



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NATIONAL YOUTH SERVICE

**FOR THE FINANCIAL YEARS ENDED 31 MARCH 2006, 2007
& 2008**

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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 National Youth Service for the financial years ended 31 March 2006, 2007 and 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, August 2009

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NATIONAL YOUTH SERVICE
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2006, 2007 and 2008**

1. INTRODUCTION

The accounts of the National Youth Service (herein after referred to as the 'Service' as per the Act) for the year ended 31 March 2006 are being reported on in accordance with the provisions set out in the State Finance Act, 1991 (Act 31 of 1991) and the National Youth Service Act, 2005 (Act 6 of 2005).

The firm BDO Spencer Steward (Namibia) has been appointed in terms of Section 26 (2) of the State Finance Act, 1991, to audit the accounts of the Service on behalf of the Auditor-General and under his supervision.

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

2. ESTABLISHMENT

The National Youth Service was established in terms of Section 2 of the National Youth Service Act.

3. FINANCIAL STATEMENTS

The Service's annual financial statements were submitted to the Auditor-General by the chairperson in compliance with Section 22 of the National Youth Service Act 6, 2005. The audited annual financial statements published in this report are filed in the Office of the Auditor-General. The abridged balance sheet at annexure B, is a true reflection of the original. The following annexures are also attached to this report:

- Annexure A : Report of the Board
- Annexure C : Income statement
- Annexure D : Cash flow statement
- Annexure E : Notes to the annual financial statements

4. SCOPE OF THE AUDIT

The Accounting Officer of the Service 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 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 Service in the preparation of the financial statements and of whether the accounting policies are appropriate to the Service'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 irregularity;
- 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.

5. AUDIT OBSERVATIONS AND COMMENTS

5.1 Fixed assets

Observation:

The verification procedures of the auditors on the fixed assets register and general ledger revealed the following issues:

- The physical existence of a sample of some assets that were selected could not be verified and the auditors could not perform alternative procedures to satisfy themselves with regards to the existence of the assets.
- Inspection of the Service insurance contract and the fixed asset register revealed that the Service's assets are materially under insured.
- The auditors identified that the Service did not maintain a proper fixed asset register, hence they could not satisfy themselves with regards to the assertions of completeness, accuracy, existence and valuation of fixed assets.
- Management failed to provide the auditors with some of the supporting invoices which were requested.

Consequence:

- Possible misstatements of the following financial statement areas:
 - Depreciation expense; and
 - Property, plant and equipment.
- Possible exposure to insurance risk, which could result in losses in the event of damages or theft of fixed assets.
- Possible fraudulent activities through misappropriation of the Service's assets may go on without being detected.

Recommendation:

- Management should maintain a proper fixed asset register which is accurate, valid and complete.
- Management should implement effective internal control on the farm assets so that the unauthorized removal or disposals of assets is mitigated.
- Management should ensure on a monthly basis that the insurance cover on the fixed assets is adequate in total and on an individual asset basis.

5.2 Biological assets

Observation:

The verification procedures of the auditors on the biological assets, the donated assets and the general ledger revealed the following issues:

- The Service's livestock at various farms is not recorded in the books of accounts.
- There is no accounting policy on valuation of biological assets in place.
- There is no accounting system of the biological assets despite the fact that the Service owns various farms which have livestock.
- There is no livestock register.
- No livestock stock count tests were conducted at the end of the year.

Consequence:

- The biological assets balance, fair value adjustment amount and livestock sales amount may be materially misstated in the financial statements.
- Possible misappropriation of biological assets by the staff members or third parties might go undetected for a long period of time as there is no proper record keeping and accounting system of the live stock.

Recommendation:

- Management should design and implement an effective accounting and control system on the biological assets. For example, a livestock register should be maintained and reconciled to the ledger balance on a periodic basis and any differences should be resolved in a timely manner.
- The livestock register should be updated regularly by livestock movements i.e. births, purchases, sales, deaths, donations in and out, thefts and biological transformations movements. All the movements should be supported by supporting documentation i.e. birth certificates, goods received vouchers, delivery notes, death certificates, police reports and farm manager's certificates for biological transformation movements from one category to another category.
- Periodic stock counts should be done regularly to make sure that stock thefts, births and deaths are identified in a timely manner and adjusted in the books.
- Management should identify and adopt an accounting policy on the valuation of the biological assets.
- Donated livestock accounting treatment should be same as for the acquired livestock.

