SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2015

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED AND ITS SUBSIDIARIES

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

CONTENTS Page

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED AND ITS SUBSIDIARIES

Statement of directors' responsibilities
for the year ended 31 March 2015

The Directors are responsible for the preparation, integrity and fair presentation of the Consolidated and separate financial statements of Swaziland Development Finance Corporation Limited and its subsidiaries (the Group). The financial statements presented on pages 3 to 80 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and include amounts based on judgements and estimates made by management.

The Directors consider that, in preparing the financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS's that they consider to be applicable have been followed. The directors are satisfied that the information contained in the financial statements fairly presents the results of operations for the period and the financial position of the Group as at the end of the period.

The directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose, with reasonable accuracy, the financial position and results of the Group to enable the directors to ensure that the financial statements comply with relevant legislation.

The Group operates in an established control environment, which is documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business are being controlled. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Group will not be a going concern in the year ahead, based on forecasts and available cash resources. These financial statements support the viability of the Group.

The Group's external auditors, PricewaterhouseCoopers, audited the financial statements and their report is presented on page 2.

The annual financial statements which appear on pages 3 to 80 have been approved by the board of directors on 30 June 2015 and are signed on its behalf by:

CHAIRMAN

MANAGING DIRECTOR

Independent auditor's report
To the members of Swaziland Development Finance Corporation Group Limited
for the year ended 31 March 2015

We have audited the consolidated and separate annual financial statements of Swaziland Development Finance Corporation Limited which comprise the directors' report, the consolidated and separate statement of financial position as at 31 March 2015, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity, the consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Swaziland Companies Act 2009. 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
Our responsibility is to express an opinion on these financial statements based on our audit. Except as discussed below, we conducted our audit in accordance with International Standards on Auditing. Those Standards require that we 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of the group as of 31 March 2015 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Swaziland Companies Act 2009.

Supplementary information
The detailed income statement set out on annexure 1 and the taxation schedules on annexure 2 do not form part of the financial statements and are presented as additional information. We have not audited these statements and accordingly we do not express an opinion on them.

PricewaterhouseCoopers

PricewaterhouseCoopers
Partner: *Mvuselelo Fakudze*
Chartered Accountant (Swaziland)
Mbabane
Date 24 July 2015

DIRECTOR'S REPORT (Group)
for the year ended 31 March 2015

The Directors take pleasure in presenting a review of group operations and Annual Financial Statements for the year ended 31 March 2015.

1. REVIEW OF OPERATIONS

a) Lending Operation

Loan approvals during the year were to the value of E882 million towards 15 075 (fifteen thousand, and seventy-five) new loans. Out of that figure, General Purpose Finance Loans accounted for E673 million of the total approvals, and 13907 (thirteen thousand nine hundred and seven) in number).

Approvals per quarter are shown in the table below:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	TOTAL	Total To Date
Sector	Loan Amount	Loan Amount	Loan mount	Loan Amount	**Loan Amount**	**No. of Accounts**
Business Loans	32 466 945	8 678 558	25 630 427	17 507 653	**84 283 583**	**293**
Agricultural Loans	20 119 896	3 912 330	2 507 700	6 049 947	**32 589 873**	**85**
Kobwa Loans	69 072	194 094	65 128	46 834	**375 128**	**80**
Micro Loans	741 475	663 175	1 075 600	731 550	**3 211 800**	**631**
Sugar Cane Loans	14 947 541	29 630 561	24 831 072	19 123 794	**88 532 968**	**79**
General Purpose Finance	161 647 838	166 608 087	165 988 441	179 138 196	**673 382 562**	**13 907**
TOTAL	**229 992 767**	**209 686 805**	**220 098 368**	**222 597 974**	**882 375 914**	**15 075**

Loan commitments as at the end of the year were E40.1 million as shown in the summary below:

Sector	**Closing loan Commitments 31-Mar-14**	**Loans Approved During the year**	**Number of New Loans**	**Disbursed During the Year**	**Closing Loan Commitments 31-Mar-15**
Agricultural Loans	6 793 784	32 589 873	85	36 146 118	3 237 539
SME Loans	9 636 771	84 283 583	293	89 325 529	4 594 825
Sugar Cane Loans	23 583 480	88 532 968	79	83 152 316	28 964 132
General Purpose Loans	4 796 885	673 382 562	13907	674 838 112	3 341 335
Kobwa Loan Scheme	0	375 128	80	375 128	0
Micro Loans	0	3 211 800	631	3 211 800	0
	44 810 920	**882 375 914**	15 075	**887 049 003**	**40 137 831**

Gross loan portfolio for the parent company grew by 24% from E360.5 million to E447 million. Meanwhile general business and agricultural loans approved amounted to E84.3 million and E32.6 million respectively. Micro Loans and Sugar cane loan approvals amounted to E3.2 million and E88.5 million respectively.

Meanwhile gross loan portfolio for the subsidiary company grew by 42% from E423.4 million to E601.6 million. A significant proportion of lending activities under the subsidiary company goes towards educational and rural housing needs.

b) Branch Rollout

Tshaneni Branch
It was reported the previous year that the company is pursuing a branch rollout strategy. After opening one Branch in Siphofaneni the previous year, another Branch in Tshaneni was officially opened in March 2015. The Branch commenced operations in January 2015. This is a Branch for the parent Company Fincorp, and as at the end of the quarter, the Branch was managing a loan portfolio totaling E80.9 million.

DIRECTOR'S REPORT (Group) (continued)
for the year ended 31 March 2015

Nhlangano Branch
The Subsidiary Company, First Finance Company, also expanded operations and outreach to the Shiselweni region. Nhlangano was identified as an ideal location in view of growing clientele from the region that visit the other branches. This Branch is expected to start operating during the first quarter of the next financial year.

c) Upgrading of Insurance Agency Business to an Insurance Brokerage

In pursuit of the long standing commitment of expanding the income streams the Company successfully concluded the acquition of an existing brokerage business, resulting in the termination of the Company's Insurance Agency business operation to a fully-fledged Brokerage Business. The transaction was concluded in December 2014. As such, the Brokerage business officially began operations under new management in January 2015, and its offices are at The Bhunu Mall in Manzini operating as Finsure Insurance Brokers.

2. FINANCIAL OVER-VIEW

The group is reporting profit after tax of E25.2 million. This is more than double from last year's profit of E11.5 million and this a significant improvement considering that the operating environment has not yet fully recovered from the impact of the recent economic meltdown which adversely affected general economic growth.

a) Interest Income

Group interest income earned on loans for the year is E103 million rising from E76 million made the previous financial year. This is an increase of 36% and is attributed to the increase in overall gross loan portfolio growth from E746.5 million last year to E992.5 million at the end of this financial year.

This growth in loan portfolio is largely attributed to demand for general purpose loan finance.

b) Interest Expense and Borrowings

The group incurred interest expense of E57.0 million against E46.7 million the previous financial year. This is an increase of 22% and is attributable to a relative increase of 24% in borrowings which increased from E526 million to E653 million. New funding totalling E140.9 million was received during the course of the financial year as shown below:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual Total
MEDIUM TERM NOTE			40 000 000.00	20 000 000.00	**60 000 000.00**
ICDF TAIWAN LOAN		31 869 899.45	-	-	**31 869 899.45**
AFRICAN ALLIANCE	30 000 000.00	-	-	-	**30 000 000.00**
STANLIB	9 000 000.00	-	-	-	**9 000 000.00**
INHLONHLA	-	-	-	10 000 000.00	**10 000 000.00**
	39 000 000.00	**31 869 899.45**	**40 000 000.00**	**30 000 000.00**	**140 869 899.45**

The company also made the following capital repayments towards our long term borrowings over the period under review:

FINANCIER	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**Total For The Year**
SNPF LOAN	500 000.00	-	-	1 000 000.00	**1 500 000.00**
ICDF TAIWAN	-	-	-	14 605 692.00	**14 605 692.00**
NORSAD	1 109 117.54	1 094 517.54	1 094 517.55	-	**3 298 152.63**
MEDIUM TERM NOTE	1 416 666.00	1 888 893.56	944 444.00	1 416 666.00	**5 666 669.56**
PERIOD TOTAL	**3 025 783.54**	**2 983 411.10**	**2 038 961.55**	**17 022 358.00**	**25 070 514.19**

DIRECTOR'S REPORT (Group) (continued)
for the year ended 31 March 2015

One loan facility was paid-off during the year under review, namely, the E17 million medium term note from Standard Bank.

In an effort to raise funding for the company's lending operations and in line with the five year Strategic Plan, the organization issued a E300 million Medium Term Note through local Brokers African Alliance in the prior year. Inflows from the bond issue as at the end of the year totaled E203 million. The company will continue to draw down on the remaining balance the following financial year in order to meet the increased demand.

c) Employee Compensation and Benefits

Staff costs for the group increased by 35%. This was largely attributable to annual salary adjustments and the recruitment of staff for the new Branches under the group at Tshaneni and Nhlangano. A total of eleven (11) employees were recruited mainly to man the newly created branches.

The company also concluded the recruitment of the General Manager for the new subsidiary, FINSURE Insurance Brokers, during this financial year.

d) Overheads

Operating expenses for the group significantly increased from the previous financial year.

This increase is largely due to expenses relating to the opening of the branch at Tshaneni. Also, a total of E1.4 million was incurred by the group on facility fees relating to funding raised during this financial year in particular disbursements under the E300 million Medium Term Note (MTN). As already reported, a total of E135 million new funding was raised this financial year.

e) Provisions

A total of E28.2 million had to be expensed as impairment for loans and advances for the group. Accumulated provisions stand at E51.3 million. This represents 5% of the gross loan portfolio of E992.5 million.

In 2013, the company sought the assistance of the Commonwealth Secretariat to review the company's lending operations in an effort to improve credit risk and appraisal processes in order to minimize non-performing loans. The main focus of the technical assistance was the strengthening of risk management mechanisms, review of lending operations, process mapping and the introduction of business development support services (BDS). The implementation of the recommendations from the report have started yielding positive results.

f) Key performance Indicators

Performance of the group improved when compared to previous financial periods. However this good performance is largely attributed to the performance of the subsidiary, First Finance Company which offers General Purpose Finance. SME lending also improved as the local economy showed signs of slow recovery from the effects of the financial crisis experienced in the last few years.

