



REPUBLIC OF NAMIBIA

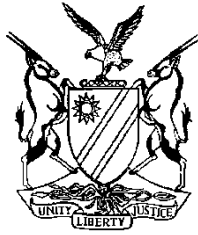


**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MUNICIPALITY OF OKAHANDJA
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

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REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Municipality of Okahandja for the financial year ended 30 June 2014, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991, (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

WINDHOEK, July 2015

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERA**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
THE MUNICIPALITY OF OKAHANDJA
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

1. INTRODUCTION

The accounts of the Municipality of Okahandja for the year ended 30 June 2014 are being reported on in accordance with the provisions set out in the State Finance Act, 1991 (Act 31 of 1991) and the Local Authorities Act, 1992 (Act 23 of 1992).

The firm EDB and Associates 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, **except that they were only signed on 16 October 2014 and not within three months after the end of the financial year 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 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 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 OBSERVATIONS AND COMMENTS

4.1 Fund accounts

Due to cash flow problems related to the Revenue account, cash amounting to N\$ 70 317 086 (2013: N\$ 46 767 994) from investments of the Capital Reserve and Housing Funds had to be used to fund the shortfall on the Revenue account. At year-end, the Revenue account had a negative balance of N\$ 44 660 393 (2013: Negative balance of N\$ 21 051 324).

4.2 Trade and other receivables

The average collection period of trade receivables is 235 days (2013: 282 days). As previously reported, the Municipality should attend to the arrears as a matter of urgency.

The Municipality's records reflect a bad debt provision of N\$ 4 000 000 (2013: N\$ 4 000 000), the recalculation of provision for doubtful debts revealed an understatement of N\$ 41 001 949 (2013: N\$ 37 673 038).

Included in trade receivables is an amount of N\$ 739 720 (2013: N\$ 870 111) for service loan receivables. Auditors were informed that this amount is bad debts for which arrangements has been made to be written off.

Auditors noted that the service loan debtors were duplicated in the Annual financial Statements of the municipality. The amount of N\$ 1 347 232 (2013: N\$ 870 111) was included under Funds as Sundry debtors and again under Revenue as Service Loan Debtors.

A material difference of N\$ 3 525 007 was found between the annual financial statements and the recalculation of the auditors.

4.3 Consumer deposits

Consumer deposits increased during the current financial year from N\$ 1 182 852 to N\$ 1 441 156. Consumer deposits are still not in line with monthly charges, the deposits are not adequate to cover one month's consumer services.

4.4 Leave provision

The Council provided an amount of N\$ 1 800 000 (2012: N\$ 1 800 000) for the provision for leave. The leave provision calculated by the auditors amounted to N\$ 3 739 461 (2013: N\$ 3 780 342). The leave provision is thus understated by N\$ 1 939 461 (2013: N\$ 1 980 342).

4.5 Build Together Programme

The Municipality accounted the funds under cash and investments, in its financial statements, for funds received from Government for the Build Together Programme. Debtors, income and expenses of the Fund are thus not reflected in the accounts of the Municipality.

4.6 Inventories

The auditors did not observe the counting of the inventories on 30 June 2014. There were no alternative practical audit procedures that could be performed to confirm the existence of the inventories on hand at year-end.

4.7 Loans in arrears

External Government loans are, as in previous years, not repaid but the repayments are provided for as arrear loan instalments. The total instalments in arrears amount to N\$ 5 271 062 (2013: N\$ 4 728 987). (See paragraphs 23.2, 25.1 and note 10 of Annexure D).

No interest on overdue amounts due to Government has been provided for.

4.8 Trade and other payables

The auditor's enquiry on unrecorded liabilities revealed a difference of N\$ 435 334 for the year under review.

4.9 VAT

The auditors recalculated VAT reconciliation revealed a material difference of N\$ 647 439 for the year under review.

4.10 Fixed Assets

No fixed asset register was availed to the auditors and no further testing was done on assets. A difference of N\$ 6 734 149 was found between the annual financial statements departmental breakdown and the additions the auditors compiled during the audit for the year under review.

4.11 Payroll

Auditors revealed a difference of N\$ 1 857 595 between the earnings report and the annual financial statements. The difference could not be explained.

