash-book balance on 30 June	(485 507)	811 770
Outstanding deposits	(84 788)	(92 826)
Outstanding cheques	3 627 500	50 693
Bank balance at 30 June	3 057 205	769 637

7.2 Smallerland bank account

	2011	2010
	N\$	N\$
Favourable cash-book balance on 30 June	78 875	183 154
Outstanding cheques	27 202	-
Bank balance at 30 June	106 077	183 154

7.3 Build Together bank account

	2011	2010
	N\$	N\$
Favourable cash-book balance on 30 June	276 505	542 629
Outstanding deposit	(189 931)	4 952
Bank balance at 30 June	86 574	547 581

8. INVESTMENTS AND INTEREST PROCEEDS

On 30 June the investments were as follows:

	2011	2010
	N\$	N\$
Commercial banks	5 638 796	3 006 720

The investments were allocated as follows between the Funds:

	2011	2010
	Investment	Investment
	N\$	N\$
Smallerland Fund	1 008 983	1 503 360
Build Together Fund	1 008 983	1 503 360
General capital	1 865 071	-
Revenue	1 755 759	-
	5 638 796	3 006 720

9. FUND ACCOUNTS

The position of the Funds and accounts at year-end was as shown in note 9 in Annexure D.

10. TRADE ACCOUNTS

10.1 The results of operations were as follows:

	Electricity		Water	
	2011	2010	2011	2010
	N\$	N\$	N\$	N\$
Sales	26 785 107	26 377 078	10 534 169	7 558 100
Cost of bulk purchases	(16 850 096)	(12 084 524)	(5 708 944)	(5 528 767)
Gross profit	9 935 011	14 292 554	4 825 225	2 029 333
Net expenditure	(5 092 567)	(1 491 442)	(2 361 125)	(1 642 142)
Net surplus/(deficit)	4 842 444	12 801 112	2 464 100	387 191
Gross profit percentages on bulk purchases	59.0%	118.3%	84.5%	36.7%
Net profit/(loss) percentage on bulk purchases	28.7%	105.9%	43.2%	7.0%

10.2 Distribution results were as follows:

	Electricity		Water	
	2011	2010	2011	2010
	Kw	Kw	m ²	m ²
Sales	-	17 749 249	-	570 636
Purchases	-	21 586 270	-	765 175
Loss	-	(3 837 021)	-	(194 539)
Percentage loss in units purchased	-	(17.8%)	-	(25.4%)

No accurate information could be provided by the by the Council regarding the distribution losses. Council should conduct an investigation into this matter to determine the main reasons pertaining thereto as it was available in the past.

11. SELF SUPPORTING SERVICES

11.1 The result for the year under review is as follows:

	Income	Expenditure	Surplus/ (Deficit)	
	2011	2011	2011	2010
	N\$	N\$	N\$	N\$
Sewerage	2 733 688	1 916 445	817 243	387 007
Sanitation	3 699 499	3 088 382	611 117	450 411
Ongulumbashe quarters	12 960	30 594	(17 634)	(16 983)
Surplus for the year	6 446 147	5 035 421	1 410 726	820 435

12. FRUITLESS, UNAUTHORIZED OR AVOIDABLE EXPENDITURE

There were no such expenses revealed during the audit.

13. SUSPENSE ACCOUNTS

Control accounts were cleared on a regular basis.

14. IRREGULARITIES AND LOSSES

The lack of information to determine distribution losses are of a great concern. (Also see paragraph 10.2.)

15. CAPITAL PROJECTS

The capital acquisitions for the year could not be determined because the fixed asset register does not agree with the general ledger of the Council. The Council should reconcile their fixed asset register with the general ledger at year-end to ensure that correct information is provided to the auditors.

16. BURSARIES

There were no bursaries granted for the year under review.

17. CONTRIBUTIONS, GRANTS AND FINANCIAL AID RECEIVED FROM GOVERNMENT

The audit revealed that there were no contributions, grants or financial aid received from the Government.

18. COMPENSATION PAYMENTS

There were no compensation payments.

19. VISITS TO FOREIGN COUNTRIES

There were no visits to foreign countries.

20. CLAIMS AGAINST THE LOCAL AUTHORITY

There were no claims against the Local Authority.

21. GIFTS/DONATIONS BY THE LOCAL AUTHORITY

21.1 Gifts by the Local Authority

There were no such expenses.