DIRECTOR'S REPORT (Group) (continued)
for the year ended 31 March 2015

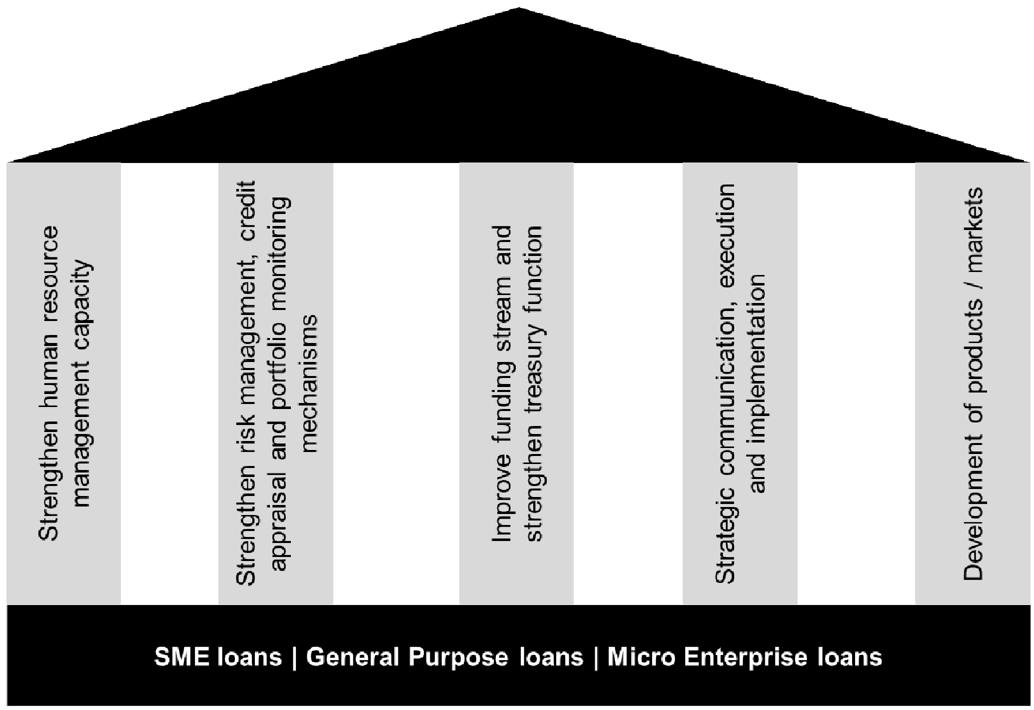
Some key performance indicators showing the performance of the corporation are shown below:

RATIOS	Group	Company	Description
Profitability			
Profit Margin	24%	8%	Profit for the period/Interest Income
Portfolio Yield	10%	18%	Interest Income/Gross Portfolio.
Return on Equity	9%	38%	Net Profit / Equity.
Return on assets	2%	1%	After Tax Profit / Assets.
Portfolio Quality			
Loan Loss Reserve Ratio	5%	4%	Accumulated provisions / gross portfolio.
Portfolio at risk	12%	20%	Account Balances of Overdue loans / Gross Portfolio.
Write-off Ratio	1%	0%	Write-offs / Gross Portfolio.
Risk Coverage Ratio	44%	23%	Provision Reserve / Portfolio at risk (90 days overdue).
Provision Expense Ratio	3%	3%	Provision Expense / Gross Portfolio.
Financial Management			
Debt / Equity Ratio	2.36	2.12	Debt / Equity.
Debt to Assets	65%	83%	Debt / Total Assets
Debt Service Coverage Ratio	0.63	0.50	Net Profit+ depreciation + provisions + trading income + Interest Expense / Annual Debt Repayments.
Financial Expense Coverage	1.81	2.08	Interest Income / Interest Expense.
Financial Expense Ratio	6%	9%	Interest Expense to Net Portfolio.
Average Cost of Funds Ratio	9%	10%	Interest Expense / Borrowings.
Liquidity Ratio	0.54	- 5.76	Current Assets to Current Liabilities.
Acid Test / Quick Ratio	0.38	- 0.29	Current Assets less interest receivable/ Current Liabilities.
Portfolio to Assets	99%	60%	Portfolio / Assets.
Efficiency and Productivity			
Operational Self Sufficiency	152%	128%	Financial Income / Total Expenses (excl provisions).
Operational Efficiency	123%	110%	Financial Income / Total Expenses.
Financial Self Sufficiency	122%	110%	Adjusted Financial Revenue/Adjusted (Financial Expense + Impairment + Operating Expense).
Operating Expense Ratio	5%	5%	Operating Expenses/Total Assets.
Overheads Expense Ratio	2%	3%	Overhead Expenses / Total Assets.
Personnel Expense Ratio	3%	3%	Staff Costs Expenses / Total Assets.
Active Clients	16 408	2 049	

DIRECTOR'S REPORT (Group) (continued)
for the year ended 31 March 2015

3. STRATEGIC PLAN

The current Strategic plan is for the period 01 April 2012 to 31 March 2017. The current financial year marks the third year of the strategy. The Strategic Planning was facilitated by Genesis Analytics from South Africa. The core pillars of the Strategic Plan stand as shown below:



FINCORP strategic initiatives

DIRECTOR'S REPORT (Group) (continued)
for the year ended 31 March 2015

This being the second year of the strategy, the company has already achieved some of the strategic objectives as shown below:

Strategic Initiative	**Activities**	**Outputs / Outcomes**
Improve Funding Streams and Strengthening of the Treasury Function	Listing of E300 Million Medium Term Note; finalizing of ICDF Facility of E80 Million and other sources, have adequately addressed the objectives of this strategic initiative We received E50 million equity injection during the year.	Total drawdown under the E300 Million Medium Term Note as at the end of the financial year were E203 Million after having raised a further E60 million during the year. E180.9 Million was raised through other sources of funding.
Strengthening of Risk Management mechanisms, Credit Appraisals and Portfolio Monitoring	The training of officers under the credit department on credit appraisal and risk management is a continuous process through the existing forums of SADC DFRC and AADFI. The implementation of the Commonwealth Business Process Re-engineering report is work-in-progress	The Board approved the implementation of the Commonwealth Secretariat Report with a few amendments the previous year and the company has been implementing the recommendations thereof.
Strengthen Human Resource Management Capacity.	Strengthening of HR function was achieved through the setting up of a separate department and the appointment of the Human Resource and Administration Manager	Handling of staff development related issues and the delivery of services to clients has improved as a result.
Strategic Communication, Execution and Implementation	Activities including the Stakeholder Engagement Forum held in November 2013; Siphofaneni and Tshaneni Branch opening in 2014 and 2015 respectively, presented a good platform for the organization to communicate its strategic initiatives. Meanwhile internal Strategic communication with staff continues to be undertaken from time to time. The strategy is due for a review next financial year.	Indications are that stakeholders are now more aware of who we are and what we stand for as an organization. Staff is adequately informed in terms of future direction of the organization and expectations from the different strategic business units within the organization. Monitoring of key departmental deliverables is still a continuous exercise.
Development of Products/Markets	A country wide market research was commissioned and is being undertaken by UNISWA Consultancy & Training Centre (CTC). The main aim of the survey is to better understand the product and service needs of our existing and potential clients.	It is expected that once the research is concluded the organization will be in a better position to design and rollout appropriate new products. Furthermore new potential markets will be identified.

DIRECTOR'S REPORT (Group) (continued)
for the year ended 31 March 2015

4. REGULATORY REQUIREMENTS

The company fully satisfied the licensing requirements of the newly established Financial Services Regulatory Authority (FSRA) and was accordingly given the license to operate as an authorized Financial Services Provider over and above the oversight control that is exercised by the Public Enterprise Unit under the Ministry of Finance.

5. THE MANAGEMENT OF RISK

Risk Management Framework and Objectives

The Board acknowledges its responsibility for establishing and communicating appropriate risk and control policies and ensuring that adequate risk management processes are in place. The Corporation has a number of committees which deal with the various aspects on policies for accepting risks, including approval of loans and advances, use of limits and avoiding undue concentrations of risk as detailed below:

Responsibility for an Audit, Finance and Risk Committee

An Audit Committee, appointed by the Corporation's Board, is in place to assist the Board in discharging its risk management obligations.

The principal objective of the Corporation's Audit, Finance and Risk Management Committee are to:

- Review the Corporation's risk philosophy, strategy, policies and processes recommended by Executive Management;
- Review compliance with risk policies and with the overall risk profile of the Corporation
- Review and assess the integrity of the process and procedures for identifying, assessing, recording and monitoring of risk;
- Review the adequacy and effectiveness of the Corporation's risk management function and its implementation by management;
- Ensure that material corporate risks have been identified, assessed and received attention; and
- Provide the Board with an assessment of the state of risk management within the Corporation.
- Act as an effective communication channel between the Board on one hand and the External Auditors and the Head of Internal Audit on the other;
- Satisfy the Board that adequate internal, financial and operating controls are being identified, addressed and monitored by management and that material corporate risks have been identified and are being contained and monitored through the Corporation's risk committee; and
- Enhance the quality, effectiveness, relevance and communication value of the published financial statements and other public documentation of a financial nature issued by the Corporation, with focus being placed on the actuarial assumptions, parameters, valuations and reporting guidelines and practices adopted by the statutory actuary as appropriate to the Corporation's life insurance activities.

A significant part of Corporation's business involves the acceptance and management of risk. Primary responsibility for risk management at an operational level rests with the Executive Committee. The Corporation's risk management processes, of which the systems of internal, financial and operating controls are an integral part, are designed to control and monitor risk throughout the Corporation. For effectiveness, these processes rely on regular communication, sound judgement and a thorough knowledge of the products and markets by the people closest to them. Management and various specialist committees are tasked with integrating the management of risk into the day-to-day activities of the Corporation.

DIRECTOR'S REPORT (Group) (continued)
for the year ended 31 March 2015

5. THE MANAGEMENT OF RISK (continued)

Remuneration Committee
The Corporation's Remuneration Committee principal objectives are as follows:

- Ensuring that the Corporation recruits and retains staff that is of relevant qualification and good caliber for the maintenance of a quality portfolio
- Developing and monitoring strategies and general guidelines for employee compensation, including variable plans and retirement compensation;
- Approving variable pay under the previous year's plan (beginning of each year);
- Preparation of the long-term variable plan for the referral to the Board and subsequent resolution by the General Meeting of Shareholders, and
- Preparation of the targets for variable pay for the following year for resolution by the Board.

