

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 Town Council of Outapi for the financial year ended 30 June 2008, 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, June 2010

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR - GENERAL
ON THE ACCOUNT OF THE TOWN COUNCIL OF OUTAPI
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2008**

1. INTRODUCTION

The accounts of the Town Council of Outapi for the year ended 30 June 2008 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, (Act 23 of 1992).

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

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

2. FINANCIAL STATEMENTS

The Town 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 signed on 30 January 2009 instead of the three months after 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 sheet, Annexure A, is a true reflection of the original.

The following annexures are also attached to this report:

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

3 SCOPE OF THE AUDIT

The Accounting Officer of the Town Council is responsible for the preparation of the financial statements and for ensuring the regularity of the financial transactions. 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 audit as carried out by the said firm, included:

- a) examination on a test basis of the evidence relevant to the amounts, disclosure and regularity of financial transactions included in the financial statements;
- b) assessment of the significant estimates and judgements made by the Accounting Officer of the Town Council in preparation of the financial statements and whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed; and
- c) evaluation of the overall adequacy of the presentation of information in the financial statements.

The audit was planned and performed so as to obtain all the information and explanations considered necessary to provide sufficient evidence to give reasonable assurance that:

- the financial statements are free from material misstatement, whether caused by error, fraud or other irregularities;
- in all material respects, the expenditure and income have been applied to the purposes intended; and
- the financial transactions conform to the authorities which govern them.

4. AUDIT OBSERVATIONS AND COMMENTS

Items reported in prior years are indicated by an asterisk (*).

4.1 Value Added Tax receivable (*)

Our recoverability analysis on VAT refunds due revealed that its probable that the Council might not be able to recover 58% of the total debt receivable which equals an amount N\$ 407 550. This is mainly due to refunds not followed up with the Receiver of Revenue, returns not submitted or late submissions.

The Council should ensure that all VAT returns are timeously submitted when due and information declared should correspond with the ledger. The Town Treasurer should then ensure that refunds due is followed up timeously.

4.2 Recoverability of debtors - Bad and doubtful debts (*)

In the year under review, the Council's debt outstanding has increased by 23% whilst provision for bad debts has increased by 383%. It is notable that a greater portion of the long outstanding debtors have been inherited by the Council during its establishment phase. The huge increase in provision for bad debts was due to inadequate provision made in prior years. The Council's effectiveness on debt recovery policies should be reviewed and improved on.

	2008	2007
	N\$	N\$
Consumer accounts debt outstanding	4 344 408	3 522 232
Provision for bad debts	2 909 784	602 219
Percentage increase in outstanding debts	23%	50%
Percentage increase in provision for bad debts	383%	0%
Percentage provision vs. debt	67%	17%

It should be a concern to the Council, that debtors outstanding for 120 days in proportion and as at 30 June consisted of 65% of total debt. Furthermore, the auditors reasonability analysis revealed that provision for doubtful debts, as at year end, was under provided by an amount of N\$ 82 685.

4.3 Consumer Deposits (*)

The consumer deposits balance as stated on 30 June 2008 represents only 3% of total debt which should be alarming bearing in mind that debt at 120 days and above has increased. In addition, numerous debtors accounts still reflected deposits of prior years and were not updated to be in line with the latest gazetted rates.

4.4 Stock control (*)

A physical stocktaking was conducted, but the accounting records were not properly updated, therefore the value of stock recorded in the balance sheet does not agree with the values indicated in the actual stock records. In addition, no provision has been made for slow-moving and obsolete stock.

A difference of N\$ 134 601 were found on our comparison of stock count sheets to the annual financial statements.

Due to the significance of this matter, the Auditor-General has to qualify his opinion on stock.

4.5 Fixed assets

4.5.1 Depreciation (*)

As reported in prior years, Council accounting system was not able to calculate depreciation on a pro-rata basis, on all fixed assets bought during the year.

