



REPUBLIC OF NAMIBIA

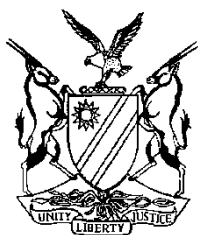


**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MUNICIPALITY OF GROOTFONTEIN
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012**

Published by authority

Price (Vat excluded) N\$ 29.19
Report no 14/2013

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 Grootfontein for the financial year ended 30 June 2012, 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, January 2013

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MUNICIPALITY OF GROOTFONTEIN
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012**

1. INTRODUCTION

The accounts of the Municipality of Grootfontein for the year ended 30 June 2012 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. Deficits are indicated in brackets.

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 Annexure A is a true reflection of the original signed by the Accounting Officer.

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 misstatements, 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, plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

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 Recoverability of consumer debtors - Bad and doubtful debts

The average collection period of trade receivables, before taking the provision for bad debts into account, is 700 days (2011 - 711 days). The average collection period of trade receivables, after taking the provision for bad debts into account, is 90 days (2011 - 63 days). The Council should attend to the arrears as a matter of urgency. Based on an average collection period of 60 days, the auditors are of the opinion that the provision for bad debts are understated by N\$ 2 106 510.

5. ACKNOWLEDGEMENT

The assistance and co-operation by the staff of the Grootfontein 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 on 01/07/2011				(2 448 162)
General accounts				
- Non-profitable services	10 678 442	24 679 595	(14 001 153)	
- Self-supporting services	20 808 659	13 375 109	7 433 550	
Trade accounts				
- Electricity	7 860 841	34 188	7 826 653	
- Water	10 079 869	6 037 452	4 042 417	
Surplus for the year	49 427 811	44 126 344	5 301 467	5 301 467
				2 853 305
Adjustments and utilisations (Note 11 Annexure D)				874 671
Accumulated surplus on 30/06/2012				3 727 976

7. CURRENT BANK ACCOUNT

	2012	2011
	N\$	N\$
Cash-book balance at 30 June - Balance sheet	2 775 181	2 637 783
Outstanding cheques	1 471 696	966 648
Outstanding deposits	(141 108)	(50 702)
Balance as per bank statement	4 105 769	3 553 729

8. INVESTMENTS

The investments as at 30 June were as follows:

Institution	2012	2011
	N\$	N\$
Commercial banks	32 269 765	16 334 974
CENORED	28 804 555	28 804 555
	61 074 320	45 139 529
Distribution		
Build Together Fund	28 192 283	14 517 147
Renewal Fund	4 077 482	1 817 827
Revenue	28 804 555	28 804 555
	61 074 320	45 139 529

9. FUND ACCOUNTS

The position of the Funds and accounts at year-end was as shown in note 8 in Annexure D.

10. TRADE ACCOUNT

10.1 The results of water operations were as follows:

	2012	2011
	N\$	N\$
Sales	9 992 879	9 129 068
Cost of sales	-	-
Gross surplus	9 992 879	9 129 068
Other income/(expenses)	(5 950 462)	(4 497 416)
Net (deficit)/surplus	4 042 417	4 631 652
Gross surplus percentages on sales	100.0%	100.0%
Net surplus percentage on sales	40.5%	50.7%

11. SELF-SUPPORTING SERVICES

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

Service	Income 2012	Expenses 2012	Surplus/ (Deficit) 2012	Surplus/ (Deficit) 2011
	N\$	N\$	N\$	N\$
House rentals	760 523	227 868	532 655	493 318
Single quarters	12 051 601	1 824 508	10 227 093	859 547
Abattoir	454 587	2 242 228	(1 787 641)	(785 839)
Cleansing	5 149 311	7 426 104	(2 276 793)	910 504
Sewerage	2 392 637	1 654 401	738 236	(1 183 884)
	20 808 659	13 375 109	7 433 550	293 646

The Council should address the loss making services to make them self-supporting.

12. FRUITLESS, UNAUTHORIZED OR AVOIDABLE EXPENDITURE

No fruitless, unauthorized or avoidable expenditure was revealed during the audit.

13. SUSPENSE ACCOUNTS

The suspense accounts contain no long outstanding transactions. These accounts are properly maintained, controlled and reconciled on a regular basis.

