



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
TOWN COUNCIL OF REHOBOTH
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 Town Council of Rehoboth 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.

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

WINDHOEK, November 2016

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
TOWN COUNCIL OF REHOBOTH
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

1. Report on the Financial Statements

1.1 INTRODUCTION

The accounts of the Town Council of Rehoboth for the year ended 30 June 2014 are being reported on in accordance with the provisions set out in Section 85 of the Local Authorities Act, 1992 (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 Namibia Dollar. Deficits are indicated in (brackets).

These financial statements comprise of the following:

- Annexure A: Balance Sheet
- Annexure B: Abridged Income Statement
- Annexure C: Cash Flow Statement
- Annexure D: Notes to the Financial Statements

The financial statements were submitted by the Accounting Officer to the Auditor-General in compliance with Section 87(1) of the Local Authorities Act, 1992.

The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexures A-D.

2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 86 of the Local Authorities Act, and relevant legislation, and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

3. AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Powers and duties

Section 25(1) (c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- (a) All reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;
- (b) All reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State's assets, such as stores, equipment, securities and movable goods; and
- (c) The expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, Section 26(1) (b)(iv) of the State Finance Act, 1991, empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

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.

I have not obtained sufficient and appropriate audit evidence to provide a basis for the audit opinion.

4. ACKNOWLEDGEMENT

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

5. KEY AUDIT FINDINGS

5.1 OLD HOUSING FUND

As reported in the previous year, the Old Housing Fund loans receivable reflected an amount of N\$ 3 124 386. Loan documents provided for audit purposes were partly repaid and the balances written off by the Council, but was not processed on the accounting system.

5.2 BUILD TOGETHER FUND

The Build Together Fund reflected an amount of N\$ 12 493 931 for advances to buyers. Due to the significance of the credit amounts on the trade and other receivables of N\$ 150 763 the balance could not be verified. On the verification of the Build Together loans, loans that were written off appeared as property sold to other customers for which there is still an outstanding balance.

5.3 SEWERAGE FUND

The financial statements reflects an amount of N\$ 21 963 673 for the Sewerage Fund. But the funds were used for other purposes and not properly accounted for in the books.

5.4 TRADE AND OTHER RECEIVABLES

On trade and other receivables, is a credit balance of N\$ 554 540. Included in this amount is a N\$ 96 493 which cannot be allocated to customer accounts as the Council cannot identify to which accounts the payments must be allocated. Also N\$ 150 763 of settlements on the Build Together loans with the Council was not allocated to the Build Together accounts.

A difference of N\$ 761 996 was found between the annual financial statements and the debtors age analysis for the year under review.

A difference of N\$ 518 770 was found due to the missing VAT returns of the periods 06/2013; 10/2013; 02/2014 and 04/2014 during the audit. Also, no interest and penalties were calculated for the year under review.

5.5 SERVICE LOANS

No supporting documents for the service loans of N\$ 13 833 078 could be provided.

5.6 APPROPRIATION ACCOUNT

The auditors observed an unexplained adjustment amounting to N\$ 102 075 818 on the appropriation account.

5.7 PROVISION FOR BAD DEBTS

The provision for bad debts was understated by N\$ 14 320 340 and N\$ 4 530 563(2013) respectively.

5.8 BANK AND CASH

On the Standard Bank account for the Electricity Division, no bank statements were provided to confirm the closing balance on the reconciliation as at 30 June 2014.

5.9 P.A.Y.E. RETURNS

As reported in prior years, P.A.Y.E. returns were not submitted to the Directorate: Inland Revenue on time. No provision was made for the penalties and interest on late submission of PAYE returns.

5.10 INCOME

The water income was understated due to errors on water meter readings and incorrect rates used.

On sewerage only a fixed charge was levied on the accounts, while the consumption levy was not implemented and therefore the sewerage income was understated.

Also, due to lack of supporting documents, auditors could not confirm rentals, rates and taxes for the year under review.

5.11 PAYROLL

An unexplained difference on payroll amounting to N\$ 1 533 433 was found for the year under review.