4.6 Surcharges income (*)

Our computation on surcharges income from NORED compared to the Council records reflected a material difference of N\$ 171 417 which is mainly due to incorrect allocation of VAT and prior year's income.

Due to the significance of this matter, the Auditor-General has to qualify his opinion on surcharges income.

4.7 Capital projects

A total amount of N\$ 2 864 436 related to capital expenditure financed by revenue were excluded from the income statement prepared by the Council. (See paragraph 15.)

4.8 Sale of erven income

Council provided the auditors with a list of erven sold, but the reconciliation to the annual financial statements revealed a significant difference of N\$ 251 214.

Value Added Tax on sale of erven of businesses was not allocated to the VAT control account thus understating Council VAT liability and overstating income.

Due to the significance of this matter, the Auditor-General has to qualify his opinion on sale of erven income and funds.

4.9 Road Fund Administration - Fund Account

The stated Fund balance as per the annual financial statements is N\$ 111 716 however this balance should be zero as it relates to VAT excluded from transactions. The creation of such Fund account is questionable as it should have been disclosed in the income and expenditure statement of the Council.

Due to the significance of this matter, the Auditor-General has to qualify his opinion on funds.

4.10 Payroll reconciliation

The auditors annual computation from payroll reports to the annual financial statements revealed a material difference of N\$ 169 963. The reason for this difference could not be provided by the Council.

Due to the significance of this matter, the Auditor-General has to qualify his opinion on payroll expenses.

5. ACKNOWLEDGEMENT

The assistance and co-operation given by the management and staff of the Town Council during the audit is appreciated. The efforts made by management to implement the previous year recommendations of the auditors are also appreciated.

6. FINANCIAL RESULTS

The results of the various operations and transactions on the Revenue Account for the year are as follows:

	Revenue	Expenditure	Surplus/ (deficit)	Balance
	N\$	N\$	N\$	N\$
Accumulated surplus as at 01/07/2007				387 423
General services				
Rate and general	334 357	4 070 802	(3 736 445)	
Non-profitable	5 396 152	1 991 076	3 405 076	
Self-supporting	1 515 542	976 604	538 938	
Trade accounts				
Water supply	1 815 104	2 023 709	(208 605)	
Electricity supply	502 535	-	502 535	
	9 563 690	9 062 191	501 499	
Surplus for the year				501 499
(Adjustments and utilizations detailed in Note 9 of the financial statements.)				(3 193 992)
Accumulated (deficit) as at 31/03/2008				(2 305 070)

7. CURRENT BANK ACCOUNT

The cash-book balance reflected a unfavorable balance of N\$ 766 952 (unfavorable 2007: N\$ 76 242) while the bank statements reflected a favorable balance of N\$ 226 010 (2007: N\$ 515 507). Cheques not presented for payment totaling N\$ 1 014 422 (2007: 608 960) were outstanding at year-end.

8. INVESTMENTS AND INTEREST PROCEEDS

On 30 June 2008 there was N\$ 1 781 981 (2007: N\$ 3 599 635) invested at financial institutions, as follows:

	2008	2007
	N\$	N\$
Fixed deposits and money on call	1 781 981	3 593 515
	1 781 981	3 593 515
Investments were allocated to the following Funds:		
Capital Reserve Fund	345 200	-
Build Together Fund	1 325 066	1 205 234
Government Contribution Fund	-	2 394 400
Road Fund Administration	111 715	-
	1 781 981	3 599 634

Investment interest of N\$ 56 464 (2007: N\$ 361 188) was accounted for in the income and expenditure account for the year.

9. FUND ACCOUNTS

The position of the Fund accounts at the end of the year is shown in Note 2 of Annexure D.