14. IRREGULARITIES AND LOSSES

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

15. CAPITAL PROJECTS

The following were spend on capital projects:

Nature of projects/acquisitions	Financed by		Total expenditure 2012	Total expenditure 2011
	Revenue account	Internal loans		
	N\$	N\$	N\$	N\$
Administration	10 966	-	10 966	12 705
Cemetery	1 500	-	1 500	45 956
Civic buildings	-	19 894	19 894	-
Council general expenses	-	-	-	255 289
Health	5 865	-	5 865	4 348
Parks and gardens	-	2 372 401	2 372 401	-
Sanitation	-	-	-	134 783
Sewerage	-	49 898	49 898	23 728
Show and sport grounds	-	8 494	8 494	162 203
Single quarters	-	256 989	256 989	470 099
Town Clerks	17 181	-	17 181	-
Town engineers	945 744	4 200	949 944	223 341
Town treasurer	8 021	-	8 021	12 979
Townlands	-	-	-	98 442
	989 277	2 711 876	3 701 153	1 443 873

16. STUDY LOANS/BURSARIES

No bursaries were granted during the year under review.

18. COMPENSATION PAYMENTS

A compensation payment of N\$ 10 704 was made.

19. VISITS TO FOREIGN COUNTRIES

China and Sweden were visited.

20. CLAIMS AGAINST THE LOCAL AUTHORITY

There were no claims against the local authority.

21. GIFTS/DONATIONS BY THE LOCAL AUTHORITY

The Municipality made the following gifts/donations:

Nature of gift/donation	Beneficiary	Value
		N\$
Donation	Samalindi Primary School	500
Donation	Wilhelm Nortier Primary School	500
Donation	Grootfontein Secondary School	500
Donation	Fridrich Awaseb Secondary School	500
Donation	St-Isidor RC Primary School	500
Donation	Makalani Primary School	500
Donation	Luiperdheuwel Primary School	500
Donation	Kalenga Primary School	500
Donation	Omulunga Primary School	500
Donation	Duetsche Schulerherm	500
Donation	Makalani Meals - Christmas for Pensioners	13 600
Donation	Bothma Trading - Christmas for Pensioners	26 232
Free services	Elders and distitute persons	426 068
		470 900

22. TRANSFER OF PROPERTY

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

23. TRADE AND OTHER RECEIVABLES/PAYABLES

23.1 Trade and other receivables at 30 June were:

	2012	2011
	N\$	N\$
Services rendered and assessment rates	48 905 077	44 630 098
Interest accrued on investments	1 110	773
VAT receivable	206 927	-
Sundries	1 507 531	7 100
	50 620 645	44 637 971
Provision for bad debts	(42 606 270)	(40 683 417)
Total	8 014 375	3 954 554

23.2 Trade and other payables at 30 June were:

	2012	2011
	N\$	N\$
Trade payables	193 992	125 058
Provisions and accruals	78 495	78 495
Suspense accounts	103 236	202 031
Consumer deposits	717 837	697 265
VAT	-	305 141
Totals	1 093 560	1 407 990

24. ASSESSMENT RATES

	2012	2011
	N\$	N\$
The net proceeds from assessment rates were	5 778 912	4 668 486
Tariffs per N\$1 valuation per month		
Private property: Town		
- Site	0.040688	0.040688
- Improvement	0.008500	0.010366
- Building clause	0.010366	0.010366
Luiperdheuwel		
- Site	0.039795	0.039795
- Improvement	0.008500	0.010366
- Building clause	0.010366	0.010366
Omulunga		
- Site	0.040700	0.040700
- Improvement	0.008500	0.010366
- Building clause	0.010366	0.010366
Central Authority - 90%		
- Site	0.044760	0.044760
- Improvement	0.011410	0.011410
Central Authority - 80%		
- Site	0.048830	0.048830
- Improvement	0.012430	0.012430
Agricultural		
- Site	0.010170	0.010170
- Improvement	0.002580	0.002580
Interim valuations		
- Improvement	0.010375	0.010375

25. LOANS

25.1 External loans

	2012	2011
	N\$	N\$
Capital outlay	3 061 900	3 274 609
Housing Fund	459 431	459 430
	3 521 331	3 734 039

The balances agree with actuarial tables. Loan assets have been capitalised and no loan assets were disposed of before the loan was redeemed. Loan monies were used for the purpose they were obtained for.