21.2 Donations by the Local Authority

	2011	2010
	N\$	N\$
Sports clubs	10 700	-
Other	10 000	10 900
Schools	6 100	-
Old age home	9 607	-
	36 407	6 500

22. TRANSFER OF PROPERTY

22.1 There were no transfers of property to the Local Authority.

22.2 There were no transfers of property by the Local Authority to others.

23. TRADE AND OTHER RECEIVABLES/PAYABLES

23.1 Trade and other receivables at 30 June were:

	2011	2010
	N\$	N\$
Services	18 498 557	11 559 837
Services - Handed over for collection	7 691 404	7 251 505
Consumer debtors	-	5 600 063
Debtors control	-	3 013 253
Accrued interest	522	148 319
Subsidies	-	2 394 899
Value added tax	4 561 963	3 176 745
Sundry debtors	89 018	209 291
Consumer deposits	(1 115 602)	(770 356)
Provision for doubtful debts	(9 375 746)	(9 375 747)
Total	20 350 116	23 207 809

23.2 Trade and other payables at 30 June were:

	2011	2010
	N\$	N\$
Trade creditors	111 911	3 506 845
Provision for staff leave	2 755 916	1 231 634
Suspense accounts		
Grant - Social housing - Ongulumbashe	-	2 969 664
Government loans - Nossobville	9 716	14 835
Mortgage insurance	-	32 834
Mini sub	-	208 696
Grant - Social housing	-	83 006
Deposits	88 558	122 049
Investment	-	1 529 611
Sundry	71 162	169 254
Totals	3 037 263	9 868 428

24. ASSESSMENT RATES

The approved tariffs for the year were N\$.061517 on land – 100%, N\$.010626 on improvements – 100%, N\$.049213 on land – 80%, N\$.008500 on improvements – 80%, N\$.015379 on land – 25% and N\$.002656 on improvements – 25%.

25. LOANS

25.1 External loans

The balances due to the Government of Namibia were as follows:

	2011	2010
	N\$	N\$
External loans	4 929 716	5 083 548

25.2 Internal loan balances

Internal loans balances are N\$ 13 573 438 (2010: N\$ 14 536 608).

25.3 Loans written off

No loans were written off during the year.

25.4 Housing loans

On 30 June, the amounts outstanding in respect of loans made from the Housing Funds to housing debtors were N\$ 42 111 (2010: N\$ 50 808).

26. SALE OF ERVEN

During the current financial year N\$2 772 828 were received, in cash, for erven sold and was allocated to the Fixed Property Fund.

27. LOCAL AUTHORITY PROPERTY SOLD ON AN INSTALMENT BASIS

No property was sold on an instalment basis during the year.

28. TARIFF ADJUSTMENTS

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

29. APPROVALS

All necessary approvals were obtained.

30. INVENTORY AND EQUIPMENT

30.1 Motor vehicle and values thereof:

The Municipality was unable to provide the auditors with the updated fixed assets register for the year under review. The Council is urged to keep proper records of all assets and provide accurate information to the Office of the Auditor-General. It is also noted that fuel consumption is not calculated. This may create an opportunity for the misuse of the Council's assets.

30.2 Inventory

According to the Municipality, the value of stock on hand at year-end was N\$ 57 162 (2010: N\$ 412 127).

31. SPECIAL INVESTIGATIONS

There were no special investigations carried out during the year.

32. GENERAL

There is a sufficient system of internal control at the Municipality. 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.

33. FORMAL AND INFORMAL QUERIES

33.1 Formal queries are embodied in this report.

33.2 The following informal queries were addressed to the Town Clerk by way of a management letter:

- Deposit on services inadequate
- Bad and doubtful debts
- Incomplete documentation related to the Build Together Fund
- Inventories
- Fixed assets – Depreciation
- Distribution losses

34. QUALIFIED AUDIT OPINION

The accounts of the Municipality of Gobabis for the financial year end 30 June 2011, 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.

A qualified audit opinion is being expressed due to the following reasons:

Financial position

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 realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Accordingly, these financial statements do not include any adjustments relating to the valuation of assets and the classification of liabilities that might be necessary if the Local Authority is unable to continue as a going concern.

Provision for doubtful debts

The provision for doubtful debts is understated by N\$ 8 136 660.

Fixed asset register

The fixed asset register did not balance with the general ledger.

Except for the effects of any adjustments which might have been necessary as referred to in the preceding paragraphs, in my opinion these financial statements fairly present the financial position of the Municipality at 30 June 2011 and the result of its operations and cash flows for the year then ended.