5.12 GOING CONCERN

At the balance sheet date the Town Council's total current liabilities exceeded its total current assets by N\$ 8 129 134 and N\$ 20 989 013 (2013). The condition indicates the existence of a material uncertainty which may cast significant doubt on the Town Council ability to continue as a going concern.

6. BASIS FOR DISCLAIMER OF AUDIT OPINION

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

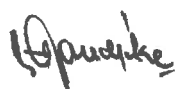
- Incomplete accounting on Old Housing Fund loan;
- Advances to buyers on Build Together Fund amounting to N\$ 12 493 931 could not be verified;
- Sewerage Fund amounting to N\$ 21 963 673 was not used for the intended purpose;
- Unexplained credit balance amounting to N\$ 554 540 was included in trade and other receivables;
- Unexplained adjustment amounting to N\$ 102 075 818 on the appropriation account;
- Provisions for bad debts understated by N\$ 14 320 340;
- No bank statement provided to confirm the closing balance;
- No provision was made for the penalties and interest on late submission of PAYE returns;
- The water income was understated due to errors and incorrect rates used;
- Consumption levy on the Government Gazette was not implemented; and
- Unexplained difference on payroll amounting to N\$ 1 533 433;

7. DISCLAIMED AUDIT OPINION

The accounts of the Rehoboth Town Council for the financial year ended 30 June 2014, summarized in Annexures 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.

Because of the significance of the matters described in the Basis for Disclaimer of Audit Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

WINDHOEK, November 2016


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

8. 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				(43 215 605)
General accounts				
- Rates and general	10 444 929	17 343 400	(6 898 471)	
- Non-profitable services	6 219 176	9 943 747	(3 724 571)	
- Self-supporting services	12 308 558	5 703 672	6 604 886	
Trade accounts				
- Electricity	48 652 571	47 279 593	1 372 978	
- Water	19 821 703	14 773 712	5 047 991	
Surplus for the year	97 446 937	95 044 124	2 402 813	2 402 813
				(40 812 792)
Adjustments and utilisations (See note 11 Annexure D)				9 984 894
Accumulated deficit on 30/06/2014				(30 827 898)

10. CURRENT BANK ACCOUNT

	2014	2013
	N\$	N\$
Cash-book balance at 30 June - Balance sheet	(985 793)	3 525 771
Outstanding cheques	5 040 099	6 381 472
Outstanding deposits	(57 721)	(3 032 325)
Other outstanding items	1 580	15 405
Unexplained difference	-	-
Balance as per bank statement	3 998 165	6 890 323

11. INVESTMENTS

The investments as at 30 June were as follows:

Institution	2014 Investment	2013 Investment
	N\$	N\$
Commercial banks	2 182 469	8 919
Distribution		
Build Together Fund	105 327	-
Revenue	2 077 142	8 919
	2 182 469	8 919

12. FUND ACCOUNTS

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

13. TRADE ACCOUNTS

14. The results of trade accounts were as follows:

	Electricity		Water	
	2014	2013	2014	2013
	N\$	N\$	N\$	N\$
Sales	49 385 776	30 373 150	19 253 691	18 519 062
Cost of sales	(36 339 033)	(31 861 215)	(12 266 245)	(13 900 657)
Gross surplus/ (deficit)	13 046 743	(1 488 065)	6 987 446	4 618 405
Other expenses	(11 673 765)	(4 225 291)	(1 939 454)	(2 246 299)
Net surplus/ (deficit)	1 372 978	(5 713 356)	5 047 992	2 372 106
Gross surplus/(deficit) percentage on sales	26.4%	(4.9%)	36.4%	24.9%
Net surplus percentage on sales	2.7%	(18.8%)	26.3%	12.8%

15. Distribution results

No distribution results were available.

16. SELF-SUPPORTING SERVICES

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

Service	Income 2014	Expenses 2014	Surplus/ (Deficit) 2014	Surplus/ (Deficit) 2013
	N\$	N\$	N\$	N\$
Sanitation	(609)	2 561	(3 170)	(380)
Sewerage	3 915 040	1 350 818	2 564 222	3 369 795
Commonage and Pound	1 439 252	713 396	725 856	530 007
Properties	6 954 874	3 636 897	3 317 977	666 483
	12 308 557	5 703 672	6 604 885	4 565 905

1.6.2 FRUITLESS, UNAUTHORIZED OR AVOIDABLE EXPENDITURE

No such expenses were revealed.

