



REPUBLIC OF NAMIBIA



AUDIT REPORT ON THE ACCOUNTS OF THE

VILLAGE COUNCIL OF KAMANJAB

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

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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 Kamanjab for the financial year ended 30 June 2012, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991, (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

WINDHOEK, July 2013

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
KAMANJAB VILLAGE COUNCIL
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012**

1. INTRODUCTION

The accounts of the Kamanjab Village Council for the year ended 30 June 2012 are being reported on in accordance with the provisions set out in the State Finance Act, 1991 (Act 31 of 1991) and the Local Authorities Act, 1992 (Act 23 of 1992).

The firm Mostert Landgrebe of Windhoek has been appointed in terms of Section 26 (2) of the State Finance Act, 1991, to audit the accounts of the Village 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.

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 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 Village Council 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 OBSERVATION AND COMMENTS

4.1 Long-term liabilities

There is no documentation available that reflects the outstanding balance on the Government loans of N\$ 907 371. The loan repayments in arrear that is reflected under liabilities has a balance on the financial statements of N\$ 1 055 959. According to the letter that the Council received from the Ministry of Finance the outstanding amount due by the Council is only N\$ 670 364, therefore the liability is overstated with N\$ 382 565.

4.2 Property, plant and equipment

There is a difference of N\$ 149 455 between the loan assets on the financial statements and the fixed assets register.

4.3 Investments

No documentation for the Censored Equity of N\$ 1 398 279 could be provided, the share certificates supplied reflect a premium of N\$ 1 869 813.

There is a difference of N\$ 2 217 241 between the investments on the financial statements and the actual statements received from the various banks where investments is held.

4.4 Inventories

No provision for inventories was made in the financial statements of the Village Council.

4.5 Trade and other receivables - Provision for bad debts

The average collection period of trade receivables, before taking the provision for bad debts into account, is 870.7 days (2011 - 912 days). The average collection period of trade receivables, after taking the provision for bad debts into account, is 60.2 days. The Council should attend to the arrears as a matter of urgency.

The trade receivables and Build Together Fund lists could not be used for the audit as the lists was printed in October 2012 after the opening of the new Council building and not on year end.

4.6 Other receivables - VAT

Included in trade and other receivables is an amount of N\$ 5 118 652 (2011: N\$ 4 813 007) for VAT receivable. According to the Ministry of Finance's statement of account and the auditors' calculations, the Council owes the Ministry of Finance an amount of N\$ 3 778 665. Therefore, there is an unreconcilable difference of N\$ 8 897 317. No provision for penalties and interest has been made.

One VAT return for May 2012 was not submitted timeously to the Directorate: Inland Revenue

4.7 Trade and payables

The list of accrued creditors was incomplete as there was payments made after year end on June 2012 invoices. The amounts reflected on the accrued creditors are excluding VAT.

4.8 Other payables - P.A.Y.E.

One P.A.Y.E. return was not submitted to the Directorate: Inland Revenue. The provisions in the financials statements might not be sufficient to cover for arrear amounts, penalties and interest thereon.

4.9 Consumer deposits

The consumer deposits are not sufficient to cover one month's service charges.

5. ACKNOWLEDGEMENT

The assistance and co-operation by the staff of the Kamanjab 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:

| | Revenue | Expenditure | Surplus/ (deficit) | Balance |
|---------------------------------------|----------------|--------------------|-------------------------------|------------------------|
| | N\$ | N\$ | N\$ | N\$ |
| Accumulated surplus on 01/07/2011 | | | | 8 985 868 |
| General accounts | | | | |
| - Non-profitable | 1 820 432 | 3 108 321 | (1 287 889) | |
| - Self-supporting | 269 230 | 1 323 217 | (1 053 987) | |
| Trade account | | | | |
| - Water | 951 935 | 656 519 | 295 416 | |
| - Electricity | - | 36 045 | (36 045) | |
| Deficit for the year | 3 041 597 | 5 124 102 | (2 082 505) | (2 082 505) |
| Adjustments (See Note 10, Annexure D) | | | | 6 903 363 (963 211) |
| Accumulated surplus on 30/06/2012 | | | | 5 940 152 |