WINDHOEK, February 2012

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

THE MUNICIPALITY OF GOBABIS

BALANCE SHEET AT 30 JUNE

	Notes	2011 N\$	2010 N\$
ASSETS			
Non-current assets			
Property, plant and equipment	2	50 382 201	43 128 967
Investments	3	38 037 540	32 837 425
Secured loans	4	5 638 796	3 006 720
		6 705 865	7 284 822
Current assets			
Trade and other receivables	5	23 706 662	25 789 323
Inventories	6	20 350 116	23 207 809
Loans receivable	7	57 162	412 127
Cash and bank balances	8	3 428 950	631 274
		(129 566)	1 538 113
TOTAL ASSETS		74 088 863	68 918 290
FUNDS AND LIABILITIES			
Funds and reserves			
Capital outlay	9	66 121 884	53 966 314
Funds and accounts	10	21 399 455	16 064 300
		44 722 429	37 902 014
Long-term liabilities	11	4 929 716	5 083 548
Current liabilities			
Trade and other payables	12	3 037 263	9 868 428
Suspense accounts	13	2 867 827	4 738 479
		169 436	5 129 949
TOTAL FUNDS AND LIABILITIES		74 088 863	68 918 290

THE MUNICIPALITY OF GOBABIS

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE

	Notes	2011	2010
		N\$	N\$
INCOME		63 910 575	60 089 320
EXPENDITURE		(59 836 241)	(53 630 388)
NET OPERATING SURPLUS		4 074 334	6 458 932
INVESTMENT INCOME EARNED FOR REVENUE ACCOUNTS		37 975	148 936
NET SURPLUS FOR THE YEAR		4 112 309	6 607 868
TRANSFER TO FUNDS	14	(117 800)	-
		3 994 509	6 607 868
APPROPRIATION ACCOUNT	15	(3 730 593)	554 486
		263 916	7 162 354
ACCUMULATED FUNDS - Beginning of the year		(7 782 264)	(14 944 618)
ACCUMULATED FUNDS - End of the year		(7 518 348)	(7 782 264)

THE MUNICIPALITY OF GOBABIS

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE

	Note	2011 N\$	2010 N\$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		63 910 575	60 089 320
Cash paid to suppliers		(70 100 817)	(65 177 535)
Cash utilised by operations	16	(6 190 242)	(5 088 215)
Investment income		37 975	148 936
Movement in Fund accounts			
- Increase in Fund accounts		6 556 499	2 391 280
- Increase in capital outlay		5 335 155	330 577
Net cash flow from operating activities		5 739 387	(2 217 422)
CASH FLOW FROM INVESTING ACTIVITIES			
Net capital (expenditure)/income		(5 200 115)	703 442
(Increase)/decrease in investments		(2 632 076)	1 118 708
Decrease/(increase) in loans receivable		578 957	(796 158)
		(7 253 234)	1 025 992
CASH FLOW FROM FINANCING ACTIVITIES			
Decrease in long-term liabilities		(153 832)	(138 373)
		(153 832)	(138 373)
DECREASE IN CASH AND CASH EQUIVALENTS		(1 667 679)	(1 329 803)
CASH AND CASH EQUIVALENTS			
- BEGINNING OF THE YEAR		1 538 113	2 867 916
CASH AND CASH EQUIVALENTS			
- END OF THE YEAR		(129 566)	1 538 113

THE MUNICIPALITY OF GOBABIS

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

1. ACCOUNTING POLICIES**1.1 Introduction**

The annual financial statements set out in Annexures A to C were prepared on the historical cost basis and incorporate the following principal accounting policies, which are consistent in all material aspects with those applied in the previous year.

1.2 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 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.

	<u>2011</u>	<u>2010</u>
	N\$	N\$
2. PROPERTY, PLANT AND EQUIPMENT		
Loan assets	20 857 378	23 566 308
Income assets	3 481 198	3 370 864
General capital assets	13 698 964	5 900 253
	<u>38 037 540</u>	<u>32 837 425</u>

3. INVESTMENTS

INVESTMENTS

Commercial banks	<u>5 638 796</u>	<u>3 006 720</u>
------------------	-------------------------	-------------------------

ALLOCATED TO FUNDS

Smallingerland Fund	1 008 983	1 503 360
Build Together Fund	1 008 983	1 503 360
General capital	1 865 071	-
Revenue	1 755 759	-
	<u>5 638 796</u>	<u>3 006 720</u>