17. SUSPENSE ACCOUNTS

17.1 Receivables

	2014	2013
	N\$	N\$
Debtors	27 758	-

17.2 Payables

	2014	2013
	N\$	N\$
Service loans	13 833 078	13 836 009
Totals	13 833 078	13 836 009

18. IRREGULARITIES AND LOSSES

No such expenses were reported.

19. CAPITAL PROJECTS

No capital statements were available for the year under review.

20. STUDY LOANS/BURSARIES

No study loans were granted for the year under review.

21. CONTRIBUTIONS, GRANTS AND FINANCIAL AID

There were no contributions or grants.

22. COMPENSATION PAYMENTS

There were no compensation payments.

23. VISITS TO FOREIGN COUNTRIES

There were no visits to foreign countries.

24. CLAIMS AGAINST THE LOCAL AUTHORITY

There were no claims against the Local Authority.

25. GIFTS/DONATIONS BY THE LOCAL AUTHORITY

There were no donations for the year under review.

26. TRANSFER OF PROPERTY

No property was transferred to/ or from Government.

27. TRADE AND OTHER RECEIVABLES/PAYABLES

27.1 Trade and other receivables at 30 June were:

	2014	2013
	N\$	N\$
Consumers	76 139 084	72 136 800
Suspense accounts	27 758	-
VAT	1 227 488	1 055 541
	77 394 330	73 192 341
Provision for bad debts	(50 666 566)	(61 291 583)
Total	26 727 764	11 900 758

27.2 Trade and other payables at 30 June were:

	2014	2013
	N\$	N\$
Trade payables	39 687 901	41 528 935
Provisions	2 783 750	1 830 076
Suspense accounts	13 833 078	13 836 009
Total	56 304 729	57 195 020

28. ASSESSMENT RATES

	2014	2013
	N\$	N\$
The net proceeds from assessment rates were	1 730 859	2 522 997
Tariffs per N\$1 valuation per month on site value	0.0410	0.0410
Tariffs per N\$1 valuation per month on improvement value	0.0043	0.0043

29. LOANS

29.1 External and internal loans

There were no external loans

29.2 Internal loans

There were no internal loans

29.3 Housing loans due to the Council

	2014	2013
	N\$	N\$
Old Housing Fund	3 124 386	3 124 386
Build Together advances to buyers	12 493 931	5 105 859
Total	15 618 317	8 230 245

30. SALE OF ERVEN

The proceeds of erven and plots sold were N\$ 0.00 (2013: N\$ 794 177) and were allocated to the Revenue account.

31. LOCAL AUTHORITY PROPERTY SOLD ON AN INSTALMENT BASIS

No properties were sold on an instalment basis during the year.

32. TARIFF ADJUSTMENTS

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

33. APPROVALS

All overspending were approved by the Council.

34. INVENTORY AND EQUIPMENT

34.1 Motor vehicles and values thereof:

No information was provided for motor vehicles.

34.2 Inventory

According to the Council, stock comprising of stationery and consumables amounted to N\$ 561 432 (2013: N\$ 567 779). The inventory is being done on a manual system for which the auditors only received a list. No further information regarding the closing value on 30 June 2014 was provided.

35. SPECIAL INVESTIGATIONS

There were no special investigations during the year under review.

36. FORMAL AND INFORMAL QUERIES

36.1 Formal queries are embodied in this report.

36.2 Informal queries were discussed with the Town Council.

TOWN COUNCIL OF REHOBOTH

BALANCE SHEET AT 30 JUNE

	Notes	2014 N\$	2013 N\$
ASSETS			
Non-current assets			
		120 702 621	120 047 867
Property, plant and equipment	2	102 901 835	111 808 703
Investments	3	2 182 469	8 919
Long-term loans receivable	4	15 618 317	8 230 245
Current assets			
		50 032 554	36 206 007
Trade and other receivables	5	26 727 764	11 900 758
Temporary advances		22 743 358	20 296 857
Inventories		561 432	482 621
Bank account	6	-	3 525 771
TOTAL ASSETS		170 735 175	156 253 874
FUNDS AND LIABILITIES			
Funds and reserves			
		110 540 737	97 120 200
Capital outlay	7	102 901 835	111 808 703
Funds and accounts	8	7 638 902	(14 688 503)
Non-current liabilities			
		2 032 750	1 938 654
Long-term loans	9	2 032 750	1 938 654
Current liabilities			
		58 161 688	57 195 020
Trade and other payables	10	57 175 895	57 195 020
Bank overdraft	6	985 793	-
TOTAL FUNDS AND LIABILITIES		170 735 175	156 253 874