4.12 Bank and cash

A proper bank reconciliation could not be availed to the auditors. Due to the lack of bank statements of August 2014 that was not availed to the auditors, the stale cheques amounted to N\$ 6 357 156 could not be verified for the year under review.

4.13 Capital development fund

An amount of N\$ 2 634 181 (2012: N\$ 3 656 674) was allocated as interest from internal loans, however the auditors could not verify any evidence of interest on the Internal Loans calculations. The entry could not be explained.

5 ACKNOWLEDGEMENT

The assistance and co-operation by the staff of the 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 01/07/2013				(21 051 323)
General accounts				
- Non-profitable	28 283 085	42 576 550	(14 293 465)	
- Self-supporting	11 366 691	9 092 365	2 274 326	
Trade accounts				
- Water	22 488 981	16 919 269	5 569 712	
- Electricity	45 456 559	67 711 798	(22 255 239)	
Deficit for the year	107 595 316	136 299 982	(28 704 666)	(28 704 666)
Adjustments and utilisations (See note 11, Annexure D)				(49 755 989)
				5 095 596
Accumulated deficit on 30/06/2014				(44 660 393)

7. CURRENT BANK ACCOUNT

	2014	2013
	N\$	N\$
Cash-book balance at 30 June - Balance sheet	(4 146 897)	2 581 344
Outstanding cheques - Stated as trade payables	7 187 932	841 893
Balance	3 041 035	3 423 237
Outstanding deposits	-	-
Balance as per bank statement	3 041 035	3 423 237

8. INVESTMENTS

The investments as at 30 June were as follows:

Institution	2014	2013
	N\$	N\$
Capital	13 317 753	13 954 324
Commercial banks	3 118 072	3 062 920

The investments were allocated as follows:

Allocation	2014	2013
	N\$	N\$
Capital Reserve Fund	13 317 753	13 954 324
Housing Fund	-	-
Revenue	3 118 072	3 062 920
	16 435 825	17 017 244

9. FUND ACCOUNTS

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

10. TRADE ACCOUNTS

10.1 The results of water and electricity operations were as follows:

	Electricity		Water	
	2014	2013	2014	2013
	N\$	N\$	N\$	N\$
Sales	45 456 559	46 211 485	22 488 981	25 026 021
Cost of bulk purchases	(53 521 482)	(40 503 958)	(9 726 586)	(13 086 441)
Gross (loss) / profit	(8 064 923)	5 707 527	12 762 395	11 939 580
Net expenditure	(30 320 162)	(11 807 941)	(7 192 683)	(3 014 373)
Net (deficit) / surplus	(6 100 414)	(6 100 414)	5 569 712	8 925 207
Gross (deficit) / profit percentages on bulk purchases	(45.8%)	14.1%	124.4%	91.2%
Net (deficit) / profit percentage on bulk purchases	(41.6%)	15.1%	57.3%	68.2%

10.2 Water distribution results in cubic meters

There was a profit of N\$ 9 711 688 and a percentage profit of 71% of water and for electricity a profit of N\$ 9 726 212 and a percentage 0% (2013: loss of 33.7%) for the year under review.

11. SELF-SUPPORTING SERVICES

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

	Income 2014	Expenses 2014	Surplus/ (deficit) 2014	Surplus/ (deficit) 2013
	N\$	N\$	N\$	N\$
Cleansing services	5 355 597	6 385 050	(1 029 453)	785 963
Sewerage	6 011 094	2 707 315	3 303 779	2 790 821
	11 366 691	9 092 365	2 274 327	3 576 784

12. FRUITLESS, UNAUTHORIZED OR AVOIDABLE EXPENDITURE

No fruitless, unauthorized or avoidable expenditure was revealed during the year under review.

13. SUSPENSE ACCOUNTS

Suspense accounts are cleared on a regular basis.

14. IRREGULARITIES AND LOSSES

No irregularities or losses due to thefts, fire and accidents were revealed during the year under review.

15. CAPITAL PROJECTS

Nature of projects/acquisitions	Financed by	Total expenditure 2014	Total expenditure 2013
	Revenue account		
	N\$	N\$	N\$
Electricity	1 040 792	1 040 792	683 971
Cleansing services	-	-	-
General administration	2 070 494	2 070 494	1 266 872
Streets, storm water and sidewalks	956 026	956 026	-
Water	-	-	393 289
Sewerage	-	-	229 787
	4 067 312	4 067 312	2 573 919

* A difference of N\$ 8 411 411 was found between the annual financial statements and the additions on the fixed asset schedule prepared by the auditors for the year under review.