10. TRADE ACCOUNTS

10.1 The results of operations of water were as follows:

	2008	2007
	N\$	N\$
Sales	1 705 047	1 528 315
Cost of bulk purchases	(1 718 960)	(1 389 012)
Gross (loss)/profit	(13 913)	139 303
Expenses (net)	(194 692)	(108 244)
Net (loss)/surplus	(208 605)	31 059
Gross (loss)/profit % on bulk purchases	(1%)	10%
Net (loss)/profit % on bulk purchases	(12%)	2%

10.2 Distribution losses for water were:

	2008	2007
	m ³	m ³
Units sold for the year	166 158	-
Units purchased during the year	271 361	-
Distribution (loss)	(105 203)	-
Distribution (loss) percentage	(38.8%)	

The distribution loss is extremely high and it is recommended that Council should investigate the reasons for this and implement rectifying measures as a matter of urgency.

11. SELF-SUPPORTING SERVICES

The net results of self-supporting services were as follows:

	2008	2007
	N\$	N\$
Open market	(38 488)	(3 232)
Licenses and vehicle registration	89 001	(18 481)
Cleaning services	186 524	(93 373)
Sewerage	301 901	51 521
	538 938	(63 565)

This Office takes note of the fact that self-supporting services are now self-supportive.

12. FRUITLESS, UNAUTHORIZED OR AVOIDABLE EXPENDITURE

No fruitless, unauthorized or avoidable expenditure was incurred during the year.

13. SUSPENSE ACCOUNTS

No money was accounted for in suspense accounts during the year under review.

14. IRREGULARITIES AND LOSSES

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

15. CAPITAL PROJECTS

The following expenditure was incurred during the year for capital projects or acquisitions.

	2008	2007
	Revenue account	Revenue account
	N\$	N\$
Council general expenses	4 288	59 198
Town clerk	770	16 626
Town administration	-	24 939
Town treasurer	16 791	72 222
Town engineer	-	8 319
Health services	39 127	16 626
Town planning and development	889 199	999 548
Local economic and tourism services	1 132 103	2 195 510
Electricity services	1 695 486	168 105
Sewerage	-	225 717
Open market	58 036	13 728
Streets	142 848	64 428
Total	3 978 6498	3 864 965

A review of the allocation in the capital statement compared to the different departments income statements shwon differences as indicated below.

	2008	2008	2007
	Capital statement	Income statement	Difference
	N\$	N\$	N\$
Council general expenses	4 288	4 288	-
Town clerk	770	770	-
Town treasurer	16 791	16 791	-
Health services	39 127	-	39 127
Town planning and development	889 199	889 199	-
Local economic and tourism services	1 132 103	2 280	1 129 823
Electricity services	1 695 486	-	1 695 486
Open market	58 036	58 036	-
Streets and sidewalks	142 848	142 848	-
Total	3 978 648	1 114 212	2 864 436

The amount of N\$ 2 864 436 were not disclosed as capital expenditure in the income statement.

16. BURSARIES

No bursaries were granted during the year under review.

17. CONTRIBUTIONS, GRANTS AND FINANCIAL AID

No donations were granted to the Council during the year under review. No government subsidies or contributions were received by the Council during the year under review.

18. COMPENSATION PAYMENTS

An amount of N\$ 426 443 (2007: N\$ 293 744) was spent on crop fields compensation payments during the year under review. This amount was incorrectly added as capital expenditure in the Town Planning and Development vote.

19. VISITS TO FOREIGN COUNTRIES

The Council, for the year under review, spent N\$ 33 023 on a visit by 3 council officials to China.

20. CLAIMS AGAINST THE LOCAL AUTHORITY

No claims for losses were received during the year.

21. GIFTS / DONATIONS BY / TO THE LOCAL AUTHORITY

An amount of N\$ 2 050 (2007: N\$ 1 000) as paid as donations for the year under review.

22. TRANSFER OF PROPERTY TO / FROM GOVERNMENT

No properties were transferred to / from the Ministry of Local Government and Housing.

