



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE**

# **VILLAGE COUNCIL OF AROAB**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013**

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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 Village Council of Aroab for the financial year ended 30 June 2013, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991, (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

**WINDHOEK, February 2014**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL  
ON THE ACCOUNTS OF THE VILLAGE COUNCIL OF AROAB  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013**

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**1. INTRODUCTION**

The accounts of the Village Council of Aroab for the year ended 30 June 2013 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 MAC & Associates has been appointed in terms of section 26 (2) of the State Finance Act, 1991, to audit the accounts of the Village Council on behalf of the Auditor-General and under his supervision.

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

**2. FINANCIAL STATEMENTS**

The Village 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. The original 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 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 Village Council is responsible for the preparation and fair presentation of the 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 judgement, 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 Understatement of the Build Together Loans and the related Fund

The reported, Build Together loan balance and the related Build Together Fund are understated by N\$ 383 171.

##### 4.2 Understatement of the livestock inventory and the related appropriation account

The livestock (cattle) inventory and the appropriation account are understated by N\$ 96 000.

##### 4.3 Understatement of the electricity purchases and related government subsidy

A government subsidy and the related electricity bulk purchases of N\$ 264 892 is not reflected in the Village Council's financial statements.

##### 4.4 Understatement of the VAT Receivable and the related Social Housing Fund

VAT receivable and the related Social Housing Fund are materially misstated by the omission of the input VAT on the expenditure incurred on Social Housing activities.

##### 4.5 Overstatement of the current liabilities

The Namwater account was not reconciling by N\$ 104 570 resulting in overstatement of the liabilities and understatement of the related appropriation account.

#### 5. ACKNOWLEDGEMENT

The assistance and co-operation by the staff of the Aroab Village Council 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:

	<b>Revenue</b>	<b>Expenditure</b>	<b>Surplus / (deficit)</b>	<b>Balance</b>
	N\$	N\$	N\$	N\$
Accumulated surplus				
– Opening balance 1 July 2012				<b>1 824 547</b>
<b>General accounts</b>				
– Non-profitable	3 022 905	3 292 156	(269 251)	
– Self-supporting	1 267 560	606 605	660 955	
<b>Trade accounts</b>				
– Water	1 028 856	1 072 235	(43 379)	
– Electricity	1 792 086	1 471 860	320 226	
– Transport	220 035	141 355	78 680	
	<b>7 331 442</b>	<b>6 584 211</b>	<b>747 231</b>	
Surplus for the year				747 231
Adjustments and utilisations (Note 11, Annexure D)				2 571 778
Accumulated surplus				(767 327)
– Closing balance 30 June 2013				<b>1 804 451</b>

## 7. CURRENT BANK ACCOUNTS

	2013	2012
	N\$	N\$
Cash-book balance	449 271	554 190
Outstanding cheques	480 605	1 113 957
Other	1 335	-
Balance per bank statement	<b>931 211</b>	<b>1 668 147</b>

## 8. INVESTMENTS

	2013	2012
	N\$	N\$
The investments as at 30 June were as follows:		
Financial institutions	<b>6 090 268</b>	<b>5 997 865</b>
The investments were allocated as follows:		
Revenue Fund	1 419 764	1 055 064
Capital Reserve Fund	2 997 420	1 456 035
Housing Fund	174 583	171 992
Build Together Fund	917 390	3 314 774
Social Housing Fund	581 111	-
	<b>6 090 268</b>	<b>5 997 865</b>
Interest was allocated as follows to the Funds:		
Revenue Fund	201 132	189 665
Social Housing Fund	28	-
Build Together Fund	112 869	70 523
	<b>314 029</b>	<b>260 188</b>

Interest has been incorrectly allocated and should also have been allocated to Capital Reserve Fund.

## 9. TRADE ACCOUNTS

The results of operations were as follows:

	2013	2012
	N\$	N\$
<b>Electricity:</b>		
Sales and royalties	1 475 929	1 237 281
Cost of bulk purchases	(942 511)	(716 956)
Gross profit	533 418	520 325
GRN contribution	300 000	957 000
Net expenditure - normal operations	(290 905)	(177 684)
Net surplus before capital expenditure	542 513	1 299 641
Less: Capital expenditure	(222 287)	(806 769)
Net surplus for the year	<b>320 226</b>	<b>492 872</b>
Gross profit % on bulk purchases	56.6%	72.6%
Net surplus before capital expenditure % on bulk purchases	57.6%	181.3%

Electricity accounts are partly paid by the Ministry (government), being N\$ 354 262 (2012: N\$ 287 438) for the year under review of which N\$ 264 892 (2012: N\$ 287 438) is not recorded in accounting records.