Executive Committee
This Committee's principal objectives are as follows:

- This committee is responsible for all the implementation of the policies and recommendations of the other committees
- It ensures the proper administration and functioning of the Corporation
- It ensures proper reporting to all the other Committees and third parties

Credit Committee
The Corporation's Finance and Credit Committee's principal objectives pertaining to risk are as follows:

- Ensure that the Corporation ensures approval of high quality loan investments
- Ensure compliance to lending policies of the organization
- Ensure consistent maintenance of high quality loan portfolio
- Ensure proper approval of annual budgets and adherence there-to

7. SPECIAL PROJECTS

Branch Rollout Strategy
The official launch of the Tshaneni Branch was successfully conducted in March 2015 following its opening to the public as a test phase in January 2015. The people of Tshaneni have shown great appreciation for the new branch and are visiting our offices in large numbers. We are confident that the new branch will contribute immensely to improved outreach and portfolio growth. Meanwhile the new branch for the subsidiary at Nhangano is scheduled to be opened early in the new year.

8. SHARE CAPITAL

The authorized share capital is 1000 ordinary shares at E1.00 each of which 100 ordinary shares were issued at a premium of E84 224.07 per share, and has remained unchanged during the year.

9. DIVIDENDS

The Directors do not recommend that a dividend be paid in respect of the period under review.

DIRECTOR'S REPORT (Group) (continued)
for the year ended 31 March 2015

10. BOARD OF DIRECTORS

The directors who acted during the period are:

Board Member	Representing	Appointed	Current Renewal
Mr Musa Dlamini, Chair	Swaziland Government	17 September 2008	27 September 2014
Mr Dumisani Msibi	Group Managing Director	01 November 2012	-
Mr Musa Mdluli	Tibiyo TakaNgwane	08 September 2005	01 September 2014
Mr Simanga Simelane	Tibiyo TakaNgwane	08 September 2005	01 September 2014
Mr Mandla Mavuso	Swaziland Government	01 June 2006	01 September 2013
Ms Phindile Dlamini	Swaziland Government	15 November 2010	02 February 2015
Ms Sizakele Dlamini	Swaziland Government	26 January 2010	-
Ms Maureen Gabuza	Tibiyo TakaNgwane	01 April 2012	01 April 2015
Ms Maria Hoffman	Swaziland Government	01 September 2013	01 September 2013

11. AUDIT COMMITTEE MEMBERS

The Audit Committee members who acted during the period are:

Mr Musa Mdluli	Chairman
Mr Simanga Simelane	Member
Ms Phindile Dlamini	Member
Ms Sizakele Dlamini	Member
Mr Dumisani Msibi	Member

12. REMUNERATIONS COMMITTEE MEMBERS

The Remuneration Committee members who acted during the period are:

Mr Mandla Mavuso	Chairman
Ms Maria Hoffman	Member
Ms Maureen Gabuza	Member
Mr Dumisani Msibi	Member

13. SECRETARY OF THE CORPORATION

The Secretary of the Corporation is: Mr Sikolemaswati Ntshalintshali

14. BANKERS

The Bankers of the Corporation are:

First National Bank Swaziland Limited	Nedbank Swaziland Limited	Standard Bank Swaziland Limited
PO Box 261	PO Box 68	PO Box A294
EVENI	MBABANE	SWAZI PLAZA
Swaziland	Swaziland	Swaziland

15. BUSINESS AND POSTAL ADDRESS OF THE CORPORATION

Business Address:
7th Floor Dlanubeka Building
Corner of Mdada and Lalufadlana Streets
MBABANE
Swaziland

Postal Address:
PO Box 6099
MBABANE
Swaziland
H100

DIRECTOR'S REPORT (Group) (continued)
for the year ended 31 March 2015

16. AUDITORS

The Auditors of the Corporation are Pricewaterhouse Coopers

Business Address:	**Postal Address:**
MTN Office Park	PO Box 569
Karl Grant Street	MBABANE
MBABANE	Swaziland
Swaziland	H100

17. EVENTS SINCE BALANCE SHEET DATE

(a) Have been fully taken into account insofar as they have a bearing on the amounts attributed to assets and/or liabilities at that date;
(b) Apart from changes in the ordinary course of business, have not made the present financial position substantially different from that shown by the balance sheet;

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2015

	Notes	Group		Company	
		2015	2014	**2015**	2014
		E'000	E'000	**E'000**	E'000
Interest income	27	**103 200**	76 039	**85 616**	60 648
Interest expense	28	**(56 891)**	(46 691)	**(41 187)**	(34 341)
Net interest income		**46 309**	29 348	**44 429**	26 307
Fee income	29	**70 744**	58 304	**2 640**	1 802
Net trading (expense)	30	**(9 308)**	(3 741)	**(9 308)**	(3 743)
Other operating income	31	**4 702**	5 551	**19 764**	14 888
Net interest income before impairment of loans and advances		**112 447**	89 462	**56 025**	39 254
Impairment of loans and advance	32	**(28 861)**	(22 670)	**(13 884)**	(9 428)
Net interest income after impairment of loans and advances		**83 586**	66 792	**42 141**	29 826
Employee compensation and benefits	33	**(30 896)**	(22 905)	**(21 818)**	(15 924)
General and administrative expenses		**(22 042)**	(25 542)	**(14 264)**	(18 820)
Depreciation of property, plant and equipment and amortisation of intangible assets	32	**(1 533)**	(1 413)	**(1 189)**	(1 077)
Income/(loss) from operations	32	**29 115**	16 932	**6 370**	(5 995)
Income tax expense	34	**(3 922)**	(5 444)	**2 312**	870
Profit/(loss) for the year		**25 193**	11 488	**8 682**	(5 125)
Total comprehensive income/(loss) Attributable to:					
Owners of the parent		**25 193**	11 488	**8 682**	(5 125)
		25 193	11 488	**8 682**	(5 125)

STATEMENT OF FINANCIAL POSITION
at 31 March 2015

		Group		Company	
		2015	2014	**2015**	2014
	Note	**E'000**	E'000	**E'000**	E'000
ASSETS					
Goodwill	43	**930**	-	**-**	
Property, plant and equipment	36	**17 270**	10 862	**15 207**	9 062
Intangible assets	37	**525**	378	**525**	378
Loans and advances	38	**940 544**	694 026	**447 038**	360 529
Investment in subsidiary	43	**-**	-	**12 192**	11 436
Financial investments	40	**1 522**	1 522	**1 522**	1 522
Other assets and accrued interest	41	**34 956**	37 425	**295 513**	189 605
Cash and cash equivalents	42	**5 084**	22 743	**3 967**	10 077
Deferred tax asset	35	**3 448**	1 011	**3 280**	967
Taxation asset	48	**2 325**	1 719	**2 311**	1 719
Total assets		**1 006 604**	769 686	**781 555**	585 295
EQUITY AND LIABILITIES					
Shareholders' funds					
Ordinary share capital	44	**-**	-	**-**	-
Share premium	44	**184 225**	134 225	**184 225**	134 225
General risk reserve	45	**11 945**	9 326	**8 954**	7 212
Retained income		**80 868**	58 294	**33 261**	26 321
Total equity		**277 038**	201 845	**226 440**	167 758
Liabilities					
Borrowings	46	**652 882**	525 956	**502 859**	385 956
Bank overdraft	42	**6 897**	-	**1 301**	-
Trade and other payable	47	**59 172**	35 079	**47 699**	30 977
Taxation payable	48	**6 552**	5 865	**-**	-
Provisions	49	**4 063**	941	**3 256**	604
Total liabilities		**729 566**	567 841	**555 115**	417 537
Total equity and liabilities		**1 006 604**	769 686	**781 555**	585 295

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2015

	Share capital E'000	Share premium E'000	General Risk reserve E'000	Retained Income E'000	Total Equity E'000
GROUP -2015					
Balance at 31 March 2014	**-**	**134 225**	**9 326**	**58 294**	**201 845**
Shareholders capital contribution		**50 000**	**-**	**-**	**50 000**
Total comprehensive income for the year	**-**	**-**	**-**	**25 193**	**25 193**
Profit for the year	**-**	**-**	**-**	**25 193**	**25 193**
Other comprehensive Income	**-**	**-**	**-**	**-**	**-**
Transfer from General Risk Reserve	**-**	**-**	**2 619**	**(2 619)**	**-**
Balance at 31 March 2015	**-**	**184 225**	**11 945**	**80 868**	**277 038**
GROUP -2014					
Balance at 31 March 2013	-	134 225	14 976	41 156	190 357
Shareholders capital contribution					
Total comprehensive income for the year	-	-	-	11 488	11 488
Profit for the year	-	-	-	11 488	11 488
Other comprehensive Income	-	-	-	-	-
Transfer from General Risk Reserve	-	-	(5 650)	5 650	-
Balance at 31 March 2014	-	134 225	9 326	58 294	201 845

STATEMENT OF CHANGES IN EQUITY (continued)
for the year ended 31 March 2015

	Share capital	Share Premium	General risk reserve	Retained income	Total equity
	E'000	**E'000**	**E'000**	**E'000**	**E'000**
COMPANY - 2015					
Balance at 31 March 2014	**-**	**134 225**	**7 212**	**26 321**	**167 758**
Shareholders capital contribution	**-**	**50 000**			**50 000**
Total comprehensive income for the year	**-**			**8 682**	**8 682**
Profit for the year	**-**	**-**	**-**	**8 682**	**8 682**
Other comprehensive Income	**-**	**-**	**-**		
Transfer from General Risk Reserve	**-**	**-**	**1 742**	**(1 742)**	**-**
Balance at 31 March 2015	**-**	**184 225**	**8 954**	**33 261**	**226 440**
COMPANY - 2013					
Balance at 31 March 2013	-	134 225	13 424	25 234	172 883
Shareholders capital contribution					
Total comprehensive income for the year	-	-	-	(5 125)	(5 125)
Profit for the year				(5 125)	(5 125)
Other comprehensive Income	-	-	-	-	-
Transfer from General Risk Reserve	-	-	(6 212)	6 212	-
Balance at 31 March 2014	-	134 225	7 212	26 321	167 758