23. DEBTORS AND CREDITORS

23.1 Debtors at 30 June were:

	2008	2007
	N\$	N\$
Build Together debtors	1 286 604	1 260 130
Consumers	4 344 408	3 522 232
Provision for bad debts	(2 909 784)	(602 219)
	2 721 228	4 180 143
Value added taxation	702 987	1 335 539
Other debtors	-	200 166
	3 424 215	5 718 848

For the year under review, a debtors billings system was used of whereby both assessment rates, water services and related were combined. No split was made between the relevant services rendered. However, upon receipt of cash, monies were accounted for in terms of different services rendered.

23.2 Creditors at 30 June were:

	2008	2007
	N\$	N\$
Trade creditors and other accruals	162 443	46 581
Provision for leave pay and audit fees	661 540	412 386
Consumer deposits	131 542	97 440
Sundry receivables - (Incorrect disclosure by client)	(143 309)	-
	812 216	556 407

Debtors receivable of N\$ 143 309 were incorrectly disclosed under trade creditors.

24. ASSESSMENT RATES

Net proceeds from assessment rates, amounted to N\$ 1 172 150 (2007: N\$ 950 334). The tariffs for private and business properties of N\$ 0.4740 per dollar per year on site valuations plus N\$ 0.00580 per dollar per year on the valuation of improvements is in line with gazette rates.

25. LOANS

25.1 External loans

The hire-purchase loan balance were disclosed at N\$ Nil (2007: N\$ 7 572) in the annual financial statements.

25.2 Internal loans

No internal loans were advanced or received during the year under review.

25.3 Housing loans

Housing loans advanced to buyers under the Build Together Housing Scheme are disclosed as N\$ 1 286 604 (2007: N\$ 1 260 130) in the financial statements.

26. SALE OF ERVEN

During the current financial year, cash proceeds to the value of N\$ 2 151 969 (2007: N\$ 2 986 230) were received for erven sold and allocated to the Revenue account.

27. PROPERTY SOLD ON INSTALMENT BASIS

During the current financial year, erven sold on an instalment basis instalments of N\$ 1 502 114 (2007: N\$ nil) were recorded and allocated to the Revenue account.

28. TARIFF ADJUSTMENTS

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

29. STOCK AND EQUIPMENT

29.1 Motor vehicles

	No	Sedan vehicles	No	LDV & combi's	No	Heavy vehicles
On hand 01/07/2007	1	N\$ 158 775	2	N\$ 257 639	1	N\$ -
Additions						
Less: Depreciation		(31 756)		(51 529)		-
On hand 30/06/2008	1	127 019	2	206 110	1	-

Log books are currently kept by the Town Council and the information were gathered from them. It is however advisable to review the system constantly and implement changes for effective and accurate record keeping.

29.2 Stock

According to the council, stock comprising of stationery and consumables amounted to N\$ 128 806 (2007: N\$ 196 107).

30. SPECIAL INVESTIGATIONS

No special investigations were carried out during the year.

31. GENERAL

31.1 Internal controls

The accounting and internal controls are satisfactory, except where indicated otherwise in this report. Proper segregation of duties is feasible, but due to the small number of staff employed increased management involvement reduces risks, the risk arises that management and Council override existing controls, a potentially dangerous practice which Council should vigilantly guard against.

31.2 Temporary advances

There were temporary advances from the Funds to revenue were disclosed as N\$ 2 993 819 (2007: N\$ 3 633 251) for the year under review. The current financial position indicates that the Funds are no longer fully cash backed.

32. FORMAL AND INFORMAL QUERIES

Formal queries are embodied in this report.

Informal queries addressed to the Town Clerk consist of:

- * Inadequate inventory control;
- * Inadequate consumer deposits
- * Long overdue debtors' accounts and monies long outstanding becoming doubtful;
- * Recoverability of Value Added Tax receivable
- * Incorrect measurement of sale of erven income

33. QUALIFIED AUDIT OPINION

The accounts of the Outapi Town Council for the financial year ended 30 June 2008, summarized in Annexure A to D, were audited by me in terms of provisions of Section 85 of the Local Authorities Act, 1992 read with Section 25(1) of the State Finance Act, 1991.