	<b>2013</b>	<b>2012</b>
	N\$	N\$
<b>Water:</b>		
Sales	855 942	794 632
Cost of bulk purchases	(735 019)	(582 310)
Gross profit	120 923	212 322
GRN contribution	150 000	410 000
Net expenditure - normal operations	(182 173)	(258 564)
Net surplus before capital expenditure	88 750	363 758
Less: Capital expenditure	(132 129)	(378 302)
Net deficit for the year	<b>(43 379)</b>	<b>(14 544)</b>
Gross profit % on bulk purchases	16.5%	36.5%
Net surplus before capital expenditure % on bulk purchases	12.1%	62.5%

### Distribution losses

The Council's statistics of distribution losses are as follows:

	<b>2013</b>	<b>2012</b>
	Kw/h	Kw/h
The results are as follows:		
<b>Electricity</b>		
Units purchased	1 191 142	1 209 055
Units sold	(1 157 353)	(1 117 828)
Distribution loss	<b>(33 789)</b>	<b>(91 227)</b>
Percentage loss on bulk purchases	(2.8%)	(7.5%)

The Village Council managed to reduce the distribution losses by N\$ 57 438.

	<b>2013</b>	<b>2012</b>
	m <sub>3</sub>	m <sub>3</sub>
<b>Water</b>		
Units purchased	84 552	78 780
Units sold	(75 957)	(84 429)
Distribution (loss)/gain	<b>(8 595)</b>	<b>5 649</b>
Percentage (loss)/gain on bulk purchases	(10.2%)	7.2%

The Council incurred distribution losses.

### 10. FRUITLESS, UNAUTHORISED OR AVOIDABLE EXPENDITURE

No such expenditure was revealed during the audit.

## 11. SELF-SUPPORTING SERVICES

11.1 The results for the years under review are as follows:

	<b>Income</b>	<b>Expenses</b>	<b>Deficit</b>	<b>Deficit</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>
	N\$	N\$	N\$	N\$
Townlands	384 192	192 911	191 281	14 251
Housing	47 435	17 927	29 508	(3 878)
Cleansing services	797 176	370 547	426 629	359 701
Brick making	38 757	25 221	13 536	50 318
	<b>1 267 560</b>	<b>606 606</b>	<b>660 954</b>	<b>420 392</b>

## 12. SUSPENSE ACCOUNTS

No suspense accounts were being maintained.

## 13. IRREGULARITIES AND LOSSES

The auditors did not find any irregularities and losses for the year under review.

## 14. CAPITAL PROJECTS

	<b>2013</b>	<b>2012</b>
	N\$	N\$
<b>Expenditure:</b>		
Municipal buildings	54 021	422 006
Electricity	222 287	806 767
Parks	231 710	-
Cleansing services	1 300	-
General administration	812 448	446 331
Water	132 129	378 302
Roads and street works	288 503	224 220
Townlands	45 243	-
Cemeteries	46 456	-
Other	-	14 510 860
	<b>1 834 097</b>	<b>16 788 486</b>
<b>Financed by:</b>		
Revenue account	1 834 097	16 788 486
	<b>1 834 097</b>	<b>16 788 486</b>

## 15. BURSARIES

No bursaries were allocated or paid during the year under review.

## 16. CONTRIBUTIONS, GRANTS AND FINANCIAL AID

	<b>2013</b>	<b>2012</b>
	N\$	N\$
Capital Reserve Fund	1 500 000	-
Contributions to capital budget	1 700 000	342 750
Contributions to Build Together Fund	50 000	2 825 000
Contributions to operating budget	724 736	2 108 565

## 17. COMPENSATION PAYMENTS

No compensation payments were allocated or paid during the year under review.

## 18. VISITS TO FOREIGN COUNTRIES

The foreign trip to Kigali, Rwanda was undertaken during the year under review. The trip was approved the Minister and total expenditure incurred by the Village Council amounted to N\$ 3 483.