5.3 Revenue

Observation:

The verification procedures of the auditors identified the following issues:

- A review of the system accounting description revealed that there is no proper internal control environment. Revenue is recorded in the ledger based on the amount deposited into the Service's bank accounts, thus there were no alternative procedures that the auditors could perform to satisfy themselves with regards to the completeness, existence, accuracy and valuation of revenue in the books of accounts.
- Direct payments from the Ministry to the Service suppliers were not recorded in the books of accounts, thus the grant income in the books of accounts is understated.

- The Service received donations from other parties of which the auditors could only satisfy themselves with the amount recorded in the books of account as they could not perform alternative procedures to identify all the donations received by the Service.

Consequence:

- The following financial statement areas may be misstated in the financial statements:
 - Sales income;
 - Rental income;
 - Government grant income;
 - Other donation income;
 - Debtors;
 - Expenses accounts;
 - Property plant and equipment;
 - Depreciation expenses; and
- Possible misappropriation of cash sales and rental income by the staff members or third parties might go on undetected for a long period of time as there is no proper record keeping and accounting system of the revenue cycle.

Recommendation:

- Management should design and implement an effective accounting and control system on the sales income, rental income and direct payments from the Government. Exception reports should be generated on a monthly basis and identified differences should be resolved in a timely manner.
- The accounting treatment of direct payments should be the same as for cash grants and the contra should be debited to the relevant assets or expenses account.

5.4 Accounts payable (2006/07 & 2007/08)

Observation:

- The verification procedures of the auditors identified the following issues:
 - Review of the accounting system description revealed that there is no proper internal control environment on the accounts payable. Services received and goods acquired are recorded on payment date rather than on the date of delivery as per the accrual concept.
 - The Service does not maintain accounts payable listings and aging analysis.
 - Management failed to provide the auditors with some of the supporting invoices which were requested.
 - Some unpaid invoices for services rendered or goods received at year end were not recorded in the books of accounts as accounts payable or accruals.
 - Suppliers' monthly reconciliation statements were not done by the management.

Consequence:

- The following financial statement areas may be misstated in the financial statements.
 - Cost of sales
 - Accounts payable
 - Expense accounts
 - Property plant and equipment
 - Depreciation expenses

- Possible fraudulent activities may go on undetected if the management cannot provide evidence that the payment was for the services or goods received.

Recommendation:

- Management should implement an accounting system to record expenses incurred, services received and assets acquired on an accrual basis rather than cash accounting system.
- Creditors' statement reconciliations should be done on a monthly basis and identified differences should be followed up and resolved in a timely manner.
- Management should maintain a proper filing system so that documentation could be easily retrieved for verification by third parties or management.

5.5 Cost of sales and expenses accounts

Observation:

- The verification procedures of the auditors revealed the following issues:
 - Management failed to provide the auditors with some of the supporting documentation which was requested.
 - Direct payments from the Government to the Service suppliers were not recorded in the books of accounts.

Consequences:

- Possible misstatements of the following financial statement areas:
 - Government grant income
 - Expenses accounts
 - Cost of sales
 - Property plant and equipment
 - Depreciation expenses
- Possible fraudulent activities through unauthorized payments may go on undetected.

Recommendation:

- The accounting treatment of the Government direct payments should be same as for the cash grants and the contra should be debited to the relevant assets or expenses account.
- Management should maintain a proper filing system so that documentation could be easily retrieved for verification by third parties or management.

5.6 Bank and cash (2005/06)

Observation

The verification procedures of the auditors revealed that there was an unresolved difference of N\$ 12 273.60 on the Standard Bank Namibia bank reconciliation statement.

Consequences

The following financial statement areas may be possibly misstated:

- Revenue

- Interest income
- Bank and cash

Recommendations

Differences on bank reconciliations should be followed up and resolved in a timely manner.

5.7 GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Service to continue as a going concern remains dependent on continued funding from the Ministry of Youth, National Service and Culture.

6. ACKNOWLEDGEMENT

The assistance and co-operation by the staff of the Service during the audit is appreciated.