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 realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The opinion has been qualified due to the following reasons:

- The Council might not be able to recover VAT receivable to the amount of N\$ 407 550.
- The provision for bad debts is under provided by N\$ 82 685.
- A stock difference with a value of N\$ 134 601 were detected by the audit.
- Surcharge income from NORED is materially misstated by N\$ 171 417.
- Sale of even is materially misstated by N\$ 251 214.

- The Road Fund Administration fund Account should be Nil and not N\$ 111 716 as this is VAT related transactions and should be disclosed under the income ad expenditure statement of the Council.
- The payroll reconciliation revealed a material difference of N\$ 169 963.

Except for the above-mentioned issues, in my opinion, the financial statements fairly present the financial position of the Town Council at 30 June 2008 and the results of its operations and cash flows for the year then ended in the manner required by the Local Authorities Act, 1992, and the State Finance Act, 1991.

WINDHOEK, June 2010

**JUNIAS ETUNA KANJEKE
AUDITOR-GENERAL**

THE TOWN COUNCIL OF OUTAPI

BALANCE SHEET ON 30 JUNE 2008

	Notes	2008 N\$	2007 N\$
ASSETS			
Non-current assets			
Property, plant and equipment	3	12 130 436	9 095 870
Investments	4	1 781 981	3 599 634
Current assets			
Inventory	5	128 806	196 107
Accounts receivables	6	3 424 215	5 715 848
Cash and cash equivalents		1 500	1 500
TOTAL ASSETS		17 466 938	18 608 959
FUNDS AND LIABILITIES			
Funds			
Funds accounts and reserves	2	18 192 840	17 581 315
Accumulated Funds		(2 305 070)	387 423
Non-current liabilities			
Long-term loan	8	-	7 572
Current liabilities			
Accounts payables	7	812 216	556 407
Bank overdraft		766 952	76 242
TOTAL FUNDS AND LIABILITIES		17 466 938	18 608 959

THE TOWN COUNCIL OF OUTAPI

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	<u>Note</u>	<u>2008</u>	<u>2007</u>
		N\$	N\$
INCOME		9 507 226	7 068 800
EXPENDITURE		(9 062 191)	(7 314 751)
NET OPERATING SURPLUS/(DEFICIT)		445 035	(245 951)
INVESTMENT INTEREST EARNED		56 464	361 188
NET INCOME for the year		501 499	115 237
APPROPRIATION ACCOUNT - AT THE BEGINNING OF THE YEAR		387 423	296 342
ADJUSTMENTS	9	(3 193 992)	(24 156)
APPROPRIATION ACCOUNT - AT THE END OF THE YEAR		(2 305 070)	387 423

THE TOWN COUNCIL OF OUTAPI

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	<u>Note</u>	<u>2008</u>	<u>2007</u>
		N\$	N\$
CASH GENERATED BY OPERATING ACTIVITIES			
Cash receipt from customers		9 507 226	7 068 800
Cash paid to suppliers		(6 447 448)	(9 295 931)
Cash generated/(utilised) by operating activities	10	3 059 778	(2 227 131)
Investment income		56 464	361 188
Cash (utilized by)/generated from operating activities		3 116 242	(1 865 943)
CASH UTILIZED BY INVESTING ACTIVITIES			
(Increase)/decrease in investments		1 817 653	2 246 902
(Increase) in property, plant & equipment		(3 034 566)	(3 457 413)
Appropriation account		(3 193 992)	(24 156)
CASH GENERATED FROM FINANCING ACTIVITIES			
Change in funds – Increase/(decrease)		603 953	3 165 366
(Decrease)/increase in long-term liabilities		611 525	3 268 743
Nett cash flow from financing activities		(7 572)	(103 377)
Increase/(decrease) in cash and cash equivalents		(690 710)	64 756
CASH AND CASH EQUIVALENTS			
- BEGINNING OF THE YEAR		(74 742)	(139 498)
CASH AND CASH EQUIVALENTS			
- END OF THE YEAR		(765 452)	(74 742)

THE TOWN COUNCIL OF OUTAPI

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 30 JUNE 2008

1. ACCOUNTING POLICIES

The annual financial statements are compiled in accordance with the historical convention method modified by the restatement of the financial instruments to fair value, except where otherwise stated.