16. BURSARIES

No bursaries were granted during the year under review.

17. CONTRIBUTIONS, GRANTS AND FINANCIAL AID

No contributions were made during the year under review.

18. COMPENSATION PAYMENTS

No compensation payments were made during the year under review.

19. VISITS TO FOREIGN COUNTRIES

There were visits to foreign countries, however, no further detail could be provided.

20. CLAIMS AGAINST THE LOCAL AUTHORITY

There were no claims against the Local Authority.

21. GIFTS/DONATIONS BY THE LOCAL AUTHORITY

Nature	2014	2013
	N\$	N\$
Nominal donations	5 513	17 364

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

23.1 Trade and other receivables at 30 June were:

	2014	2013
	N\$	N\$
Services, rates and taxes	53 867 352	45 065 714
Other receivables	1 964 245	1 460 005
	55 831 597	46 525 719
Provision for bad debts	(4 000 000)	(4 000 000)
Total	51 831 597	42 525 719

The average collection period of trade receivables is 235 days (2013: 282 days). As previously reported, the Council should attend to the arrears as a matter of urgency.

The Municipality's records reflect a bad debt provision of N\$ 4 000 000 (2012: N\$ 4 000 000), which in the opinion of the auditors, is inadequate. The debtors provision is understated by at least N\$ 41 001 949 (2013: N\$ 37 673 038).

Included in trade receivables is an amount of N\$ 739 720 (2013: N\$ 870 111) for service loan receivables. The list of service loan receivable was available, and the auditors were informed that this amount is bad debts for which arrangements have been made to be written off.

23.2 Trade and other payables at 30 June were:

	2014	2013
	N\$	N\$
Trade payables and taxes	15 356 648	13 400 753
Loan instalments in arrear	5 271 062	4 728 987
Provisions	1 800 000	1 800 000
Consumer deposits	1 441 156	1 182 852
Total	23 868 866	21 112 592

The Council provided an amount of N\$ 1 800 000 (2012: N\$ 800 000) for the provision for leave. The leave provision calculated by the auditors amounted to N\$ 3 739 461 (2013: N\$ 3 780 342). The leave provision is thus understated by N\$ 1 939 461 (2013: N\$ 1 980 342).

24. ASSESSMENT RATES

	2014	2013
	N\$	N\$
The proceeds from assessment rates were	12 034 630	10 339 582
Tariffs per N\$1 valuation per annum		
- Land	0.0073	0.0073
- Improvements	0.0120	0.0120

The contribution to the Regional Council amounted to N\$ 601 732.

25. LOANS

25.1 External loans

	2014	2013
	N\$	N\$
The Government of Namibia	2 214 232	2 457 363
Commercial banks	821 272	1 737 452
	3 035 504	4 194 815

External Government loans are, as in previous years, not repaid but the repayments are provided for as arrear loan instalments. The total instalments in arrears amount to N\$ 5 271 062 (2013: N\$ 4 728 987).

25.2 Due to the Municipality

	2014	2013
	N\$	N\$
Erven and housing loans	19 451	25 351

25.3 Loans written off

No loans were written off by the Council.

26. SALE OF ERVEN

The Council could not provide the auditors with a complete list of erven sold, nor could they provide a list of erven debtors, as a result no test could be carried out to verify the erven sales and debtors.

27. LOCAL AUTHORITY PROPERTY SOLD ON AN INSTALMENT BASIS

Information not provided, only feedback was that details to be obtained at property division.

28. TARIFF ADJUSTMENTS

Tariffs were not updated as per the Government Gazette, test revealed that the 2013/2014 tariffs were in use.

29. APPROVALS

29.1 Excess on approved budget

All budget excesses were approved.

29.2 Internal loans

Internal loan balances at year-end amounted to N\$ 19 828 774 (2013: N\$ 20 699 403). Internal loans of N\$ 0.00 (2012: N\$ 0.00) funded from the Capital Reserve Fund were added during the year under review.

29.3 Revenue written off

No revenue was written off during the financial year.