7. CURRENT BANK ACCOUNT

| | 2012 | 2011 |
|---|----------------|------------------|
| | N\$ | N\$ |
| Cash-book balance at 30 June | 33 558 | (271 448) |
| Outstanding cheques - Disclosed as trade payables | 162 212 | - |
| Cash-book balance at 30 June - Balance sheet | 195 770 | (271 448) |
| Outstanding deposits | (2 728) | - |
| Other reconciling items | - | - |
| Balance as per bank statement | 193 042 | (271 448) |

8. INVESTMENTS

The investments as at 30 June were as follows:

| Institution | 2012 | 2011 |
|--------------------|------------------|-------------------|
| | N\$ | N\$ |
| Commercial banks | 2 026 819 | 10 146 961 |

The investments were allocated as follows:

| Allocation | 2012 | 2011 |
|-----------------------------|----------------------|-------------|
| | N\$ | N\$ |
| Build Together Fund Revenue | 321 846 1 704 973 | - - |
| | 2 026 819 | - |

9. FUND ACCOUNTS

The position of the Funds and accounts at year-end was as shown in note 7 in Annexure D.

10. TRADE ACCOUNTS

10.1 The results of trade accounts were as follows:

| | Electricity | | Water | |
|--|--------------------|---------------|----------------|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | N\$ | N\$ | N\$ | N\$ |
| Sales | - | - | 942 156 | 723 949 |
| Cenored surcharges | - | 18 511 | - | - |
| Cost of sales | - | - | (617 742) | (544 276) |
| Gross surplus | - | 18 511 | 324 414 | 179 673 |
| Other expenses | (36 045) | - | (28 998) | (17 491) |
| Net (loss)/surplus | (36 045) | 18 511 | 295 416 | 162 182 |
| Gross surplus percentages on sales | | 100.0% | 34.4% | 24.8% |
| Gross surplus percentages on cost of sales | | | 52.5% | 33.0% |
| Net surplus percentages on cost of sales | | | 47.8% | 29.8% |
| Net (loss)/surplus percentage on sales | | 100.0% | 31.4% | 22.4% |

10.2 Water distribution results, in cubic meters

| | Water | |
|------------------------------------|-----------------|----------------|
| | 2012 | 2011 |
| | Units | Units |
| Sales | 78 673 | 71 968 |
| Purchases | 92 549 | 75 707 |
| Loss | (13 876) | (3 739) |
| Percentage loss in units purchased | (15.0%) | (4.9%) |

No statistics of the prepaid water sold kept by the Council.

11. SELF-SUPPORTING SERVICES

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

| | Income | Expenses | Surplus/ (deficit) | Surplus/ (deficit) |
|----------|----------------|------------------|-------------------------------|-------------------------------|
| | 2012 | 2012 | 2012 | 2011 |
| | N\$ | N\$ | N\$ | N\$ |
| Sewerage | 269 230 | 1 323 217 | (1 053 987) | - |
| | 269 230 | 1 323 217 | (1 053 987) | - |

The Council should introduce measures to reduce the losses on the loss-making service.

12. FRUITLESS, UNAUTHORIZED OR AVOIDABLE EXPENDITURE

There were no such expenses.

13. SUSPENSE ACCOUNTS

Suspense accounts are cleared on a regular basis.

14. IRREGULARITIES AND LOSSES

There were no such expenses.

15. CAPITAL PROJECTS

The following were spend on capital projects:

| Nature of projects/acquisitions | Financial by | Total expenditure 2012 | Total expenditure 2011 |
|--|----------------------------|---------------------------------------|---------------------------------------|
| | Revenue account | | |
| | N\$ | N\$ | N\$ |
| General Administration | 1 803 908 | 1 803 908 | - |
| Sewerage | 665 003 | 665 003 | - |
| Water supply | 20 899 | 20 899 | - |
| Roads and streets | 95 652 | 95 652 | - |
| | 2 585 462 | 2 585 462 | - |

16. BURSARIES

There were no such expenses.

17. CONTRIBUTIONS, GRANTS AND FINANCIAL AID

No contributions were made to the Government for the year under review.

18. COMPENSATION PAYMENTS

There were no such expenses.

19. VISITS TO FOREIGN COUNTRIES

There were no such expenses.

20. CLAIMS AGAINST THE LOCAL AUTHORITY

There were no claims against the Local Authority.

21. GIFTS/DONATIONS BY THE LOCAL AUTHORITY

There were no such expenses.