25.2 Internal loans

	2012	2011
	N\$	N\$
Total	8 079 515	5 830 185

Internal loans are not disclosed in the abridged balance sheet. All new internal loans advanced during the year were authorised and all assets financed by internal loans were capitalised.

25.3 Due to the Municipality

	2012	2011
	N\$	N\$
Housing and Build Together loans	12 340 435	9 955 483

26. SALE OF ERVEN

During the current financial year, cash proceeds to the value of N\$ 13 475 278 (2011: N\$ 18 188 217) were received for erven and houses sold and allocated to the Fixed Property Fund and Betterment Fund in a 25% to 75% ratio.

27. LOCAL AUTHORITY PROPERTY SOLD ON AN INSTALMENT BASIS

	Luiperd Heuwel	Omulunga	Build Together	Total
	N\$	N\$	N\$	N\$
Balance - 01/07/2011	13 119	77 855	7 481 862	7 572 836
New advances	887	6 657	5 892 744	5 900 288
Receipts	(6 991)	(15 287)	(1 110 410)	(1 132 688)
Balance - 30/06/2012	7 015	69 225	12 264 196	12 340 436

28. TARIFF ADJUSTMENTS

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

29. APPROVALS

All overspending were approved by the Council.

30. INVENTORY AND EQUIPMENT

30.1 Motor vehicles and values thereof:

	Sedan		LDV's, 4x4's and Combi's		Other	
	Number	Value	Number	Value	Number	Value
		N\$		N\$		N\$
Balance - 01/07/2011	3	405 121	19	249 533	42	3 449 017
Additions	-	-	-	-	3	2 372 401
Sub-total	3	405 121	19	249 533	45	5 821 418
Write off	-	-	(1)	-	(3)	-
Depreciation	-	-	-	(1 821)	-	(28 428)
Balance - 30/06/2012	3	405 121	18	247 712	42	5 792 990

30.2 Inventory

According to the municipality, stock comprising of stationery and consumables amounted to N\$ 470 807 (2011: N\$718 575).

31. SPECIAL INVESTIGATIONS

All special investigations were completed and reported upon.

32. GENERAL

The accounting and internal controls are satisfactory, except where indicated otherwise in this report. While increased management involvement reduces risks, the risk arises that management and Council override existing controls, a potentially dangerous practice, which the Municipality should vigilantly guard against.

33. FORMAL AND INFORMAL QUERIES

33.1 Formal queries are embodied in this report.

33.2 Informal queries were discussed with the Municipality.

34. QUALIFIED AUDIT OPINION

The accounts of the Grootfontein Municipality for the financial year end 30 June 2012, summarised in Annexures A to D, were audited by me in terms of Section 85 of the Local Authority act, 1992, read with Section 25 (1) (b) of the State Finance Act, 1991.

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

Bad and doubtful debts

Based on an average collection period of 60 days, the auditors are of the opinion that the provision for bad debts are understated by N\$ 2 106 510.

Except for the effects of any adjustments which might have been necessary as referred to in the preceding paragraph, in my opinion these financial statements fairly present the financial position of the Municipality at 30 June 2012 and the result of its operations and cash flows for the year then ended.

WINDHOEK, January 2013

**JUNIAS ETUNA KANDJEKE
AUDITOR- GENERAL**

MUNICIPALITY OF GROOTFONTEIN

BALANCE SHEET AT 30 JUNE

	Notes	2012 N\$	2011 N\$
ASSETS			
Non-current assets		123 115 136	99 341 645
Property, plant and equipment	2	42 297 882	39 014 296
Investments	3	61 074 320	45 139 529
Loans receivable	4	19 742 934	15 187 820
Current assets		11 260 894	7 311 442
Trade and other receivables	5	8 014 375	3 954 554
Inventories	6	470 807	718 575
Bank and cash		2 775 712	2 638 313
TOTAL ASSETS		134 376 030	106 653 087
FUNDS AND LIABILITIES			
Funds and reserves		121 681 624	95 680 873
Capital outlay	7	31 310 730	30 063 765
Funds and accounts	8	90 370 894	65 617 108
Non-current liabilities			
Long-term loans	9	11 600 846	9 564 224
Current liabilities			
Trade and other payables	10	1 093 560	1 407 990
TOTAL FUNDS AND LIABILITIES		134 376 030	106 653 087