TOWN COUNCIL OF REHOBOTH

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE

	Note	2014 N\$	2013 N\$
INCOME		97 413 504	74 394 547
EXPENDITURE		95 044 124	82 089 629
NET OPERATING SURPLUS/(DEFICIT)		2 369 380	(7 695 082)
INTEREST ON INVESTMENTS		33 433	8 501
NET OPERATING SURPLUS/(DEFICIT) AFTER INTEREST		2 402 813	(7 686 581)
APPROPRIATION ACCOUNT	11	9 984 894	22 324 369
NET SURPLUS AFTER APPROPRIATIONS		12 387 707	14 637 788
REVENUE ACCOUNT - Beginning of year		(43 215 605)	(57 853 393)
REVENUE ACCOUNT - End of year		(30 827 898)	(43 215 605)

REHOBOTH TOWN COUNCIL

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE

	Note	2014 N\$	2013 N\$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		97 413 504	74 394 547
Cash paid to suppliers		(102 430 673)	(53 442 346)
Cash generated by operations	12	(5 017 169)	20 952 201
Investment income		33 433	8 501
Increase/(decrease) in Fund accounts		9 939 900	(2 101 971)
(Decrease)/increase in Capital outlay		(8 906 868)	(10 313 234)
Net cash (outflow)/inflow from operating activities		(3 950 904)	8 545 497
CASH FLOW FROM INVESTING ACTIVITIES			
Net capital income/(expenditure)		8 906 868	10 322 419
(Increase) /decrease in investments		(2 173 550)	1 484 126
Increase in advances		(7 388 072)	(1 072 811)
		(654 754)	10 733 734
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in long-term liabilities		94 094	49 360
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(4 511 564)	19 328 591
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR		3 525 771	(15 802 820)
CASH AND CASH EQUIVALENTS - END OF YEAR		(985 793)	3 525 771

**TOWN COUNCIL OF REHOBOTH
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 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 less depreciation, or valuation less depreciation, where assets have been acquired by grant or by donation.

1.3 Investments

Investments are reflected at face value.

1.4 Trade receivables

Accounts receivable are recorded at originated cost less an allowance for bad debts.

1.5 Cash and cash equivalents

It consists of cash on hand and the current account with banks, all of which are available for immediate use by the Council.

1.6 Trade and other payables

All financial liabilities are recorded at cost.

1.7 Internal Funds

Internal Funds were created as follows by the Council:

1.7.1 Build Together Fund

The purpose of this Fund is to provide for housing loan assistance to low income earners in the society. The low income earners are expected to provide their house plans and are vetted for qualification before the funds are disbursed. This is a revolving Fund and the low income earners are expected to repay these loans on a monthly basis for a period of up to twenty years, at an interest rate of five percent per annum. Income for the Fund is derived from interest earned on secured housing loans and investments.

1.7.2 Old Housing Fund

The purpose of this Fund is to provide housing loans to the low income group of inhabitants. Income for this Fund is derived from interest earned on secured housing loans and investments.

1.7.3 Sewerage Reserve Fund

The purpose of this Fund is to generate funds for the upgrading of existing sewerage works. Income is generated from annual contributions from the operational budget as well as interest on investments.