The principal accounting policies of the Town Council, which are set out below, had been consistent and comply with Namibian Statements of Generally Accepted Accounting Practices. The financial statements have been prepared in accordance with the requirements of the Namibian Local Authorities Act.

1.1 Fixed assets and depreciation

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.

1.2 Inventories

Inventories are measured at lower cost and net realizable value. The cost of inventories should comprise all cost of purchases, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

	2008	2007
	N\$	N\$
2. OWN FUNDS		
2.1 Financing of capital:		
Contribution from:	12 130 436	9 088 299
Loans redeemed	416 413	408 842
Revenue	11 714 023	8 679 457
2.2 Funds	6 062 404	8 493 016
Capital Development Fund	1 497 819	3 305 470
Government Contributions Fund	1 526 130	2 722 182
Build Together Fund	2 926 739	2 465 364
Road Fund Administration	111 716	-
TOTAL FUNDS	18 192 840	17 581 315

THE TOWN COUNCIL OF OUTAPI

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 30 JUNE 2008

	<u>2008</u>	<u>2007</u>
	N\$	N\$
3. FIXED ASSETS		
Infrastructure, land and buildings, motor vehicles, office equipment, furniture and fittings and computer equipment.	12 130 436	9 095 870
Financed from:		
Capital account	416 234	116 387
Revenue account	11 714 202	8 679 457
	12 130 436	9 095 870
4. INVESTMENTS		
Fixed deposits and money on call	1 781 981	3 599 634
	1 781 981	3 599 634
Comprising of:		
Capital Revenue Fund	345 200	-
Build Together Fund	1 325 066	1 205 234
Government Contribution Fund	-	2 394 400
Road Fund administration	111 715	-
	1 781 981	3 599 634
5. INVENTORY		
Comprising of:		
Consumable stores	128 806	196 107
	128 806	196 107
6. ACCOUNTS RECEIVABLE		
Build Together debtors	1 286 604	1 263 130
Debtors	5 047 395	5 057 937
Less: Provision for doubtful debts	(2 909 784)	(602 219)
	3 424 215	5 718 848

THE TOWN COUNCIL OF OUTAPI

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008	2007
	N\$	N\$
7. ACCOUNTS PAYABLE		
Trade creditors and other accruals	162 443	46 581
Provision for leave pay and audit fees	661 540	412 386
Consumer deposits	131 542	97 440
Sundry receivables - (Incorrect disclosure by client)	(143 309)	-
	812 216	556 407
8. LONG-TERM LOANS		
Hire-purchase agreements	-	7 572
	-	7 572
9. ADJUSTMENTS AND UTILIZATIONS		
Adjustment of provision for bad debts	(2 307 565)	-
Adjustment of provision for personnel benefits	(154 456)	(30 176)
Unclaimed deposit	186	510
Appropriations	(50 724)	1 142
Professional fees adjustment	(51 363)	4 368
Irrecoverable VAT written off	(628 063)	-
Adjustment bank reconciliation	(38 060)	-
Staled cheques	300	-
Income	35 753	-
	(3 193 992)	(24 156)
10. CASH UTILIZED BY OPERATIONS		
Net operating profit/(loss) before transfers	445 035	(245 951)
Operating income before changes in Working Capital	445 035	(245 951)
Changes in Working Capital	2 614 743	(1 981 180)
(Increase)/decrease in receivables	2 291 633	(2 091 099)
(Increase)/decrease in inventories	67 301	44 924
Increase/(decrease) in payables	255 809	64 995
	3 059 778	(2 227 131)