MUNICIPALITY OF GROOTFONTEIN

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE

	<u>Note</u>	<u>2012</u>	<u>2011</u>
		N\$	N\$
INCOME		49 267 125	36 792 264
EXPENDITURE		<u>44 126 344</u>	<u>36 394 023</u>
NET OPERATING SURPLUS		5 140 781	398 241
INTEREST ON INVESTMENTS		<u>160 686</u>	-
NET SURPLUS AFTER INTEREST		5 301 467	398 241
APPROPRIATION ACCOUNT	11	<u>874 671</u>	<u>(4 137 349)</u>
NET SURPLUS/(DEFICIT) AFTER APPROPRIATIONS		6 176 138	(3 739 108)
REVENUE ACCOUNT - Beginning of year		<u>(2 448 162)</u>	<u>1 290 946</u>
REVENUE ACCOUNT - End of year		<u>3 727 976</u>	<u>(2 448 162)</u>

MUNICIPALITY OF GROOTFONTEIN

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE

	<u>Note</u>	<u>2012</u>	<u>2011</u>
		N\$	N\$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		49 267 125	36 792 264
Cash paid to suppliers		(47 378 156)	(38 051 100)
Cash generated/(utilised) by operations	12	1 888 969	(1 258 836)
Interest received		160 686	-
Increase in Fund accounts		18 577 648	5 497 044
Increase in Capital outlay		1 246 965	614 360
Net cash flow from operating activities		<u>21 874 268</u>	<u>4 852 568</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net capital expenditure		(3 283 586)	(942 384)
Increase in investments		(15 934 791)	(296 799)
Increase in loans receivable		(4 555 114)	(433 646)
		<u>(23 773 491)</u>	<u>(1 672 829)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in long-term liabilities		2 036 622	328 024
NET INCREASE IN CASH AND CASH EQUIVALENTS		137 399	3 507 763
CASH AND CASH EQUIVALENTS			
- BEGINNING OF YEAR		2 638 313	(869 450)
CASH AND CASH EQUIVALENTS - END OF YEAR		<u>2 775 712</u>	<u>2 638 313</u>

MUNICIPALITY OF GROOTFONTEIN

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

Property, plant and equipment acquired with loan funds are stated at cost and no depreciation is provided thereon until the loan is fully redeemed. All other items of property, plant and equipment are stated at cost or valuation, and except fixed property, the cost or valuation of these items of property, plant and equipment is depreciated on the reducing-balance basis over their expected useful lives.

1.5 Inventory

Fuel inventory is valued at cost on the first-in first-out basis. Consumables are valued at the average landed costs.

	2012	2011
	N\$	N\$
2. PROPERTY, PLANT AND EQUIPMENT		
Loan assets	17 751 155	15 039 279
Income assets	23 829 495	23 192 988
General capital assets	717 232	782 029
Total	42 297 882	39 014 296

3. INVESTMENTS

INVESTMENTS

Commercial banks	32 269 765	16 334 974
CENORED	28 804 555	28 804 555
	61 074 320	45 139 529

ALLOCATED AS FOLLOWS

Build Together Fund	28 192 283	14 517 147
Renewal Fund	4 077 482	1 817 827
Revenue	28 804 555	28 804 555
	61 074 320	45 139 529

MUNICIPALITY OF GROOTFONTEIN

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

	2012	2011
	N\$	N\$
4. LOANS RECEIVABLE		
Property loans		
Luiperd heuwel	7 014	13 119
Omulunga	69 225	77 855
Build Together loans	12 264 196	9 864 509
	<u>12 340 435</u>	<u>9 955 483</u>
Vehicle loans	46 457	46 457
Clubs and societies	59 589	59 589
Internal loans	7 296 453	5 126 291
	<u>19 742 934</u>	<u>15 187 820</u>
5. TRADE AND OTHER RECEIVABLES		
Services rendered and assessment rates	48 905 077	44 630 098
Interest accrued on investments	1 110	773
VAT receivable	206 927	-
Sundries	1 507 531	7 100
	<u>50 620 645</u>	<u>44 637 971</u>
Provision for bad debts	<u>(42 606 270)</u>	<u>(40 683 417)</u>
	<u>8 014 375</u>	<u>3 954 554</u>
6. INVENTORIES		
Stores and fuel	<u>470 807</u>	<u>718 575</u>
7. CAPITAL OUTLAY		
Loans redeemed	6 764 003	6 088 748
Revenue contributions	23 829 495	23 192 988
General capital contributions	717 232	782 029
	<u>31 310 730</u>	<u>30 063 765</u>