22. TRANSFER OF PROPERTY

There were no transfers of property to or from the Local Authority.

23. TRADE AND OTHER RECEIVABLES/TRADE AND OTHER PAYABLES

23.1 Trade and other receivables at 30 June were:

| | 2012 | 2011 |
|---------------------------|------------------|------------------|
| | N\$ | N\$ |
| Services, rates and taxes | 5 502 674 | 3 798 098 |
| VAT | 5 118 652 | 4 813 007 |
| Build Together advances | 419 169 | 2 982 160 |
| Suspense accounts | 2 000 | - |
| | 11 042 495 | 11 593 265 |
| Provision for bad debts | (5 122 362) | (4 339 419) |
| Total | 5 920 133 | 7 253 846 |

The average collection period of trade receivables, before taking the provision for bad debts into account, is 870.7 days (2011: 912 days). The average collection period of trade receivables, after taking the provision for bad debts into account, is 60.2 days (2011: days). The Council should attend to the arrears as a matter of urgency.

The trade receivables and Build Together Fund lists could not be used for the audit as the lists was printed in October 2012 after the opening of the new Council building and not on year-end.

Included in trade and other receivables is an amount of N\$ 5 118 652 (2011: N\$ 4 813 007) for VAT receivable. According to the Ministry of Finance's statement of account and the auditors' calculations, the Council owes the Ministry of Finance an amount of N\$ 3 778 665. Therefore there is an unreconcilable difference of N\$ 8 897 317. No provision for penalties and interest has been made.

23.2 Trade and other payables at 30 June were:

| | 2012 | 2011 |
|----------------------------|------------------|----------------|
| | N\$ | N\$ |
| Consumer deposits | 356 | 356 |
| Loan instalments in arrear | 1 055 959 | 438 356 |
| Provisions | 140 743 | - |
| Suspense accounts | 64 421 | 102 578 |
| Trade payables | 37 865 | 195 976 |
| Totals | 1 299 344 | 737 266 |

The list of accrued creditors was incomplete as there were payments made after year-end on June 2012 invoices. The amounts reflected on the accrued creditors are excluding VAT.

One P.A.Y.E. return was not submitted to the Directorate: Inland Revenue. The provisions in the financial statements might not be sufficient to cover for arrear amounts, penalties and interest thereon.

24. ASSESSMENT RATES

| | 2012 | 2011 |
|---|-------------|-------------|
| | N\$ | N\$ |
| The proceeds from assessment rates were | 162 167 | 152 311 |
| Tariffs per N\$1 valuation per annum - Site valuation | 0.0306 | 0.0306 |
| Tariffs per N\$1 valuation per annum - Improvements | 0.0100 | 0.0100 |

25. LOANS

25.1 External loans

| | 2012 | 2011 |
|---------------------------|----------------|----------------|
| | N\$ | N\$ |
| The Government of Namibia | 907 371 | - |
| Commercial banks | 25 586 | 102 691 |
| | 932 957 | 102 691 |

There is no documentation available that reflect the outstanding balance on the Government loans of N\$ 907 371. The loan repayments in arrear that is reflected under liabilities has a balance on the financial statements of N\$ 1 055 959. According to the letter that the Council received from the Ministry of Finance, the outstanding amount due by the Council is only N\$ 670 364, therefore the liability is overstated with N\$ 382 565.

25.2 Due to the Village Council

| | 2012 | 2011 |
|---|----------------|------------------|
| | N\$ | N\$ |
| Build Together advances - Included in trade and other receivables | 419 169 | 2 982 160 |

No list of these advances could be provided to the auditors and the auditors were thus unable to verify the completeness and correctness of these advances.

25.3 Loans written off

No loans were written off by the Council.

26. SALE OF ERVEN

An amount of N\$ 238 077 is included in the income statement for sale of erven. No list for the sale of erven could be provided to the auditors.

27. LOCAL AUTHORITY PROPERTY SOLD ON AN INSTALMENT BASIS

None

28. TARIFF ADJUSTMENTS

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

29. APPROVALS

29.1 Excess on approved budget

All budget excesses were approved.

29.2 Internal loans

There were no internal loans.

29.3 Revenue written off

None

30. INVENTORY AND EQUIPMENT

30.1 Motor vehicles and values thereof

No analyses could be provided by the Council.

30.2 Inventory

No inventory records were available.