30. INVENTORY AND EQUIPMENT

30.1 Motor vehicle and values thereof

The Municipality provided the auditors an incomplete list of motor vehicles not complying with the Auditor-General's Circular D3/92 - Motor vehicle schedule.

30.2 Inventory

The Council only accounts for fuel stock. Inventory of items utilised in repairs are not accounted for at year-end. It is recommended that the Council should compile a complete list of all its inventories at year-end and account for it in the balance sheet of the Council.

31. SPECIAL INVESTIGATIONS

No special investigations were conducted during the year.

32. GENERAL

The accounting and internal controls are insufficient and unsatisfactory. Proper segregation of duties is not possible due to the small number of staff employed. While increased management involvement does 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

Formal queries are embodied in the report.

Informal queries were addressed to the Management.

34 BASIS OF ADVERSE OPINION

- Cash flow problem indicated by transfer of funds from investment to revenue account.
- Trade and other receivables understated.
- Consumer deposit insufficient.
- Under provision on leave days.
- Build Together Programme documentation incomplete.
- Inventories could not be verified.
- External loans not paid put provided for as provision.
- Creditors not recorded.
- VAT not properly reconciled.
- No fixed Assets was available.
- Payroll difference between Financial Statements and earnings report.
- No proper bank reconciliation.
- No proof of interest calculation on capital development fund.

35. ADVERSE AUDIT OPINION

The accounts of the Municipality of Okahandja for the financial year end 30 June 2014, summarised in Annexure 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.

In my opinion, *because of the matters mentioned under the basis of adverse opinion*, the financial statements referred to in the first paragraph *do not* present fairly, in all material respects, the financial position of the Municipality of Okahandja:

WINDHOEK, July 2015

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

MUNICIPALITY OF OKAHANDJA

BALANCE SHEET AS AT 30 JUNE

	Notes	2014 N\$	2014 N\$
ASSETS			
Non-current assets			
Property, plant and equipment		111 192 121	99 300 718
Investments	2	94 736 845	82 258 123
Loans receivable	3	16 435 825	17 017 244
		19 451	25 351
Current assets			
Trade and other receivables	4	51 882 165	45 151 731
Inventories	5	51 812 145	42 500 369
Bank and cash	6	69 860	69 860
		160	2 581 502
TOTAL ASSETS		163 074 286	144 452 449
FUNDS AND LIABILITIES			
Funds and reserves			
Capital outlay	7	132 023 019	119 145 042
Funds and accounts	8	85 209 804	71 352 856
		46 813 215	47 792 186
Non-current liabilities			
Long-term liabilities	9	3 035 504	4 194 815
Current liabilities			
Trade and other payables	10	28 015 763	21 112 592
Bank overdraft	6	23 868 866	21 112 592
		4 146 897	-
TOTAL FUNDS AND LIABILITIES		163 074 286	144 452 449

MUNICIPALITY OF OKAHANDJA

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE

	Note	2014 N\$	2013 N\$
INCOME		107 540 302	98 339 387
EXPENDITURE		(136 299 982)	(111 903 210)
NET OPERATING DEFICIT		(28 759 680)	(13 563 823)
INVESTMENT INCOME EARNED ALLOCATED TO REVENUE ACCOUNTS		55 014	33 869
NET DEFICIT FOR THE YEAR		(28 704 666)	(13 529 954)
APPROPRIATION ACCOUNT	11	5 095 596	7 281 450
		(23 609 070)	(6 248 504)
REVENUE ACCOUNT - Beginning of the year		(21 051 324)	(14 802 820)
REVENUE ACCOUNT - End of the year		(44 660 394)	(21 051 324)

MUNICIPALITY OF OKAHANDJA

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE

	Notes	2014 N\$	2013 N\$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		107 540 302	98 339 387
Cash paid to suppliers		(137 759 888)	(106 076 503)
Cash utilised by operations	12	(30 219 586)	(7 737 116)
Investment income		55 014	33 869
Increase in Fund accounts		22 630 098	17 915 937
Increase in Capital outlay		13 856 948	17 521 651
Net cash flow from operating activities		6 322 474	27 734 341
CASH FLOW FROM INVESTING ACTIVITIES			
Net capital expenditure		(12 478 722)	(9 308 068)
Increase in investments		581 419	(15 704 271)
Decrease in loans receivable		5 900	10 967
		(11 891 403)	(25 001 372)
CASH FLOW FROM FINANCING ACTIVITIES			
(Decrease)/increase in long-term loans		(1 159 311)	(302 222)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(6 728 240)	2 243 747
CASH AND CASH EQUIVALENTS - BEGINNING OF THE YEAR		2 581 504	150 757
CASH AND CASH EQUIVALENTS - END OF THE YEAR	6	(4 146 736)	2 581 504