## 19. CLAIMS AGAINST THE LOCAL AUTHORITY

No such expenditure was revealed during the audit.

## 20. GIFTS AND DONATIONS BY THE LOCAL AUTHORITY

The Village Council approved the exemption of pensioners from paying basic tariff on water and sewerage of N\$ 27.90 and N\$ 20 respectively. The total amount exempted amounted to N\$ 63 878 (2012: N\$ 57 296.)

## 21. TRANSFER OF PROPERTY

There were no transfers of property to or from the local authority during the year under review.

## 22. TRADE AND OTHER RECEIVABLES

	<b>2013</b>	<b>2012</b>
	N\$	N\$
Build Together and Housing Fund receivables	2 264 138	2 127 428
Services, rates and taxes	3 475 350	2 798 994
Provision for bad debts	(3 012 887)	(2 102 950)
VAT claims	310 774	389 900
Other receivables	-	2 681
	<b>3 037 375</b>	<b>3 216 053</b>

## 23. TRADE AND OTHER PAYABLES

	<b>2013</b>	<b>2012</b>
	N\$	N\$
Loan instalments in arrears	777 785	492 664
Trade payables	196 877	108 082
Consumer deposits	11 841	11 623
Provision for leave	177 233	624 091
	<b>1 163 736</b>	<b>1 236 460</b>



## 24. ASSESSMENT RATES

	<b>2013</b>	<b>2012</b>
	N\$	N\$
Proceeds from assessment rates were	<b>287 531</b>	<b>271 368</b>
Tariffs per N\$1 valuation per annum		
Land:		
- Residential	0.0284	0.0270
- Business	0.0405	0.0386
Improvements:		
- Residential	0.0278	0.0265
- Business	0.0398	0.0379

## 25. LOANS

### 25.1 External loans

	<b>2013</b>	<b>2012</b>
	N\$	N\$
Balance on loans		
- Capital section	281 337	294 741
Instalments and interest in arrears	200 465	492 664
Total outstanding	<b>481 802</b>	<b>787 405</b>

No repayments were done on the loans from Government but are provided for under current liabilities as instalments and interest in arrears.

### 25.2 Due to the Village Council

No loans were due to the Village Council. Advances in terms of the Housing Fund and Build Together Fund are reflected as debtors.

### 25.3 Loans written off

No loans were written off during the year under review.

## 26. SALE OF ERVEN

Proceeds of erven sales amounted to N\$ 41 385 and were credited to the Capital Reserve Fund.

## 27. LOCAL AUTHORITY PROPERTY SOLD ON AN INSTALMENT BASIS

Properties were sold on credit in terms of the Build Together Scheme for the year under review.

## 28. TARIFF ADJUSTMENTS

Tariff adjustments were applied in accordance with the Government Gazette.

## 29. APPROVALS

### 29.1 Internal loans

No internal loans were granted during the year under review.

## 29.2 Revenue written off

No revenue was written off during the year under review.

## 30. INVENTORY AND EQUIPMENT

### 30.1 Motor vehicles

	2013	2012
At the beginning of the year	12	11
Purchased during the year	2	2
Disposed during the year	-	(1)
<b>At end of the year</b>	<b>14</b>	<b>12</b>

### 30.2 Inventory

Inventory comprised consumable stock at cost and amounted to N\$ 24 037 (2012: N\$ 36 248).

Livestock inventory comprised sheep and cattle valued at N\$ 806 900 (2012: N\$ 733 800).

Livestock is understated, refer to item 4.2.

## 31. SPECIAL INVESTIGATIONS

There were no special investigations carried out during the year.

## 32. GENERAL

There was no sufficient system of internal control at the Village Council since proper segregation of duties is not possible due to the small number of staff employed. While increased management involvement reduces risks, it causes the risk that management and Council override existing controls, potentially a dangerous practice, which the Council should guard against.

## 33. FORMAL AND INFORMAL QUERIES

The formal queries are embodied in this report.

The informal queries have been addressed to the Chief Executive Officer:

## 34. QUALIFIED AUDIT OPINION

The accounts of the Village Council of Aroab for the financial year 30 June 2013 summarised in annexure A, were audited by me in terms of section 85 of the Local Authorities Act, 1992, read with section 25(1)(b) of the State Finance Act, 1991.