STATEMENT OF CASHFLOWS

for the year ended 31 March 2015

	Notes	Group **2015 E'000**	Group 2014 E'000	Company **2015 E'000**	Company 2014 E'000
Cash flows from operating activities					
Cash utilised from operations	52	**(187 375)**	(128 002)	**(165 624)**	(101 708)
Income taxes paid		**(6 263)**	(4 369)	**(591)**	-
		(193 638)	(132 371)	**(166 215)**	(101 708)
Cash flows from investing activities					
Purchase of property, plant and equipment	36	**(7 991)**	(2 037)	**(7 383)**	(1 069)
Purchase of intangible assets	37	**(306)**	(111)	**(306)**	(111)
Proceeds from sale of property, plant and equipment		**348**	4	**348**	4
Acquisition of subsidiary, net of cash acquired		**(690)**	-	**(756)**	-
		(8 639)	(2 144)	**(8 097)**	(1 176)
Cash flows from financing activities					
Proceeds from long-term financing		**127 721**	165 753	**116 901**	100 754
Long term loans repayments		**-**	(25 000)	**-**	-
Equity contribution		**50 000**	-	50 000	
		177 721	140 753	**166 901**	100 754
Net decrease in cash and cash equivalents		**(24 556)**	6 238	**(7 411)**	(2 130)
Cash and cash equivalents at beginning of the year		**22 743**	16 505	**10 077**	12 207
Cash and cash equivalents at the end of the year	42	**(1 813)**	22 743	**2 666**	10 077

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31March 2015

1. General Information

Swaziland Development Finance Corporation (‘the company’) and its subsidiary (together, “the group”) carries on the business of advancing business and general purpose loans to members of the public.

Swaziland Development Finance Corporation Limited is a limited liability company incorporated and domiciled in Swaziland.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Swaziland Development Finance Corporation Limited have been prepared in accordance with International Financial Reporting Standards (IFRS), IFRIC Interpretations and Swaziland Companies Act of 2009 provisions applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings. The following are measured at fair value; derivative financial instruments at fair value through profit or loss and available-for-sale financial assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in accounting policy 2.1.

2.1.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the company

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2014 that would be expected to have a material impact on the Group.

(b) New standards, amendments and interpretations

Amendment to IAS 32, ‘Financial instruments: Presentation’ on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. This amendment is not applicable to the Group.

Amendments to IAS 36, ‘Impairment of assets’, on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. This amendment is not applicable to the Group.

Amendment to IAS 39, ‘Financial instruments: Recognition and measurement’ on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to ‘over-the-counter’ derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria.

IFRIC 21, ‘Levies’, sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 ‘Provisions’. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The Group is not currently subjected to significant levies so the impact on the Group is not material.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

2.1 Basis of preparation (continued)

(b) New standards, amendments and interpretations (continued)

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Group is assessing the impact of IFRS 15.

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2014 or later periods, but the Group has not early adopted them as they are not applicable to the Group.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

Basis of preparation (continued)

3. Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the group's voting rights relative to the size and dispersion of holdings of other shareholders give the group the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred. Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

4. Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Lilangeni (E), which is the company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other (losses)/gains – net'.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognised in other comprehensive income.

5. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Cost includes all costs directly attributable to bringing the asset to working condition for its intended use. After recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the reducing balance method to write off the cost or revalued amount of the asset to their residual value over their estimated useful lives as follows:

5. Property, plant and equipment

The principal annual rates used for this purpose are:-

Computer Equipment	33⅓%
Furniture and fittings	10%
Office furniture	10%
Motor vehicle	20%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

5. Property, plant and equipment (continued)

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in operating profit. When revalued assets are sold, the amounts included in fair value reserves are transferred to retained earnings.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing assets will flow to the Corporation. Major renovations are depreciated over the remaining useful life of the related assets.

6. Intangible assets

a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquire over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

b) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed three years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

7. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

8. Loans and advances

Loans and advances are recognised when cash is advanced to borrowers. They are derecognised when either borrower(s) repay their obligations, or the loans are sold or written off, or substantially all the risks and rewards of ownership are transferred. They are initially recorded at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method, less impairment losses. Where loans and advances are hedged by derivatives designated and qualifying as fair value hedges, the carrying value of the loans and advances so hedged includes a fair value adjustment for the hedged risk only.

9. Loans and advance impairment

Losses for impaired loans are recognised promptly when there is objective evidence that impairment of a loan or portfolio of loans has occurred. Impairment allowances are calculated on individual loans and on Corporations of loans assessed collectively. Impairment losses are recorded as charges to the income statement. The carrying amount of impaired loans on the statement of financial position is reduced through the use of impairment allowance accounts. Losses expected from future events are not recognised.

Individually assessed loans and advances

For all loans that are considered individually significant, the Corporation assesses on a case-by-case basis at each statement of financial position date whether there is any objective evidence that a loan is impaired. For those loans where objective evidence of impairment exists, impairment losses are determined considering the following factors:

- the Corporation's aggregate exposure to the customer;
- the viability of the customer's business model and their capacity to trade successfully out of financial difficulties and generate sufficient cash flow to service debt obligations;
- the amount and timing of expected receipts and recoveries;
- the likely dividend available on liquidation or bankruptcy;
- the extent of other creditors' commitments ranking ahead of, or *pari passu* with, the Corporation and the likelihood of other creditors continuing to support the Corporation;
- the complexity of determining the aggregate amount and ranking of all creditor claims and the extent to which legal and insurance uncertainties are evident;
- the realisable value of security (or other credit mitigants) and likelihood of successful repossession;
- the likely deduction of any costs involved in recovery of amounts outstanding;

Impairment losses are calculated by discounting the expected future cash flows of a loan at its original effective interest rate, and comparing the resultant present value with the loan's current carrying amount.

Write-off of loans and advances

A loan (and the related impairment allowance account) is normally written off, either partially or in full, when there is no realistic prospect of recovery of the principal amount and, for a collateralised loan, when the proceeds from realising the security have been received.

Reversals of impairment

If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write back is recognised in the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

9. Loans and advance impairment (continued)

Renegotiated/rescheduled loans

Loans subject to impairment assessment whose terms have been renegotiated are no longer considered past due, but are treated as new loans for measurement purposes once the minimum number of payments required under the new arrangements has been received. Loans subject to individual impairment assessment, whose terms have been renegotiated, are subject to ongoing review to determine whether they remain impaired or should be considered past due. The carrying amounts of loans that have been classified as renegotiated retain this classification until maturity or derecognition.

Assets acquired in exchange for loans

Non-financial assets acquired in exchange for loans as part of an orderly realisation are recorded as assets held for sale and reported in 'Other assets'. The asset acquired is recorded at the lower of its fair value (less costs to sell) and the carrying amount of the loan (net of impairment allowance) at the date of exchange. No depreciation is charged in respect of assets held for sale. Any subsequent write-down of the acquired asset to fair value less costs to sell is recognised in the income statement, in 'Other operating income'. Any subsequent increase in the fair value less costs to sell, to the extent this does not exceed the cumulative write down, is also recognised in 'Other operating income', together with any realised gains or losses on disposal.

10. Finance and Operating leases

Leases of property, plant and equipment where the Corporation has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. In all significant leasing arrangements in place during the year, the Corporation acted as a lessee.

11. Share capital

Shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

When such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in 'Total shareholders' equity', net of any directly attributable incremental transaction costs and related income tax effects.

12. Financial assets

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

12. Financial assets (continued)

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for- sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the group's right to receive payments is established.

13. Offset of financial assets and liabilities

Financial assets and financial liabilities are offset in the amount represented in the statement of financial position when the Corporation has a legally enforceable right to set off the recognised amount, and intends either to settle on a net basis, or to realise the assets and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

14. Impairment of financial assets

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

15. Revenue recognition

Revenue comprises of interest income accounted in the income statement on the accrual method. Revenue from rendering of services is recognised by reference to the completion of the specific transaction assessed as the basis of the actual service provided as a proportion of the total services provided when it is probable that the economic benefits associated with a transaction will flow to the Corporation and the amount of revenue, and associated costs incurred or to be incurred can be measured reliably.

(a) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Corporation reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost–recovery basis as conditions warrant.

From an operational perspective, it suspends the accrual of interest on a loan when its recovery is considered doubtful. However, in terms of IAS 39 interest income on impaired advances is thereafter recognised based on the original effective interest rate used to determine the recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

15. Revenue recognition

(b) Non-interest income

Fee income
The Corporations earns fee income from a diverse range of services provided to its customers. Fee income comprise mainly of application fee, loan monitoring fee, administration fee and management fee. Fee income is accounted for as follows:

- income earned on the execution of a significant act is recognised as revenue when the act is completed (for example, project monitoring)
- income earned from the provision of services is recognised as revenue as the services are provided (for example, asset management, portfolio and other management advisory and service fees); and
- Income which forms an integral part loan or project appraisal (application fee) is recognised when the application of loan is being approved.

Net trading income/(expense)
Net trading income comprises all gains and losses from changes in the fair value of financial assets and financial liabilities held for trading, together with related interest income, expense and dividends.

Dividend income
Dividend income is recognised when the right to receive payment is established. This is the ex-dividend date for equity securities.

Commission income
The Corporation recognises commission income on an accrual basis when the service is rendered.

16. General Risk Reserve

General provisions which are calculated at 2% of the net loans after specific provisions are dealt with within the statement of changes in equity as appropriation of retained earnings. This treatment is in accordance with the Corporation policies.

17. Financial Instruments

Financial instruments carried in the statement of financial position include cash and bank balances, investments, receivables, trade creditors, leases and borrowings and derivatives. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(1) Financial risk factors

The Corporation's activities expose it to a variety of financial risks including currency risk, fair value interest risk and price risk. The Corporation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Corporation. The Corporation uses derivative financial instruments to hedge certain risk exposures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

17. Financial Instruments

Risk management is carried out by management under policies approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close co-operation with the Corporation operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as interest rate risk, credit risk and investing excess liquidity.

a) Market risk

Market risk comprised of three types of risks, namely: foreign exchange risk, interest rate risk and price risk.

i) Foreign exchange risk

Foreign exchange risk is the risk that the value of financial instrument will fluctuate as a result of changes in foreign exchange rates.