31. SPECIAL INVESTIGATIONS

Due to the lack of internal control, no comment regarding these expenses is presented.

32. GENERAL

There is an insufficient system of internal control at the Village Council. Proper segregation of duties is not possible due to the small number of staff employed. While increased management involvement does not 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 this report. Informal queries were raised with the Town Clerk. Audit differences and other comments are addressed in paragraph 4 of this report.

34. DISCLAIMED AUDIT OPINION

The accounts of the Village Council of Kamanjab for the financial year ended 30 June 2012, summarised in Annexures 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.

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

Property, plant and equipment

There is a difference of N\$ 149 455 between the loan assets on the financial statements and the fixed assets register.

Other receivables - VAT

Included in trade and other receivables is an amount of N\$ 5 118 652 (2011: N\$ 4 813 007) for VAT receivable. According to the Ministry of Finance's statement of account and the auditors' calculations, the Council owes the Ministry of Finance an amount of N\$ 3 778 665. Therefore there is an unreconcilable difference of N\$ 8 897 317. No provision for penalties and interest has been made.

Arrear external loans

External loans from Government are, as in previous years, not repaid but the repayments are provided for as arrear loan instalments under current liabilities. The total instalments in arrears amount to N\$ 741 152 (2009: N\$ 741 152).

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

Investments

No documentation for the Censored Equity of N\$ 1 398 279 could be provided, the share certificates supplied reflect a premium of N\$ 1 869 813.

There is a difference of N\$ 2 217 241 between the investments on the financial statements and the actual statements received from the various banks where investments are held.

Internal control

There is an insufficient system of internal control.

Inventories

No provision for inventories was made in the financial statements.

WINDHOEK, July 2013

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

KAMANJAB VILLAGE COUNCIL

BALANCE SHEET AT 30 JUNE

| | Notes | 2012 N\$ | 2011 N\$ |
|------------------------------------|-------|-------------------|-------------------|
| ASSETS | | | |
| Non current assets | | 37 170 214 | 12 558 728 |
| Property, plant and equipment | 2 | 35 143 395 | 2 411 767 |
| Investments | 3 | 2 026 819 | 10 146 961 |
| Current assets | | 5 953 691 | 6 982 398 |
| Trade and other receivables | 4 | 5 920 133 | 7 253 846 |
| Bank and cash | 5 | 33 558 | (271 448) |
| TOTAL ASSETS | | 43 123 905 | 19 541 126 |
| FUNDS AND LIABILITIES | | | |
| Funds and reserves | | 40 891 604 | 18 701 169 |
| Capital outlay | 6 | 34 210 438 | 6 611 673 |
| Funds and accounts | 7 | 6 681 166 | 12 089 496 |
| Non-current liabilities | | | |
| Long-term liabilities | 8 | 932 957 | 102 691 |
| Current liabilities | | | |
| Trade and other payables | 9 | 1 299 344 | 737 266 |
| TOTAL FUNDS AND LIABILITIES | | 43 123 905 | 19 541 126 |

KAMANJAB VILLAGE COUNCIL

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE

| | Note | 2012 | 2011 |
|--------------------------------------|-------------|------------------|------------------|
| | | N\$ | N\$ |
| INCOME | | 2 831 851 | 1 680 865 |
| EXPENDITURE | | (5 124 102) | (1 923 080) |
| NET OPERATING DEFICIT | | (2 292 251) | (242 215) |
| INTEREST ON INVESTMENTS | | 209 745 | 774 253 |
| NET (DEFICIT)/SURPLUS AFTER INTEREST | | (2 082 506) | 532 038 |
| APPROPRIATION ACCOUNT | 10 | (963 211) | - |
| | | (3 045 717) | 532 038 |
| REVENUE ACCOUNT - Beginning of year | | 8 985 868 | 8 453 830 |
| REVENUE ACCOUNT - End of year | | 5 940 151 | 8 985 868 |

KAMANJAB VILLAGE COUNCIL

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE

| | <u>Note</u> | <u>2012</u> | <u>2011</u> |
|---|-------------|---------------|------------------|
| | | N\$ | N\$ |
| NET MOVEMENT IN CASH AND CASH EQUIVALENTS | | 305 006 | (311 482) |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR | | (271 448) | 40 034 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | 5 | <u>33 558</u> | <u>(271 448)</u> |

VILLAGE COUNCIL OF KAMANJAB

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 or valuation where assets have been acquired by grant or by donation. Assets are depreciated over their estimated useful life's.