7. DISCLAIMED AUDIT OPINION

The accounts of the National Youth Service for the financial years ended 31 March 2006, 2007 and 2008 were audited in accordance with the provisions of Section 15(2) of the Act read with Section 25(1)(b) of the State Finance Act, 1991.

I am unable to express an audit opinion on the accounts of the Service and its financial position on 31 March 2006, 2007 and 2008 due to the following issues:

- The existence, completeness, accuracy and valuation of fixed assets, biological assets and revenue could not be confirmed.
- Not all supporting documentation for expenditure transactions could be submitted and direct payments to suppliers were not recorded.
- The accounts payable amount could not be confirmed (2006/07 and 2007/08)
- The bank reconciliation did not balance by N\$ 12 274 (2005/06).

WINDHOEK, August 2009

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

NATIONAL YOUTH SERVICE**REPORT OF THE BOARD FOR THE YEARS ENDED 31 MARCH**

The Board presents its report for the years ended 31 March 2006, 2007 and 2008. This report forms part of the audited financial statements.

1. BUSINESS AND OPERATIONS

The Service's business and operations and the results thereof are clearly reflected in the attached financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

The Service is engaged in Youth training.

2. STATEMENT OF RESPONSIBILITY**Directors' responsibility for the financial statements**

The Board's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with Namibian Generally Accepted Accounting Practice- NAC 001: Financial Reporting for Small and Medium Sized Entities and in the manner required by the National Youth Service (Act 6 of 2005). This responsibility includes: Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual 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.

The Board is also responsible for the system of internal financial controls. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatements and losses. Nothing has come to the attention of the Service to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the Board has every reason to believe that it has adequate resources in place to continue its operations for the foreseeable future.

Auditors' responsibility

It is the Auditor General's responsibility to express an opinion on these annual financial statements based on the audit. The audit was conducted in accordance with International Standards on Auditing. Those standards require that the auditor complies with ethical requirements and plans and performs the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 the directors, as well as evaluating the overall presentation of the annual financial statements.

NATIONAL YOUTH SERVICE

REPORT OF THE BOARD FOR THE YEARS ENDED 31 MARCH

Auditors' responsibility (continued)

The auditors believe that the audit evidence they have obtained is sufficient and appropriate to provide a basis for the audit opinion.

3. FINANCIAL RESULTS

The Service's surplus on ordinary activities for the years is shown below. Annual results can be summarised as follows:

	2008	2007	2006
	N\$	N\$	N\$
Revenue	28 271 075	4 182 645	1 159 788
Interest received	329 005	36 176	2 180
Finance costs	(389)	(465)	-
	28 599 691	4 218 356	1 161 968
Expenditure	(8 360 857)	(1 211 732)	(630 075)
Net surplus/(deficit) for the year	20 238 834	3 006 624	531 893
Cash and cash investments	11 847 524	3 394 022	435 362

4. PROPERTY, PLANT AND EQUIPMENT

There service acquired property plant and equipment of N\$ 102 381: 2006, N\$ 70 000: 2007 and N\$ 12 301 362: 2008.

5. EVENTS SUBSEQUENT TO THE YEAR END

There have been no facts or circumstances of a material nature that have occurred between the accounting date and the date of this report.

6. DIRECTORS

The Service consisted of the following members during the accounting period:

Mr. Vitalis Ita Ankama	Chairperson
Ms. Annelien Patricia van Wyk	Deputy Chairperson
Mr. J. Tjivikua	Member
Ms. E. Mboti	Member
Ms. T. //Garoës	Member
Ms. Aina Shekupe Ipinge	Member
Ms. Erica K. Akuenje	Member
Mr. L. Hungamo	Member
Dr. Peingeondjabi T. Shipoh	Member

7. APPROVAL

The financial statements were approved by the Service on 31 August 2009 and signed by the Chairperson:

Mr. V.I. Ankama
Chairperson

Windhoek, 31 August 2009

ANNEXURE B

NATIONAL YOUTH SERVICE

BALANCE SHEETS AS AT 31 MARCH

	Notes	2008 N\$	2007 N\$	2006 N\$
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment	2	11 929 827	144 495	96 531
Investments	3	50	-	-
CURRENT ASSETS				
Cash and cash equivalents	4	11 847 524	3 394 022	435 362
TOTAL ASSETS		23 777 351	3 538 517	531 893
FUNDS AND LIABILITIES				
FUNDS AND RESERVES				
Accumulated funds		23 777 351	3 538 517	531 893
TOTAL FUNDS AND LIABILITIES		23 777 351	3 538 517	531 893