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

- Understatement of the Build Together loans and the related Fund by N\$ 383 171.
- Understatement of the livestock inventory and the related appropriation account by N\$ 96 000.
- Understatement of bulk electricity purchases and related government subsidy by N\$ 264 892.
- Understatement of the VAT receivable and the related Social Housing Fund.
- Overstatement of the liabilities and understatement of the appropriation account by N\$ 104 570.
- The internal controls were not sufficient.

Except for the effects of any adjustments which might have been necessary as referred to above, in my opinion, these financial statements fairly present the financial position of the Village Council as at 30 June 2013 and the results of its operations and cash flow for the year then ended and in the manner required by the Local Authorities Act, 1992 and the State Finance Act, 1991.

**WINDHOEK, February 2014**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

VILLAGE COUNCIL OF AROAB  
BALANCE SHEET AS AT 30 JUNE

	Notes	2013 N\$	2012 N\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	24 113 062	24 905 155
Investments	3	6 090 268	5 997 865
<b>Current assets</b>			
Trade and other receivables	4	3 037 375	3 216 053
Inventory	5	830 937	770 048
Cash and cash equivalents	6	450 791	555 710
<b>Total assets</b>		<b>34 522 433</b>	<b>35 444 831</b>
<b>FUNDS AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Capital outlay	7	23 831 726	24 610 414
Funds and accounts	8	9 245 634	9 303 216
<b>Long-term liabilities</b>	9	<b>281 337</b>	<b>294 741</b>
<b>Current liabilities</b>			
Trade and other payables	10	1 163 736	1 236 460
<b>Total funds and liabilities</b>		<b>34 522 433</b>	<b>35 444 831</b>

## VILLAGE COUNCIL OF AROAB

## INCOME STATEMENT AS AT 30 JUNE

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		N\$	N\$
<b>Income</b>		7 130 310	6 667 013
Expenditure		<u>(6 584 211)</u>	<u>(6 433 077)</u>
Net operating surplus		546 099	233 936
Investment income		<u>201 132</u>	<u>189 664</u>
Net surplus for the year		747 231	423 600
Adjustments through appropriation account	11	<u>(767 327)</u>	<u>(347 179)</u>
		(20 096)	76 421
<b>Accumulated funds</b>			
Beginning of the year		<u>1 824 547</u>	<u>1 748 126</u>
End of the year	8	<u><b>1 804 451</b></u>	<u><b>1 824 547</b></u>

## VILLAGE COUNCIL OF AROAB

## CASH FLOW STATEMENT AS AT 30 JUNE

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		N\$	N\$
<b>Operating activities</b>			
Cash receipts from customers		7 130 310	6 667 013
Cash paid to suppliers and employees		(7 306 473)	(7 103 660)
Cash utilised by operations	12	(176 163)	(436 647)
Investment income		201 132	189 664
Movement in fund accounts			
Fund accounts		(37 486)	2 971 706
Capital outlay		(778 688)	14 473 681
		(791 205)	17 198 404
<b>Investing activities</b>			
Net capital expenditure		792 093	(14 459 741)
Change in investments		(92 403)	(2 377 980)
		699 690	(16 837 721)
<b>Financing activities</b>			
Change in the long term loan		(13 404)	(13 940)
		(13 404)	(13 940)
<b>Net movement in cash and cash equivalents</b>		(104 919)	346 743
<b>Cash and cash equivalents - Beginning of the year</b>		555 710	208 967
<b>Cash and cash equivalents - End of the year</b>		<b>450 791</b>	<b>555 710</b>

**VILLAGE COUNCIL OF AROAB****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE**

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**1. ACCOUNTING POLICIES**

The annual financial statements have been prepared on the historical cost basis and incorporate the following accounting policies which are consistent with those applied in the previous year. The financial statements are not prepared in terms of a framework.

The financial statements are prepared on a going-concern basis.

**1.1 Property plant and equipment**

Property, plant and equipment are stated at cost or valuation where assets have been acquired by grant or by donation.

**1.2 Investments**

Investments are reflected at face value.

**1.3 Trade receivables**

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

**1.4 Cash and cash equivalents**

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

**1.5 Trade and other payables**

All financial liabilities are recorded at cost.

**1.6 Internal Funds**

Internal Funds were created as follows by the Council.

**Fixed Property Fund**

Proceeds from the sale of land that has been developed by the Aroab Village Council, accumulates in this Fund. Costs incurred on the development of land are charged to this Fund.