1.3 Internal Funds

The following Fund were created by the Town Council:

1.3.1 Build Together 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.

| | 2012 | 2011 |
|---|-------------------|-------------------|
| | N\$ | N\$ |
| 2. PROPERTY, PLANT AND EQUIPMENT | | |
| Loan assets | 1 254 138 | 102 691 |
| Income assets | 25 553 891 | 2 309 076 |
| General capital assets | 8 335 366 | - |
| | 35 143 395 | 2 411 767 |
| 3. INVESTMENTS | | |
| INVESTMENTS | | |
| Commercial Banks | 2 845 781 | 4 565 226 |
| Cenored | 1 398 279 | 1 398 279 |
| Unexplained difference | (2 217 241) | 4 183 456 |
| | 2 026 819 | 10 146 961 |
| ALLOCATED AS FOLLOWS | | |
| Build Together Fund | 321 846 | - |
| Revenue | 1 704 973 | - |
| | 2 026 819 | - |

VILLAGE COUNCIL OF KAMANJAB

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

| | 2012 | 2011 |
|--|--------------------------|--------------------------|
| | N\$ | N\$ |
| 4. TRADE AND OTHER RECEIVABLES | | |
| Services, rates and taxes | 5 502 674 | 3 798 098 |
| VAT | 5 118 652 | 4 813 007 |
| Build Together advances | 419 169 | 2 982 160 |
| Suspense accounts | 2 000 | - |
| | <u>11 042 495</u> | <u>11 593 265</u> |
| Provision for bad debts | (5 122 362) | (4 339 419) |
| | <u>5 920 133</u> | <u>7 253 846</u> |
| 5. CASH AND BANK BALANCES | | |
| Current account | <u>33 558</u> | <u>(271 448)</u> |
| 6. CAPITAL OUTLAY | | |
| Loans redeemed | 321 181 | - |
| Revenue contributions | 25 553 891 | - |
| General Capital contributions | 8 335 366 | 6 611 673 |
| | <u>34 210 438</u> | <u>6 611 673</u> |
| 7. FUNDS AND ACCOUNTS | | |
| Build Together Fund | 741 015 | 3 103 628 |
| Revenue account kept in compliance with Section 86(1) of the Local Authorities Act, 1992. | <u>5 940 151</u> | <u>8 985 868</u> |
| | <u>6 681 166</u> | <u>12 089 496</u> |
| 8. LONG-TERM LIABILITIES | | |
| The Government of Namibia | 932 957 | - |
| Commercial banks | - | 102 691 |
| | <u>932 957</u> | <u>102 691</u> |

VILLAGE COUNCIL OF KAMANJAB

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

| | 2012 | 2011 |
|--|--------------------|----------------|
| | N\$ | N\$ |
| 9. TRADE AND OTHER PAYABLES | | |
| Consumer deposits | 356 | 356 |
| Loan instalments in arrear | 1 055 959 | 438 356 |
| Provisions | 140 743 | - |
| Suspense accounts | 64 421 | 102 578 |
| Trade payables | 37 865 | 195 976 |
| | 1 299 344 | 737 266 |
| 10. ADJUSTMENTS TO APPROPRIATION ACCOUNT | | |
| B/F adjustments on ledger | 1 591 833 | - |
| Opening balance difference | (965 167) | - |
| Prior year expenditure | (17 574) | - |
| Prior year income | 119 738 | - |
| Provision for bad debts | (1 694 041) | - |
| Surplus carried wrongly to the appropriation account | 2 000 | - |
| | (963 211) | - |
| 11. CASH UTILISED BY OPERATIONS | | |
| Net operating deficit before transfers | (2 292 251) | |
| Adjustments for: | | |
| - Adjustments to appropriation account | (963 211) | |
| OPERATING SURPLUS BEFORE CHANGES IN WORKING CAPITAL | (3 255 462) | |
| CHANGES IN WORKING CAPITAL | | |
| Increase in trade and other receivables | 1 333 713 | |
| (Decrease)/increase in trade and other payables | 562 078 | |
| | 1 895 791 | |
| CASH UTILISED BY OPERATIONS | (1 359 671) | |