ANNEXURE C

NATIONAL YOUTH SERVICE

INCOME STATEMENT FOR THE YEARS ENDED 31 MARCH

	Notes	2008 N\$	2007 N\$	2006 N\$
REVENUE	5	28 271 075	4 182 645	1 159 788
COST OF SALES	6	(37 628)	(168 182)	(52 928)
DEPRECIATION		(516 080)	(22 036)	(5 850)
OTHER OPERATING EXPENSES	6	(7 807 149)	(1 021 514)	(571 297)
OPERATING SURPLUS / (DEFICIT)	7	19 910 218	2 970 913	529 713
INTEREST RECEIVED		329 005	36 176	2 180
INTEREST PAID		(389)	(465)	-
NET SURPLUS / (DEFICIT) FOR THE YEAR		20 238 834	3 006 624	531 893
BALANCE - BEGINNING OF THE YEAR		3 538 517	531 893	-
BALANCE - END OF THE YEAR		23 777 351	3 538 517	531 893

ANNEXURE D

NATIONAL YOUTH SERVICE

CASH FLOW STATEMENTS AS AT 31 MARCH

	Note	2007 N\$	2006 N\$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated/(utilised) by operations	8	20 426 298	2 992 949
Interest received		329 005	36 176
Interest paid		(389)	(465)
Net cash inflow/(outflow) from operating activities		<u>20 754 914</u>	<u>3 028 660</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(12 301 362)	(70 000)
Investment acquired		(50)	-
		<u>(12 301 412)</u>	<u>(70 000)</u>
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		8 453 502	2 958 660
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		3 394 022	435 362
CASH AND CASH EQUIVALENTS - END OF YEAR	4	<u>11 847 524</u>	<u>3 394 022</u>
		<u>435 362</u>	<u>435 362</u>

NATIONAL YOUTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH

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 Revenue recognition

Revenue comprises grants received from the Government of the Republic of Namibia, sales of farm produce, canteen sales, rental of tractors and donations received.

1.3 Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investments.

1.4 Property, plant and equipment

All property, plant and equipment are initially recorded at cost and adjusted for any impairment in value.

Impairment losses and reversal of impairment losses are recognised in the income statement.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

- Motor vehicles	20 %
- Furniture and fittings	20 %
- Office equipment	20 %
- Computer equipment	33.3 %
- Farming equipment	10%

Residual values and remaining useful lives

The residual value and the useful life of each asset are reviewed at each financial period-end.

1.5 Government grants

Government grants are recognised on a receipt basis. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis relative to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to the deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

NATIONAL YOUTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH

1.6 Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, investments, trade receivables, trade payables, leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

1.7 Provisions

Provisions are recognised when the Service has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

NATIONAL YOUTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH

2. PROPERTY, PLANT AND EQUIPMENT

	2008			2007			2006		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Owned assets									
Land	5 002 500	-	5 002 500	-	-	-	-	-	-
Motor vehicles	7 157 596	(480 993)	6 676 603	-	-	-	-	-	-
Office equipment	47 567	(13 600)	33 967	43 097	(5 172)	37 925	-	-	-
Furniture and fixtures	2 600	(741)	1 859	2 600	(2 327)	2 327	-	-	-
Computer equipment	53 181	(28 081)	25 100	40 025	(12 471)	27 554	31 448	(2 618)	28 830
Farm equipment	210 298	(20 550)	189 748	86 658	(9 969)	76 689	70 933	(3 232)	67 701
	12 473 742	(543 965)	11 929 777	172 380	(27 885)	144 495	102 381	(5 850)	96 531