The Corporation operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with the US dollar. Foreign exchange risk arises when from future commercial transactions, recognised assets and liabilities

To manage the foreign currency exchange risk arises from future commercial transactions, recognised assets and liabilities, the Corporation use forward contracts. Foreign exchange risk arises from future commercial transactions or recognised assets and liabilities are denominated in the currency that is not the entity's functional currency.

As at 31 March 2015, if the Lilangeni weakened by 5% against the US dollar with all the other variables held constant, post tax profits for the year would have been E (2 514 294) (2014: E 2 138 887) lesser mainly as a result of foreign exchange losses on the translation of US dollar denominated borrowings.

ii) Price risk

Price risk includes equity price risk and cash flow and interest rate risk.

1) Equity Price risk

Equity price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

The Corporation is currently not exposed to equity price risk because at the statement of financial position date there were no investments held by the Corporation and classified either as available for sale or at fair value through profit and loss.

The permanent shares at Swaziland Building Society classified as "available-for-sale" are not exposed the equity price risk since they are redeemable at nominal value.

iii) Cash flow and fair value interest rate risk

2) Commodity Price risk

Commodity price risk arises from the risk of an adverse effect on current or future earnings resulting from fluctuations in the prices of commodities.

The Corporation is also not exposed to commodity price risk. As the Corporation is not trading on commodity, therefore the risk is not considered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

iii) Cash flow and fair value interest rate risk (continued)

2) Commodity Price risk

Cash flow and interest rate risk is the risk that the value and cash flow of a financial instrument will fluctuate due to changes in market interest rates.

As the Corporation has significant interest-bearing assets, the Corporation's income and operating cash flows are substantially independent of changes in the market interest rates. The Corporation has no policies in place to hedge against fluctuating interest rate.

The Corporation's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Corporation to cash flow interest rate risk. Borrowings and long-term loans issued at fixed rates expose the Corporation to fair value interest rate risk. Currently the corporation has borrowings at both floating and fixed interest rates. Borrowings obtained at fixed interest rates are on-lent on loans at fixed interest rates. Loans that are issued at floating interest rates are financed and matched with borrowings that are at floating rates. As such the Corporation is not exposed to fair value interest rate risk.

During 2015 and 2014, the Corporation's borrowings at variable rates were denominated in the Swaziland lilangeni and US Dollars.

The Corporation analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Corporation calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

A change of 50 basis points in prime lending rates at the reporting date would have increased (decreased) profit or loss after tax by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2015:

GROUP AND COMPANY	**Profit or loss**		**Equity**	
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
Increase of 50 basis points	**1 930**	1 929	**-**	-
Decrease of 50 basis points	**(1 930)**	(1 929)	**-**	-

The simulation is done on a quarterly basis to verify that the maximum loss potential is within the limit given by the management.

The table below gives an indication of the Group's monetary sensitivity to changes in interest rates in 2015.

	Financial Investment E'000	**Cash at bank E'000**	**Loans and advance E'000**	**Borrowings E'000**
Base amounts	1 522	5 084	940 544	447 726
Interest plus 1%	15	51	9 405	4 477
Interest less 1%	15	51	9 405	4 477

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

17. Financial Instruments (continued)

b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation and cause the Corporation to incur a financial loss.

The Corporation has exposure to credit risk, which is the risk that a counterpart will be unable to pay amounts in full when due. Key areas where the Corporation is exposed to credit risk are:

- loans and advances,
- other assets,

The Corporation structures the levels of credit risk it accepts by placing limits on its exposure to a single counterpart, or Corporations of counterparties. Such risks are subject to an annual or more frequent review.

The major concentration of credit risk arises from the Corporation's receivables and investment securities in relation to the nature of customers and issuers. No collateral is required in respect of financial assets. Reputable financial institutions are used for investing and cash handling purposes.

Mechanisms are in place to monitor the risk of default by individual loan holders. Exposures to individual loan holders and Corporation of loan holders are collected within the ongoing monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual loan holders, or homogenous Corporation of loan holders, a financial analysis carried out by the Corporation.

Quality control and risk department makes regular reviews to assess the degree of compliance with the Corporation procedures on credit and the overall control environment.

At the statement of financial position date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

17. Financial Instruments (continued)

c) Credit risk (continued)

The table below shows the security deposit and balance of the ten major counterparties at the statement of financial position date.

GROUP AND COMPANY

	31 March 2015		31 March 2014	
Counterparty	**Balance E'000**	**Security valuation E'000**	Balance **E'000**	Security valuation **E'000**
Swaziland Perishable Foods (Food Lovers)	**10 657**	**13 580**	-	-
Equatorial Forestry Solutions (Pty) Ltd	**-**	**-**	3 346	4 000
SWAFCU	**5 005**	**-**	5 402	-
Hhohho Cotton Growers	**21 031**	**2 900**	22 951	2 900
Mlobi Investment (Pty) Ltd	**6 661**	**6 000**	8 595	6 000
Emtini (Pty) Ltd	**29 054**	**28 900**	35 542	28 900
DD4 Investments (Pty) Ltd - lease	**12 040**	**15 000**	15 998	15 000
Mzamo Farmers Association	**-**	**-**	4 074	6 000
WG Civil Works (Pty) Ltd	**5 762**	**7 600**	-	-
Mnjoli Investment	**5 664**	**-**	-	-
Lihlanti Investements (Pty) Ltd	**-**	**-**	4 244	3 600
Nkwanyana Christopher T	**5 000**	**5 000**	5 000	5 000
Greenacres Tutorial Academy	**4 757**	**-**	-	-
Mtfwalo Sugar Cane Farming	**-**	**-**	7 830	4 000

d) Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Corporation maintains sufficient cash and near cash assets to meet its liquidity commitments. Due to the dynamic nature of the underlying businesses, the Corporation aims at maintaining flexibility in funding by keeping committed credit lines available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

17. Financial Instruments (continued)

d) Liquidity risk

Management monitors rolling forecasts of the Corporation's liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) on the basis of expected cash flow.

Forecasted liquidity reserve per 31 March 2015 is as follows:

	31-Mar-2016	**2017**
	E'000	**E'000**
Opening balance for the period	**2 665**	**957**
Net Operating proceeds	**(46 871)**	**(62 468)**
Net cash from investing activities	**(9 005)**	**(400)**
Net cash inflow from financing Activities	**54 167**	**62 319**
At End of the year	**957**	**408**

The table below analyses the Corporation's financial into relevant maturity groups based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

17. Financial Instruments (continued)

(d) Liquidity risk (continued)

GROUP

31 March 2015

	Less than 1 year E'000	Between 1 and 2 years E'000	Between 2 and 5 years E'000	Over 5 years E'000	Total E'000
Financial Liabilities:					
Trade and other payables	**59 172**	-	-	-	**59 172**
Other short-term liabilities	**4 063**	**-**	**-**	**-**	**4 063**
Overdraft	**6 897**	**-**	**-**	**-**	**6 897**
Borrowings	**246 669**	**83 414**	**299 727**	**23 072**	**652 882**
	316 801	**83 414**	**299 727**	**23 072**	**723 014**

	Less than 1 year E'000	Between 1 and 2 years E'000	Between 2 and 5 years E'000	Over 5 years E'000	Total E'000
2014					
Financial Liabilities:					
Trade and other payables	35 075				35 075
Other short-term liabilities	941	-	-	-	941
Long term liabilities	157 036	178 006	190 914	-	525 956
	193 052	178 006	190 914	-	561 972

COMPANY

	Less than 1 year E'000	Between 1 and 2 years E'000	Between 2 and 5 years E'000	Over 5 years E'000	Total E'000
31 March 2015					
Financial Liabilities:					
Trade and other payables	**47 699**	**-**	**-**	**-**	**47 699**
Bank overdraft	**1 301**	**-**	**-**	**-**	**1 301**
Other short-term liabilities	**3 256**	**-**	**-**	**-**	**3 256**
Long term liabilities	**236 669**	**83 414**	**159 704**	**23 072**	**502 859**
	288 925	**83 414**	**159 704**	**23 072**	**555 115**

2014

	Less than 1 year E'000	Between 1 and 2 years E'000	Between 2 and 5 years E'000	Over 5 years E'000	Total E'000
31 March 2014					
Financial Liabilities:					
Trade and other payables	30 975	-	-	-	30 975
Bank overdraft	-	-	-	-	-
Other short-term liabilities	604	-	-	-	604
Long term liabilities	157 036	178 006	50 911	-	385 953
	188 615	178 006	50 911	-	417 532

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

17. Financial Instruments (continued)

(d) Liquidity risk (continued)

The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern in order to provide returns and benefits for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Corporation may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt or enter into further financing as applicable.

The Corporation monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the Statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

17. Financial Instruments (continued)

(2) Capital risk management (continued)

During 2015, the Group's strategy, was to maintain a gearing ratio (before interest accrual is taken into account) of 71%. The gearing ratios before interest accrual at 31 March 2015 and 2014 were as follows:

	Group		**Company**	
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
Total borrowings	**659 779**	525 956	**504 160**	385 956
Long term borrowings (Note 40)	**652 882**	525 956	**502 859**	385 956
Bank overdraft (Note 42)	**6 897**	-	**1 301**	-
Less: cash and cash equivalents	**(5 084)**	(22 743)	**(3 967)**	(10 077)
Net debt	**654 695**	503 213	**500 193**	375 879
Total equity	**277 038**	201 845	**226 440**	167 758
Total capital	**931 733**	705 058	**726 633**	543 637
Gearing ratio	**70%**	71%	**69%**	69%

(3) Fair value estimation

The fair value of financial instruments traded in active market (such as trading and available for sale securities) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Corporation is the current bid price.

The carrying value of trade receivables and payables are assumed to approximate their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Corporation for similar financial instruments.

For financial assets and liabilities with maturity of less than one year, the face value less any estimated credit adjustments are assumed to approximate their fair values.