4. SECURED LOANS

Smallingerland Fund	4 411 820	4 372 921
Build Together Fund	2 251 934	2 861 093
Housing Fund	42 111	50 808
	<u>6 705 865</u>	<u>7 284 822</u>

THE MUNICIPALITY OF GOBABIS

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

	2011	2010
	N\$	N\$
5. TRADE AND OTHER RECEIVABLES		
Services	18 498 557	11 559 837
Services - Handed over for collection	7 691 404	7 251 505
Consumer debtors	-	5 600 063
Debtors control	-	3 013 253
Accrued interest	522	148 319
Subsidies	-	2 394 899
Value added tax	4 561 963	3 176 745
Sundry debtors	89 018	209 291
Consumer deposits	(1 115 602)	(770 356)
Provision for doubtful debts	(9 375 746)	(9 375 747)
	20 350 116	23 207 809
6. INVENTORY		
Comprising of consumable stores	57 162	412 127
7. LOANS RECEIVABLE		
Study loans	476 779	457 371
Erf loans	2 939 539	166 712
Personnel loans	12 632	7 191
	3 428 950	631 274
8. CASH AND BANK BALANCES		
Current bank account	(130 126)	1 537 553
Petty cash	560	560
	(129 566)	1 538 113
9. CAPITAL OUTLAY		
Loans redeemed	4 219 293	6 702 986
Revenue contributions	3 481 198	3 461 061
General Capital contributions	13 698 964	5 900 253
	21 399 455	16 064 300

THE MUNICIPALITY OF GOBABIS

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

	2011	2010
	N\$	N\$
10. FUNDS AND ACCOUNTS		
HIV/AIDS Small Grant Fund	1 904	1 405
Betterment Fund	855 179	821 075
Build Together Fund	3 833 446	4 907 343
Capital Reserve Fund	11 760 689	11 227 286
Fixed Property Fund	23 750 558	17 157 592
Housing Fund	2 929 889	2 862 222
Renewal Fund	1 824 529	1 788 778
Sanitation Revolving Fund	107 434	89 750
Smallerland Fund	6 435 507	6 059 696
Study Loan Fund	476 779	534 268
Tariff Stabilization Fund	264 863	234 863
Revenue account kept in compliance with Section 86(1) of the Local Authorities Act, 1992.	(7 518 348)	(7 782 264)
	44 722 429	37 902 014
11. LONG-TERM LIABILITIES		
External loans	4 929 716	5 083 548
12. TRADE AND OTHER PAYABLES		
Trade creditors	111 911	3 506 845
Provisions	2 755 916	1 231 634
	2 867 827	4 738 479
13. SUSPENSE ACCOUNTS		
Grant - Social housing - Ongulumbashe	-	2 969 664
Government loans - Nossobville	9 716	14 835
Mortgage insurance	-	32 834
Mini sub	-	208 696
Grant - Social housing	-	83 006
Deposits	88 558	122 049
Investment	-	1 529 611
Sundry	71 162	169 254
	169 436	5 129 949
14. TRANSFER TO FUNDS		
Capital Reserve Fund	87 800	-
Tariff Stabilisation Fund	30 000	-
	117 800	-

THE MUNICIPALITY OF GOBABIS

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

	2011	2010
	N\$	N\$
15. ADJUSTMENTS TO APPROPRIATION ACCOUNT		
VAT adjustment	484 863	-
Unknown adjustments	(4 215 456)	554 486
	(3 730 593)	554 486
16. CASH UTILISED BY OPERATIONS		
NET OPERATING SURPLUS BEFORE TRANSFERS	4 112 309	6 607 868
ADJUSTMENTS FOR:		
- Adjustments to appropriation account	(3 730 593)	554 486
- Transfers to Funds	(117 800)	-
- Investment income	(37 975)	(148 936)
OPERATING DEFICIT BEFORE CHANGES IN WORKING CAPITAL	225 941	7 013 418
CHANGES IN WORKING CAPITAL		
Decrease/(increase) in trade and other receivables	2 857 693	(10 185 358)
Decrease/(increase) in inventories	354 965	(114 207)
Increase in loans receivable	(2 797 676)	(65 975)
Decrease in trade and other payables	(1 870 652)	(1 335 396)
Decrease in suspense accounts	(4 960 513)	(400 697)
	(6 416 183)	(12 101 633)
CASH UTILISED BY OPERATIONS	(6 190 242)	(5 088 215)