**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.

**Capital Reserve Fund**

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

## VILLAGE COUNCIL OF AROAB

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

## 1.7 Inventories

**Consumables**

Inventories of consumables are measured at the lower of cost and net realisable value. The cost of inventories should comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to its present location and condition

**Livestock**

Inventory of livestock is measured at fair value less costs to sell.

	<b>2013</b>	<b>2012</b>
	N\$	N\$
<b>2. PROPERTY, PLANT AND EQUIPMENT AT COST LESS DEPRECIATION</b>		
Loan assets	481 802	481 802
Income assets	22 503 027	23 207 231
General capital assets	1 128 233	1 216 122
	<b>24 113 062</b>	<b>24 905 155</b>
<b>3. INVESTMENTS</b>		
Commercial banks	<b>6 090 268</b>	<b>5 997 865</b>
The investments were allocated as follows:		
Revenue Fund	1 419 764	1 055 064
Build Together Fund	917 390	3 314 774
Capital Reserve Fund	2 997 420	1 456 035
Housing Fund	174 583	171 992
Social Housing Fund	581 111	-
Total	<b>6 090 268</b>	<b>5 997 865</b>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
Build Together Fund and Housing Fund receivables	2 264 138	2 127 428
VAT claims	310 774	389 900
Services, rates and taxes	3 475 350	2 798 994
Provision for bad debts	(3 012 887)	(2 102 950)
Other receivables	-	2 681
	<b>3 037 375</b>	<b>3 216 053</b>



## VILLAGE COUNCIL OF AROAB

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

	<b>2013</b>	<b>2012</b>
	N\$	N\$
<b>5 INVENTORY</b>		
Consumables	24 037	36 248
Livestock	806 900	733 800
	<b>830 937</b>	<b>770 048</b>
<b>6. CASH AND CASH EQUIVALENTS</b>		
Bank balances	449 271	554 190
Petty cash	1 520	1 520
	<b>450 791</b>	<b>555 710</b>
<b>7. CAPITAL OUTLAY</b>		
General capital contributions	1 128 233	1 206 121
Loans redeemed	200 465	197 061
Revenue contributions	22 503 028	23 207 232
	<b>23 831 726</b>	<b>24 610 414</b>
<b>8. FUNDS AND ACCOUNTS</b>		
Build Together Fund	3 687 370	5 848 821
Capital Reserve Fund	2 997 420	1 456 035
Housing Fund	175 254	173 813
Social Housing Fund	581 139	-
Sub-total	7 441 183	7 478 669
Revenue account kept in compliance with section 86(1) of the Local Authorities Act, 1992.	1 804 451	1 824 547
	<b>9 245 634</b>	<b>9 303 216</b>
<b>9. LONG-TERM LIABILITIES</b>		
The Government of the Republic of Namibia	<b>281 337</b>	<b>294 741</b>

## VILLAGE COUNCIL OF AROAB

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

	2013	2012
	N\$	N\$
<b>10. TRADE AND OTHER PAYABLES</b>		
Loan instalments in arrears	777 785	492 664
Trade payables	196 877	108 082
Consumer deposits	11 841	11 623
Provision for leave pay	177 233	624 091
	<b>1 163 736</b>	<b>1 236 460</b>
<b>11. ADJUSTMENTS THROUGH APPROPRIATION ACCOUNT</b>		
Extra provision for bad debts	(449 194)	(460 740)
Prior year adjustment	(280 718)	(91 038)
Expenditure adjustment	-	(54 167)
Movement in the provision for leave pay	(13 885)	(101 053)
Write off of unrecovered VAT	-	(429 654)
Income adjustment	4 370	55 673
Inventory adjustment	(27 900)	733 800
	<b>(767 327)</b>	<b>(347 179)</b>
<b>12. CASH UTILISED BY OPERATIONS</b>		
Net surplus before adjustments	546 099	233 936
Adjustments through appropriation account (note 11)	(767 327)	(347 179)
Operating cash flow before changes in working capital	(221 228)	(113 243)
<b>Changes in working capital</b>		
Trade and other receivables	178 678	(234 692)
Inventories	(60 889)	(715 894)
Trade and other payables	(72 724)	627 182
Cash utilised by operations	<b>(176 163)</b>	<b>(436 647)</b>