TOWN COUNCIL OF REHOBOTH

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

	2014 N\$	2013 N\$
2. PROPERTY, PLANT AND EQUIPMENT		
External loan assets	-	-
Revenue assets	102 901 835	111 808 703
Total	102 901 835	111 808 703
3. INVESTMENTS		
INVESTMENTS		
Commercial banks	2 182 469	8 919
ALLOCATED AS FOLLOWS		
Sewerage	105 327	-
Revenue	2 077 142	8 919
	2 182 469	8 919
4. LONG-TERM LOANS RECEIVABLE		
Old Housing Fund	3 124 386	3 124 386
Build Together advances to buyers	12 493 931	5 105 859
	15 618 317	8 230 245
5. TRADE AND OTHER RECEIVABLES		
Consumers	76 139 084	72 136 800
Suspense accounts	27 758	-
VAT	1 227 488	1 055 541
	77 394 330	73 192 341
Provision for bad debts	(50 666 566)	(61 291 583)
	26 727 764	11 900 758

TOWN COUNCIL OF REHOBOTH

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

	2014	2013
	N\$	N\$
6. BANK AND CASH		
Current account	<u>(985 793)</u>	<u>3 525 771</u>
7. CAPITAL OUTLAY		
Revenue contributions	<u>102 901 835</u>	<u>111 808 703</u>
	102 901 835	111 808 703
8. FUNDS, ACCOUNTS AND RESERVES		
Old Housing Fund	3 904 071	3 904 071
Sewerage Fund	22 069 000	9 917 338
Capital Development Fund	-	1 178 041
Build Together Fund	12 493 931	13 527 652
Revenue account kept in compliance with Section 86(1) of the Local Authorities Act, 1992.	<u>(30 828 100)</u>	<u>(43 215 605)</u>
	7 638 902	(14 688 503)
9. LONG-TERM LIABILITIES		
External loans - Wesbank	-	-
Consumer deposits	<u>2 032 750</u>	<u>1 938 654</u>
	2 032 750	1 938 654
10. TRADE AND OTHER PAYABLES		
Trade payables	39 687 901	41 528 935
Sundry Creditors	871 166	-
Provisions	2 783 750	1 830 076
Suspense accounts	<u>13 833 078</u>	<u>13 836 009</u>
	57 175 895	57 195 020

TOWN COUNCIL OF REHOBOTH

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

	2014	2013
	N\$	N\$
11. ADJUSTMENTS TO APPROPRIATION ACCOUNT		
Adjustment to consumer deposits	-	3 165
Adjustment to property, plant and equipment	(16 552)	-
Adjustment to investment accounts	2 029 338	1 817 044
Adjustment to loans outstanding	-	(136 627)
Adjustment to petty cash	(8 453)	(8 453)
Adjustment to suspense accounts	4 625 816	11 175 520
Balances written back	-	(51 996 936)
Bank reconciliation adjustments	8 870 190	6 668 355
Creditors adjustment	(7 784 732)	(9 475 041)
Current year accrual	(34 192 132)	(75 140)
Debtors adjustments	(76 179 997)	(76 179 997)
Huaxia donation written off	467 791	467 791
Correction to housing fund debtors	(10 435 387)	-
Provision for bad debts	-	(3 605 333)
Provision for staff benefits	(44 279)	(44 272)
Provision for third party accruals	-	(335 444)
R/D cheques	(3 259)	(3 259)
Stale cheques	15 335 055	15 335 055
Stores	231 873	222 557
Unexplained difference in opening balance	102 075 818	125 946 084
Vat adjustment	5 013 804	2 549 300
	9 984 894	22 324 369

TOWN COUNCIL OF REHOBOTH

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

	<u>2014</u>	<u>2013</u>
	N\$	N\$
12. CASH GENERATED BY OPERATIONS		
Net operating surplus/(deficit) before interest and transfers	2 369 380	(7 695 082)
Adjustments for:		
- Adjustments to appropriation account	9 984 894	22 324 369
- Temporary advances	(2 446 501)	2 129 846
OPERATING SURPLUS BEFORE CHANGES IN WORKING CAPITAL	<u>9 907 773</u>	<u>16 759 133</u>
CHANGES IN WORKING CAPITAL		
(Increase)/Decrease in trade and other receivables	(14 827 006)	(1 910 402)
Increase in inventories	(78 811)	(222 501)
(Decrease)/Increase in trade and other payables	(19 125)	6 325 971
	<u>(14 924 942)</u>	<u>4 193 068</u>
CASH GENERATED BY OPERATIONS	<u>(5 017 169)</u>	<u>20 952 201</u>