MUNICIPALITY OF GROOTFONTEIN

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

	2012	2011
	N\$	N\$
8. FUNDS, ACCOUNTS AND RESERVES		
Leave Reserve Fund	1 174 326	832 735
Capital Development Fund	2 373 483	2 098 872
Housing Funds	42 550 801	26 393 194
Bonus Reserve Fund	709 493	687 885
Insurance Reserve Fund	650 202	612 537
Personnel Housing Fund	2 897 586	2 849 913
Motor Loan Scheme Fund	1 916 113	1 861 514
Loans to clubs and societies	81 150	81 150
Fixed Property Fund	8 317 868	8 006 631
Betterment Fund	7 566 420	7 053 463
Renewal Fund	18 405 476	17 587 376
Revenue account kept in compliance with Section 86(1) of the Local Authority Act, 1992.	3 727 976	(2 448 162)
	90 370 894	65 617 108
9. LONG-TERM LIABILITIES		
Capital outlay	3 061 900	3 274 609
Housing Fund	459 431	459 430
Internal loans	8 079 515	5 830 185
	11 600 846	9 564 224
10. TRADE AND OTHER PAYABLES		
Trade payables	193 992	125 058
Provisions and accruals	78 495	78 495
Suspence accounts	103 236	202 031
Consumer deposits	717 837	697 265
VAT	-	305 141
	1 093 560	1 407 990

MUNICIPALITY OF GROOTFONTEIN

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

	2012	2011
	N\$	N\$
11. ADJUSTMENTS TO APPROPRIATION ACCOUNT		
Bad debts written back	(72 148)	-
Condemnations of food	30	-
Correction of creditors	-	(132 029)
Correction of insurance premiums	44 788	34 722
Correction of interest	17 332	(428 846)
Correction of investment	1 075 817	(154 694)
Correction of overcharges	(31 088)	(1 883)
Correction of paving charges	41 850	-
Correction of suspense accounts	(143 226)	(3 145 183)
Correction previous year	50 461	4 302
Credit fault adjustment	-	(1 125)
Daily fault adjustments	(14 545)	1 290
Debts written back	-	(81 491)
External loan repayments	-	(186 233)
Insurance claim	42 970	382
Leave payment	(6 855)	-
Over charge on municipal services	809	123 985
Over payment	2 700	-
Payment previous year	(121 584)	-
Penalties	166	-
Purchases of second hand water meters	-	210
Rectification of levies on various debtors accounts	-	125 369
Refunds	(9 124)	2 065
Refuse bags	563	-
Rent received	(774)	-
Repayment for materials	-	(1 940)
Stale cheques	(2 321)	(301 236)
Store fault adjustments	4 566	-
Unclaimed debtors refunds	(3 665)	4 986
Water over read	(2 051)	-
	874 671	(4 137 349)

MUNICIPALITY OF GROOTFONTEIN

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

	<u>2012</u>	<u>2011</u>
	N\$	N\$
12. CASH GENERATED/(UTILISED) BY OPERATIONS		
Net operating surplus/(deficit) before interest and transfers	5 140 781	398 241
Adjustments for:		
- Adjustments to appropriation account	874 671	(4 137 349)
OPERATING DEFICIT BEFORE CHANGES IN WORKING CAPITAL	<u>6 015 452</u>	<u>(3 739 108)</u>
CHANGES IN WORKING CAPITAL		
(Increase)/decrease in trade and other receivables	(4 059 821)	2 371 229
Decrease/(increase) in inventories	247 768	(229 815)
(Decrease)/increase in trade and other payables	(314 430)	338 858
	<u>(4 126 483)</u>	<u>2 480 272</u>
CASH GENERATED/(UTILISED) BY OPERATIONS	<u>1 888 969</u>	<u>(1 258 836)</u>