Effective 1 January 2006, the company adopted the amendment to IFRS 7 for financial instruments that are measured in the statement of financial position at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

17. Financial Instruments (continued)

GROUP

	Loans and advance E'000	Other assets E'000	Cash and cash equivalents E'000	Financial instruments E'000	Total E'000
As at 31 March 2015					
Fair value measurement hierarchy levels:					
- Level 1	**940 544**	**34 956**	**5 084**	**1 522**	**982 106**
- Level 2	**-**	**-**	**-**	**-**	**-**
- Level 3	**-**	**-**	**-**	**-**	**-**
	940 544	**35 956**	**5 084**	**1 522**	**982 106**
As at 31 March 2014					
Fair value measurement hierarchy levels:					
- Level 1	694 026	37 425	22 743	1 522	755 716
- Level 2	-	-	-	-	-
- Level 3	-	-	-	-	-
	694 026	37 425	22 743	1 522	755 716

COMPANY

	Loans and Advance E'000	Other assets E'000	Cash and cash equivalents E'000	Financial instruments E'000	Total E'000
As at 31 March 2015					
Fair value measurement hierarchy levels:					
- Level 1	**447 038**	**295 513**	**3 967**	**1 522**	**748 040**
- Level 2	**-**	**-**	**-**	**-**	**-**
- Level 3	**-**	**-**	**-**	**-**	**-**
	447 038	**295 513**	**3 967**	**1 522**	**748 040**
As at 31 March 2014					
Fair value measurement hierarchy levels:					
- Level 1	360 592	189 605	10 077	1 522	561 796
- Level 2	-	-	-	-	-
- Level 3	-	-	-	-	-
	360 592	189 605	10 077	1 522	561796

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

18. Taxation

Deferred income taxes
Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax liabilities and deferred tax assets are recognised for all temporary difference arising from the following differences:

i) The excess of book values of fixed assets over their written down values for tax purposes;
ii) The excess of book values of finance leases over their written down values for tax purposes;
iii) Income and expenditure in the financial statements of the current year dealt with in other years for tax purposes.

Current Tax
The charge for the current tax is the amount of income taxes payable in respect of the taxable profits for the current period. It is calculated using tax rate that have been enacted or substantially enacted by the statement of financial position date.

19. Provisions

Provisions are recognised when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Corporation expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The Corporation recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Restructuring provisions comprise lease termination penalties and employee termination payments, and are recognised in the period in which the Corporation becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Corporation are not provided in advance.

20. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held with banks, other short term high liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are included within borrowings in current liabilities on the statement of financial position.

21. Property in possession

In certain circumstances, property is repossessed following the foreclosure on loans that are in default. Repossessed properties are measured at the lower of carrying amount and fair value less costs to sell and reported within ‘Other assets’.

22. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Corporation will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

23. Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred, when they become party to the contractual provisions. Borrowings are subsequently stated at amortised cost using the effective interest rate method; any difference between the proceed (net of transaction value) and the redemption value is recognised in the income statement over the period of the borrowings.

24. Employee benefits

Short-term employee benefits
The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. The provision for employee entitlements to salaries and annual leave represent the amount that the Corporation has a present obligation to pay, as a result of employees' services provided up to the statement of financial position date. The provision has been calculated at undiscounted amounts based on current salary rates.

Pension Obligations
The Corporation operates a defined contribution plan. The Corporation pays contributions to a privately administered pension plan on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Corporation has no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due and as such are included in staff costs.

Termination benefits
Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Corporation recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after statement of financial position date are discounted to present value.

Performance bonus
A liability for employee benefits in the form of performance bonus is recognised in current provisions when there is no alternative but to settle the liability, and at least one of the following conditions is met;

- there is a formal plan and the amounts to be paid are determined before the time of issuing the financial statements; or
- past practice has created a valid expectation by employees that they will receive a bonus and the amount can be determined before the time of issuing the financial statements.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

25. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical information, experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The corporation makes estimates and assumptions concerning the future. The resulting accounting estimate will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of loans and receivables within the next financial year as discussed below.

Estimated impairment of loans and receivables
The Corporation tests annually whether loans and receivables suffered any impairment in accordance with the accounting policy stated in 23. The recoverable amounts of loans and receivables have been determined based on discount cash inflows. These calculations require the use of estimates (Note 38 and 39).

25. Derecognition of financial assets and liabilities

Financial assets are derecognised when the contractual right to receive cash flows from the assets has expired; or when the Corporation has transferred its contractual right to receive the cash flows of the financial assets, and either:
– Substantially all the risks and rewards of ownership have been transferred; or
– The Corporation has neither retained nor transferred substantially all the risks and rewards, but has not retained control.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or expires.

26. Comparative Figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

		Group		Company	
27	**Interest income**	**2015**	2014	**2015**	2014
		E'000	E'000	**E'000**	E'000
	Revenue consists of the aggregate of interest income received and accrued.				
	The analysis of interest income by category/section is as follows:				
	Business loans	**14 480**	8 824	**14 480**	8 824
	Micro loans	**114**	79	**114**	79
	General purpose loans	**66 120**	47 940	**-**	-
	Intercompany loan	**-**	-	**48 536**	32 593
	Agriculture loans	**10 619**	9 281	**10 619**	9 281
	Sugar cane loans	**11 867**	9 871	**11 867**	9 871
	Other	**-**	44	**-**	-
		103 200	76 039	**85 616**	60 648

		Group		Company	
		2015	2014	**2015**	2014
28	**Interest expenditure**	**E'000**	E'000	**E'000**	E'000
	The analysis of interest expense by category is as follows:				
	Bank overdraft	**139**	200	**39**	87
	Interest on customer security deposits	**48**	-	**48**	
	Interest payable on long term loans	**56 704**	46 491	**41 100**	34 254
		56 891	46 691	**41 187**	34 341

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

28 Interest expenditure (continued)

28.1 The analysis of interest expenditure by measurement is as follows:

COMPANY	**Measured at fair value E'000**	**Measured at amortised cost E'000**	**Total E'000**
31 March 2015			
Bank overdraft	**-**	**38**	**38**
Interest on security deposits	**-**	**48**	**48**
Interest payable on long term loans	**-**	**41 100**	**41 100**
Total interest expense	**-**	**41 186**	**41 186**

COMPANY	Measured at fair value E'000	Measured at amortised cost E'000	Total E'000
31 March 2014			
Bank overdraft	-	87	87
Interest payable on long term loans	-	34 254	34 254
Total interest expense	-	34 341	34 341

GROUP	**Measured at fair value E'000**	**Measured at amortised cost E'000**	**Total E'000**
31 March 2015			
Bank overdraft	**-**	**139**	**139**
Interest on security deposits	**-**	**48**	**48**
Interest payable on long term loans	**-**	**56 704**	**56 704**
Total interest expense	**-**	**56 891**	**56 891**
31 March 2014			
Bank overdraft	-	200	200
Interest payable on long term loans	-	46 490	46 490
Total interest expense	-	46 690	46 690

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

29 Fee income	Group		Company	
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
Facility fee	**3 5**	1 4	**2 0**	1 4
Application fee	**211**	1 1	**211**	173
Settlement fee	**2 1**	1 9	**-**	(66)
Administration fee	**64 8**	53 6	**346**	232
	70 744	58 304	**2 640**	1 802

	Group		Company	
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
30 Net trading (expense)				
Foreign exchange losses on long term loan	**(9 3**	(3 7	**(9 3**	(3 7
	(9 3	(3 7	**(9 3**	(3 7

31 Other operating income	Group		Company	
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
Interest on bank deposits	**1 5**	1 8	**1 2**	1 6
Insurance commission (31.1)	**1 9**	2 8	**1 5**	1 3
Management fees receivable from subsidiary	**-**	-	**15 8**	11 1
Interest on staff loans	**734**	515	**734**	515
Other non-interest income	**414**	275	**381**	265
	4 7	5 5	**19 7**	14 8

31.1 Insurance commission	Group		Company	
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
First Finance	**-**	1 53	**-**	-
Fincorp	**1 5**	1 33	**1 5**	1 3
Finsure	**420**	-	**-**	-
	1 9	2 87	**1 5**	1 3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

		Group		Company	
32	**Income from operation before income tax**	**2015 E'000**	2014 **E'000**	**2015 E'000**	2014 **E'000**
	Income from operations before income tax is arrived at after taking into account the following items:				
	External Auditors remuneration	**188**	718	**340**	369
	First Finance	**(161)**	349	**-**	-
	Fincorp	**340**	369	**340**	369
	Finsure	**9**		**-**	-
	Depreciation on property, plant and equipment and amortisation	**1 5**	1 4	**1 189**	1 077
	Property, plant and equipment (Note 36)	**1374**	1 2	**1030**	931
	Amortisation of Intangible assets (Note 37)	**159**	146	**159**	146
	Net impairment charges and other credit risk	**28 8**	22 6	**13 8**	9 42
	Loan impairment charges and other credit risk	**22 2**	21 8	**13 1**	8 44
	Bad debts written off	**6 9**	2 7	**785**	2 71
	Bad debts recovered	**(256)**	(1 9	**(93)**	(1 73
	Director expenses	**594**	1 0	**502**	904
	First Finance	**92**	138	**-**	-
	Fincorp	**502**	908	**502**	904
	Finsure	**-**	-	**-**	-
	Donations	**167**	218	**150**	198
	First Finance	**17**	20	**-**	-
	Fincorp	**150**	198	**150**	198
	Finsure	**-**	-	**-**	-
	Legal fees	**129**	216	**127**	174
	First Finance	**2**	42	**-**	-
	Fincorp	**127**	174	**127**	174
	Finsure	**-**	-	**-**	-
	(Profit) on disposal on property, plant and equipment	**(141)**	(3)	**(141)**	(3)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

32 Income from operation before income tax *(continued)*

	Group		Company	
	2015	2014	**2015**	2014
	E'000	**E'000**	**E'000**	**E'000**
Repairs and maintenance	**670**	694	**90**	646
First Finance	**576**	48	**-**	-
Fincorp	**90**	646	**90**	646
Finsure	**4**	-	**-**	-
Operating lease rentals	**2 2**	2 0	**1 1**	1 18
First Finance	**1 0**	820	**-**	-
Fincorp	**1 1**	1 1	**1 1**	1 18
Finsure	**41**	-	**-**	-
Professional fees	**1 2**	1 2	**838**	971
First Finance	**407**	308	**-**	-
Fincorp	**838**	971	**838**	971
Finsure	**-**	-	**-**	-
Employee compensation and benefits (note 33)	**30 8**	22 9	**21 8**	15 92
First Finance	**8 8**	6 9	**-**	-
Fincorp	**21 8**	15 9	**21 8**	15 90
Finsure	**230**	-	**-**	-
Travelling and entertainment & International conferences	**1 2**	1 2	**1 2**	1 10
First Finance	**18**	161	**-**	-
Fincorp	**1 2**	1 1	**1 2**	1 10
Finsure	**-**	-	**-**	-