MUNICIPALITY OF OKAHANDJA

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 Annexure A to D 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 are stated at cost or valuation where assets have been acquired by grant or by donation, less depreciation written off over the expected useful lives as determined by the Council from time to time. Property, plant and equipment acquired with loan funds are not depreciated until the loan is repaid, unless the expected lifetime of the asset is less than the repayment period of the loan in which case depreciation is calculated on the shortfall.

1.3 Internal Funds

The following Funds were created by the Town Council:

1.3.1 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.

1.3.2 Capital Reserve Fund

This Fund was created to make provision for unforeseen expenditures as approved by the Council.

	2014	2013
	N\$	N\$
2. INVESTMENTS		
INVESTMENTS		
Capital reserve fund	13 317 753	13 954 324
Commercial banks	3 118 072	3 062 920
Total	16 435 825	17 017 244
ALLOCATED AS FOLLOWS		
Capital Reserve Fund	13 317 753	13 954 324
Revenue	3 118 072	3 062 920
	16 435 825	1 312 973

MUNICIPALITY OF OKAHANDJA

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

	2014	2013
	N\$	N\$
3. LOANS RECEIVABLE		
HOUSING FUND		
Ervin and housing loans	19 451	25 351
4. TRADE AND OTHER RECEIVABLES		
Services, rates and taxes	52 500 668	43 629 625
Other receivables	1 964 245	1 460 005
Build Together debtors	1 347 232	1 410 739
	55 812 145	46 500 369
Provision for bad debts	(4 000 000)	(4 000 000)
	51 812 145	42 500 369
5. INVENTORIES		
Fuel	69 860	69 860
6. CASH AND BANK BALANCES		
Current account	(4 146 897)	2 581 342
Petty cash	160	160
Current account	(4 146 737)	2 581 502
7. CAPITAL OUTLAY		
Loans redeemed	11 006 128	9 907 511
Revenue contributions	26 838 982	23 145 651
General capital contributions	47 364 694	38 299 694
	85 209 804	71 352 856
8. FUNDS AND ACCOUNTS		
Capital Reserve Fund	86 041 355	63 551 567
Housing Fund	5 432 253	5 291 943
Revenue account kept in compliance with Section 86(1) of the Local Authorities Act, 1992.	(44 660 393)	(21 051 324)
	46 813 215	47 792 186

MUNICIPALITY OF OKAHANDJA

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

	2014	2013
	N\$	N\$
9. LONG-TERM LIABILITIES		
The Government of Namibia	2 214 232	2 451 251
National Housing Enterprises	-	6 112
Commercial banks	821 272	1 737 452
	3 035 504	4 194 815
10. TRADE AND OTHER PAYABLES		
Trade payables	15 356 648	13 400 753
Loan instalments in arrear	5 271 062	4 728 987
Provision for leave	1 800 000	1 800 000
Consumer deposits	1 441 156	1 182 852
	23 868 866	21 112 592
11. ADJUSTMENTS TO APPROPRIATION ACCOUNT		
Prior year adjustments	5 095 596	7 281 450
	5 095 596	7 281 450
12. CASH UTILISED BY OPERATIONS		
Net operating deficit before transfers	(28 704 666)	(13 529 954)
Adjustments for:		
- Adjustments to appropriation account	5 095 596	7 281 450
- Investment income	(55 014)	(33 869)
OPERATING DEFICIT BEFORE CHANGES IN WORKING CAPITAL	(23 664 084)	(6 282 373)
CHANGES IN WORKING CAPITAL		
Increase in trade and other receivables	(9 311 776)	(6 158 032)
(Increase)/decrease in inventories	-	-
Decrease in trade and other payables	2 756 274	4 703 289
	(6 555 502)	(1 454 743)
CASH UTILISED BY OPERATIONS	(30 219 586)	(7 737 116)