ANNEXURE E

NATIONAL YOUTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	Carrying value at end of year
	N\$	N\$	N\$	N\$	N\$
2008					
<i>Owned assets</i>					
Land	-	5 002 500	-	-	5 002 500
Motor vehicles	-	7 157 596	-	(480 993)	6 676 603
Office equipment	37 925	4 470	-	(8 428)	33 967
Furniture and fixtures	2 327	-	-	(468)	1 859
Computer equipment	27 554	13 156	-	(15 610)	25 100
Farm equipment	76 689	123 640	-	(10 581)	189 748
	144 495	12 301 362	-	(516 080)	11 929 777
2007					
<i>Owned assets</i>					
Office equipment	-	43 097	-	(5 172)	37 925
Furniture and fixtures	-	2 600	-	(273)	2 327
Computer equipment	28 830	8 578	-	(9 854)	27 554
Farm equipment	67 701	15 725	-	(6 737)	76 689
	96 531	70 000	-	(22 036)	144 495
2006					
<i>Owned assets</i>					
Computer equipment	-	31 448	-	(2 618)	28 830
Farm equipment	-	70 933	-	(3 232)	67 701
	-	102 381	-	(5 850)	96 531

ANNEXURE E

NATIONAL YOUTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH (continued)

	2008	2007	2006
	N\$	N\$	N\$

3. INVESTMENTS

Deep Sea Product Development Trust	50	-	-
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4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand balances and with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet accounts :

Cash on hand	3 082	-	-
Bank balances	6 749 319	3 394 022	435 362
Short-term deposit - Nampost	5 095 123	-	-
	11 847 524	3 394 022	435 362

5. REVENUE

Major classes of revenue comprise:

Government grants	11 910 408	2 400 000	-
Consumables and assets transferred	12 744 390	-	-
Donations received	2 265 765	1 475 490	874 485
Motor vehicle transferred	1 177 046	-	-
Sales – Canteen	26 125	153 235	72 012
Rental of tractors	51 695	1 199	7 200
Sales – Farm produce	95 646	152 721	183 226
Sales – Pest control	-	-	22 865
	28 271 075	4 182 645	1 159 788

NATIONAL YOUTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH (continued)

6. EXPENDITURE

		2008	2007	2006
		N\$	N\$	N\$
Cost of sales:	Farming	14 372	53 424	13 518
	Canteen	23 256	114 758	39 410
		37 628	168 182	52 928
General:	Allowances	287 520	-	-
	Advertising & promotions	20 721	5 394	52 928
	Bank charges	17 813	10 861	4 792
	Cleaning & consumables	778	359	11 861
	Computer expenses	3 309	5 118	275
	Consulting fees	493 176	266 107	-
	Courier & postage	828	-	420
	General expenses	-	1 728	-
	Electricity and water	47 998	-	-
	Entertainment	942	-	-
	Legal fees	31 535	-	-
	Licences	-	3 016	-
	Interest paid	389	465	-
	Membership fees	-	-	1 558
	Motor vehicle expenses	29 970	390 596	27 102
	Printing & stationery	4 315	4 058	7 766
	Rent paid	5 080	-	-
	Refreshments	29 500	1 632	2 700
	Repairs & maintenance	73 534	141 959	8 359
	Salaries & wages	15 140	1 900	30 870
	Trainees: Clothing	-	-	520
	Recreation	1 409	15 232	8 727
	Allowances	(750)	63 463	439 050
	Welfare	-	12 555	8 260
	Volunteers	-	1 500	1 150
	Security	254	-	-
	Staff welfare	490	637	-
Subscriptions	3 265	5 257	1 200	
Telephone & fax	18 826	770	-	
Travel & accommodation	81 296	89 372	16 687	
Grants in kind	6 640 200	-	-	
		7 845 166	1 190 161	624 225

ANNEXURE E

NATIONAL YOUTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH (continued)

7. OPERATING SURPLUS/ (DEFICIT)

Operating surplus/(deficit) is stated after :	2008	2007	2006
	N\$	N\$	N\$
<i>Expenditure</i>			
Depreciation	516 080	22 036	5 850

8. CASH GENERATED/(UTILISED) BY OPERATIONS

Net operating surplus/(deficit) for the year	20 238 834	3 006 624	531 893
Adjustments for :			
- Depreciation	516 080	22 036	5 850
- Interest received	(329 005)	(36 176)	(2 180)
- Interest paid	389	465	-
OPERATING SURPLUS/(DEFICIT) BEFORE CHANGES IN WORKING CAPITAL	20 426 298	2 992 949	535 563