33 Employee compensation and benefits

	Group		Company	
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
Salaries and wages	**20 734**	16 723	**14 348**	11 679
Provident Fund Contributions	**162**	109	**82**	58
Pension costs (defined contribution plan)	**1 057**	2 096	**1 348**	1 256
Staff group life cover	**1 413**	124	**125**	69
Staff training	**2 431**	1 433	**1 505**	1 406
Medical aid contribution	**1 883**	1 988	**1 756**	1 204
Leave, bonus & gratuity payment	**3 216**	432	**2 654**	252
	30 896	22 905	**21 818**	15 924

The average number of persons employed during the year was 42 at Fincorp and 39 and 6 at First Finance and Finsure respectively (2014:38 at Fincorp, 26 at the subsidiary).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

34	**Income tax expense**	**Group**		**Company**	
		2015	2014	**2015**	2014
		E'000	E'000	**E'000**	E'000
	Tax debit (credit) to the income statements	**3 9**	5 44	**(2 3**	(870)
	Swaziland normal	**6 3**	6 32	**-**	-
	Current year tax charge	**6 3**	6 32	**-**	-
	Prior year tax charge	**-**	-	**-**	-
	-Deferred tax (refer note 35)	**(2 4**	(876)	**(2 3**	(870)
		3 9	5 44	**(2 3**	(870)
	Taxation rate reconciliation:				
	The income tax charge for the year can reconciled to the effective rate of taxation in Swaziland as follows:				
	Accounting profit/(Loss)	**23 270**	16 932	**6 370**	(5 995)
	Tax calculated at standard rate 27.5%	**7 9**	4 65	**1 7**	(1 6
	Non deductable expenses	**(4 0**	788	**(4 0**	778
	Tax on permanent differences)	**(2 8**	72	**(2 8**	62
	Deferred tax- under provided in prior year	**-**	704		708
	Utilisation prior year deferred tax overprovision	**(1 2**		**(1 2**	
	Charge in rate	**-**	12	**-**	8
	Income tax expense	**3 9**	5 44	**(2 3**	(870)

The current year effective tax rate for the Company and the Group is 27.5% and 27.5% respectively (2014: 41% and 30.5%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

35 Deferred tax

Deferred income taxes are calculated in full on temporal differences under the liability method using a principal tax rate of 27.5%. Deferred tax arises from the following item:

	Group		Company	
	2015	**2014**	**2015**	2014
The movement on the deferred income tax account is as follows:	**E'000**	**E'000**	**E'000**	E'000
At the beginning of the year	**1 011**	135	**967**	97
Income statement charge (refer note 34)	**2 437**	876	**2 313**	870
Deferred tax asset at year end	**3 448**	1 011	**3 280**	967

GROUP

	Opening balance E'000	**Charged to Profit or loss E'000**	**Closing Balance E'000**
31 March 2015			
Deferred tax liabilities and assets:			
Provisions	**2 272**	**256**	**2 528**
Assessed loss	**(1 210)**	**2 185**	**975**
Prepayments	**(51)**	**(4)**	**(55)**
	1 011	**2 437**	**3 448**
31 March 2014			
Deferred tax liabilities and assets:			
Provisions	153	2 119	2 272
Assessed loss	-	(1 210)	(1 210)
Prepayments	(18)	(33)	(51)
	135	876	1 011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

35 Deferred tax (continued)

COMPANY

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the period is as follows:-

	Opening balance E'000	**Charged to profit or loss E'000**	**Closing Balance E'000**
31 March 2015			
Deferred tax liabilities and assets:			
Provisions	**2 178**	**129**	**2 307**
Assessed loss	**(1 210)**	**2 185**	**975**
Prepayments	**(1)**	**(1)**	**(2)**
	967	**2 313**	**3 280**
31 March 2014			
Deferred tax liabilities and assets:			
Provisions	106	2 072	2 178
Assessed loss	-	(1 210)	(1 210)
Prepayments	(8)	7	(1)
	98	869	967

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

36 Property, plant and equipment

GROUP

	Computer equipment E'000	Furniture & fittings E'000	Office equipment E'000	Motor vehicles E'000	Land & Buildings E'000	Total E'000
Year ended 31 March 2015						
Opening Balance	**717**	**1 546**	**966**	**2 941**	**4 692**	**10 862**
Additions	**872**	**863**	**386**	**1 356**	**4 514**	**7 991**
Disposal at cost	**(40)**	**(11)**	**-**	**(661)**	**-**	**(712)**
Disposal accumulated depreciation	**30**	**3**	**-**	**475**	**-**	**508**
Depreciation	**(321)**	**(185)**	**(104)**	**(769)**	**-**	**(1 379)**
Closing net book amount	**1 258**	**2 216**	**1 248**	**3 342**	**9 206**	**17 270**
At 31 March 2015						
Cost	**2 856**	**3 171**	**1 755**	**5 279**	**9 206**	**22 267**
Accumulated depreciation	**(1 598)**	**(955)**	**(507)**	**(1 937)**	**-**	**(4 997)**
Carrying amount at year end	**1 258**	**2 216**	**1 248**	**3 342**	**9 206**	**17 270**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

36 Property, plant and equipment (continued)

GROUP

	Computer equipment E'000	Furniture & fittings E'000	Office Equipment E'000	Motor vehicles E'000	Land & buildings E'000	Total E'000
Year ended 31 March 2014						
Opening Balance	566	1 268	877	3 016	4 367	10 094
Additions	414	427	183	688	325	2 037
Disposal at cost	-	(9)	-	-	-	(9)
Disposal accumulated depreciation	-	9	-	-	-	9
Depreciation	(263)	(149)	(94)	(763)		(1 269)
Closing net book amount	717	1 546	966	2 941	4 692	10 862
At 31 March 2014						
Cost	1 983	2 315	1 368	4 585	4 692	14 943
Accumulated depreciation	(1 266)	(769)	(402)	(1 644)	-	(4 081)
Carrying amount at year end	717	1 546	966	2 941	4 692	10 862

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

36 Property, plant and equipment (continued)

COMPANY

	Computer equipment E'000	Furniture & fittings E'000	Office equipment E'000	Motor vehicles E'000	Land & buildings E'000	Total E'000
Year ended 31 March 2015						
Opening Balance	**493**	**993**	**558**	**2 326**	**4 692**	**9 062**
Additions	**480**	**775**	**258**	**1 356**	**4 514**	**7 383**
Disposal at cost	**(40)**	**(11)**	**-**	**(661)**	**-**	**(712)**
Disposal accumulated depreciation	**30**	**3**	**-**	**475**	**-**	**508**
Depreciation	**(217)**	**(127)**	**(63)**	**(627)**	**-**	**(1 034)**
Closing net book amount	**746**	**1 633**	**753**	**2 869**	**9 206**	**15 207**
At 31 March 2015						
Cost	**1 965**	**2 385**	**1 121**	**4 517**	**9 206**	**19 194**
Accumulated depreciation	**(1 219)**	**(752)**	**(368)**	**(1 648)**	**-**	**(3 987)**
Carrying amount at year end	**746**	**1 633**	**753**	**2 869**	**9 206**	**15 207**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

36 Property, plant and equipment (continued)

	Computer equipment E'000	Furniture & fittings E'000	Office equipment E'000	Motor vehicles E'000	Land & Buildings E'000	Total E'000
Year ended 31 March 2014						
Opening Balance	327	832	443	2 955	4 367	8 924
Transfer of leased assets	-	-	-	-	-	-
Additions	327	254	163	-	325	1 069
Disposal at cost	-	(9)	-	-	-	(9)
Disposal accumulated depreciation	-	9	-	-	-	9
Depreciation	(162)	(93)	(48)	(628)	-	(931)
Closing net book amount	492	993	558	2 327	4 692	9 062
At 31 March 2014						
Cost	1 525	1 622	863	3 822	4 692	12 524
Accumulated depreciation	(1 032)	(629)	(305)	(1 496)	-	(3 462)
Carrying amount at year end	493	993	558	2 326	4 692	9 062

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

37 Intangible Assets

COMPANY AND GROUP	Computer Software E'000	Total E'000
Year ended 31 March 2015		
Opening Balance	**378**	**378**
Additions	**306**	**306**
Amortisation	**(159)**	**(159)**
Closing net book amount	**525**	**525**
At 31 March 2015		
Cost	**1 413**	**1 413**
Accumulated depreciation	**(888)**	**(888)**
Carrying amount at year end	**525**	**525**
Year ended 31 March 2014		
Opening Balance	414	414
Additions	111	111
Amortisation	(147)	(147)
Closing net book amount	378	378
At 31 March 2014		
Cost	1 107	1 107
Accumulated depreciation	(729)	(729)
Carrying amount at year end	378	378

38 Loans and advances

	Group		Company	
	2015 E'000	2014 E'000	**2015 E'000**	2014 E'000
Line of credit				
Sugar cane loans	**113 927**	91 011	**113 927**	91 055
Agricultural loans	**95 022**	87 768	**95 022**	87 768
Business and other loans	**149 371**	119 982	**149 371**	119 939
Micro loans	**986**	833	**986**	833
Kobwa loans	**158**	220	**158**	220
Intercompany loan	**-**	-	**108 109**	90 000
Consumer loans	**632 658**	445 710	**-**	-
Invoice discounting	**252**	70	**-**	-
Gross advances	**992 374**	745 594	**467 573**	389 815
Less: Impairment	**(51 830)**	(51 568)	**(20 535)**	(29 286)
- sugar cane loans	**(7 392)**	(9 279)	**(7 392)**	(9 279)
- business loans	**(6 374)**	(4 904)	**(6 374)**	(4 904)
- agricultural loans	**(6 769)**	(15 103)	**(6 769)**	(15 103)
- general purpose loans	**(31 295)**	(22 282)	**-**	-
Total loans and advances	**940 544**	694 026	**447 038**	360 529

NOTES TO THE CON SOLIDATED FINANCIAL STATEMENTS (continued)

38 Loans and advances (continued)

A maturity analysis of loans and advances is set out in note 40.1 below and is based on the remaining periods to contractual maturity from the year end.

The maturity of loans and advance is as follows:	**Group**		**Company**	
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
Not later than 1 year	**37 396**	93 572	**10 420**	69 707
Later than 1 year and not later than 2 years	**87 380**	55 818	**85 335**	23 563
Later than 3 years	**815 768**	544 636	**351 283**	267 259
	940 544	694 026	**447 038**	360 529

The nominal interest rates on receivables (current and non-current) were as follow:

	Company and Group	**Company**
	2015	2014
	%	%
Business and other loans	**13.25**	13
Sugar cane loans	**11**	11
General purpose loans	**12**	12

The analysis of sugar cane loans is as follows:-

Sugar cane loans	**113 927**	89 856
Loans financed internally sourced funds	**(28 763)**	(57 476)
Loans financed by African Development Bank Funds	**85 164**	32 380

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

		Group		Company	
38	**Loans and advances (continued)**	**2015**	2014	**2015**	2014
		E'000	E'000	**E'000**	E'000
	Sector analysis of loans and advance is as follows:				
	Construction	**8 712**	6 832	**8 712**	6 832
	Education	**5 619**	-	**5 619**	-
	Forestry	**14 318**	-	**14 318**	
	Fruits and vegetables	**21 675**	9 915	**21 675**	9 915
	General business	**42 440**	90 164	**42 440**	90 095
	General purpose loans	**632 909**	445 710	**-**	-
	Grocery and retailing	**5 502**	7 939	**5 502**	7 939
	Hawking	**844**	732	**844**	732
	Heavy Haulage	**70 646**	58 144	**70 646**	58 144
	Hospitality	**29 052**	-	**29 052**	-
	Intercompany loan	**-**	-	**108 109**	90 000
	Livestock	**9 889**	10 016	**9 889**	10 016
	Maize and other cereal	**9 609**	7 861	**9 609**	7 861
	Other Agricultural activities	**6 348**	5 902	**6 348**	5 902
	Sugar cane farming	**113 927**	89 856	**113 927**	89 856
	Transport services	**20 884**	12 523	**20 883**	12 523
		992 374	745 594	**467 573**	389 815
	Impairment of loans and advances	**(51 830)**	(51 568)	**(20 535)**	(29 286)
		940 544	694 026	**447 038**	360 529

The fair values of loans and advances are as follows:

GROUP AND COMPANY

	Group		Company	
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
Sugar cane loans	**105 847**	89 856	**105 847**	89 856
Business and other loans	**233 082**	189 673	**233 082**	189 673
General purpose loans	**601 615**	414 497	**-**	-
Loan to related company	**-**	-	**108 109**	90 000
	940 544	694 026	**447 038**	360 529

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

38 Loans and advances (continued)

The above values of loans and advances approximate fair value. There is no concentration of credit risk with respect to loans and advances, as the Corporation has a large number of clients that are industry dispersed. The Corporation's historical experience in collection of loans and advances falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Corporations' loans and advances. The maximum exposure to credit risk at the reporting date is the fair value of each class of loans and advances mentioned above. The Corporation does hold collateral as security on some loans and advance.

Loans and advances that are less than three months past due are not considered impaired. As of 31 March 2015, loans and advances of E 44 195 099 (2014: E35 185 419) for company and for group E 145 586 429 (2014: 35 185 419) were past due but not impaired. These relate to a number of independent loan accounts which are adequately secured.

The ageing analysis of these loans and advances that are past due but not impaired is as follows:

	Group		Company	
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
From 31 - 90 days	**145 586**	35 185	**44 195**	35 185
	145 586	35 185	**44 195**	35 185

As of 31 March 2015, loans and advances of E 64 272 000 (2014: E 51 568 220) were impaired and provided for. The amount of the provision was E 51 142 000 (2014: E 51 568 220). The individually impaired loans and advances were mainly relating to sugar cane farmers and business and other agricultural loans, which are in unexpectedly difficult economic situations. The ageing of these receivables is as follows:

GROUP AND COMPANY	Group		Company	
The ageing analysis of these loans and advances is as follows:				
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
Up to 3 months	**7 532**	10 238	**6 670**	5 782
Over 3 months	**44 298**	41 330	**13 864**	23 504
	51 830	51 568	**20 534**	29 286
The carrying amounts of the Corporation's loans and advances are denominated in the following currencies:				
Emalangeni (SZL)	**940 544**	694 026	**447 038**	360 529

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

38 Loans and advances (continued)

38.1 Impairment of advances

	Group		Company	
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
Analysis of movement in impairment of advances At 31 March 2014				
Opening balance	**51 568**	29 726	**29 286**	20 841
Net new impairments created/reversed (Note 39)	**22 204**	21 842	**13 192**	8 445
Loans written-off against provisions	**(21 942)**	-	**(21 943)**	-
At 31 March 2015	**51 830**	51 568	**20 535**	29 286

The creation and release of provision for impaired loans and advances have been included as a separate line in the income statement. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash. The other classes within trade and other receivables do not contain impaired assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2015

		Group		Company	
		2015	2014	**2015**	2014
		E'000	E'000	**E'000**	E'000
39	**Impairment of loans and advances**				
	Bad debts write-off	**6 913**	2 788	**785**	2 715
	Provision raised/(reversed) in the current year *(note 38.1)*	**22 204**	21 845	**13 192**	8 445
	Bad debts recovered	**(256)**	(1 963)	**(93)**	(1 732)
		28 861	22 670	**13 884**	9 428
40	**Financial investment**				
	Swaziland Building Society permanent shares	**1 522**	1 522	**1 522**	1 522

The investment has been pledged as security in respect of staff housing loans with Swaziland Building Society (refer note 50).
The carrying amount of the investments approximates fair value. The shares will be redeemed at nominal value.

41	**Other assets and accrued interest**				
	Accrued interest	**12 040**	10 089	**6 338**	5 261
	Property in possession	**3 500**	5 000	**3 500**	5 000
	Interest receivable from related company	**-**	-	**87 804**	41 549
	Other receivables from related company	**-**	-	**179 821**	126 641
	Staff loans	**13 620**	10 475	**13 620**	10 475
	Prepayments	**200**	183	**10**	7
	Other receivables	**5 596**	11 678	**4 420**	672
		34 956	37 425	**295 513**	189 605

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

	Group		Company	
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
42 Cash and cash equivalents				
Cash in hand	**125**	90	**89**	72
Cash at bank	**4 959**	22 653	**3 878**	10 005
	5 084	22 743	**3 967**	10 077
For the purpose of cash flow statement, cash and cash equivalent comprise the following:				
Cash and bank balance	**5 084**	22 743	**3 967**	10 077
Bank overdraft	**(6 897)**	-	**(1 301)**	-
Cash and cash equivalents	**(1 813)**	22 743	**2 666**	10 077

42.1 First National Bank of Swaziland Limited

First National Bank of Swaziland Limited

The Corporation has an overdraft facility with First National Bank of Swaziland Limited of E3 000 000 to be utilised for working capital requirements..

The facility is on a fluctuating basis and secured by a negative pledge of assets. Interest rate is charged at prime overdraft rate and payable monthly in arrears.

The facilities are expiring within one year after date of commencement and are subject to annual review at various dates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

43 Investment in subsidiaries

43.1 First Finance Company

On 1 April 2010 the company acquired shares at 100% in First Finance Company (Pty) Ltd, a company incorporated for administration of the general purpose loans portfolio of the company. There was no goodwill which arose due to the acquisition of the wholly owned subsidiary as the consideration made for the investment was equal to the net assets value of the company's assets.

	First Finance E'000
Loans and advances	**100 527**
Motor vehicles	**324**
Leased motor vehicles	**156**
Office Furniture	**106**
Computer Equipment	**130**
Office fittings	**193**
Long term borrowings	**(90 000)**
Total Net asset value	**11 436**
Non-controlling interest(Fair value)	**-**
Total consideration transferred	**11 436**
Consideration discharged other than transferring cash	**(11 436)**
Consideration discharged in cash	**-**
Cash and cash equivalents acquired	**-**
Net decrease in cash and cash equivalents	**-**

The consideration transferred relates to the total assets net of the borrowings, as First Finance Company is required to repay back the E 90 million as a loan was granted to First finance at acquisition.

Loans and advances acquired in the business combination have been recognised at their Fair value of E100 627 954 which was equal to the gross contractual amounts receivable at the acquisition date and there was no amounts expected to be not collectible.

43.2 Finsure Insurance Brokers

On 1 January 2015 the company acquired 100% in Finsure Insurance Brokers a company incorporated in Swaziland. Goodwill that arose as a result of the transaction amounted to E 930 041.

	Finsure Insurance Brokers E' 000
Property plant and equipment	**15**
Shareholders loan	**127**
Current tax prepayment	**14**
Trade debtors	**715**
Cash and cash equivalents	**66**
Trade payables	**(322)**
Trust creditors	**(789)**
Total Net asset value	**(174)**
Non-controlling interest(Fair value)	**-**
Purchase consideration	**756**
Goodwill/(Purchase bargain)	**930**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

		2015	2014
		E'000	E'000
44	**Share capital**		
	The share capital of the Corporation consists of the following:		
	Authorised		
	1 000 ordinary shares at E1 each	**1**	1
	Issued		
	100 ordinary shares of E 1 each *	**-**	-
	** - amounts are less than E1,000*		
	Premium on issue of shares	**184 225**	134 225

45 General risk reserve

The general risk reserve arises from the disclosure requirement as per the Corporation's policy regarding the treatment of general provisions. General provisions are accounted for through the statement of changes in equity in the general risk reserve. General provisions which are calculated at 2% for the company and at 0.5% for the Subsidiary, of the net loans after specific provisions totalling E 447 726 000 (2014: E360 529 000) for the company and E 601 614 000 (2014: E423 461 000) for the subsidiary.

	Group		**Company**	
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
Opening balance	**9 326**	14 976	**7 212**	13 424
General provisions movement for the period	**2 619**	(5 650)	**1 742**	(6 212)
Closing balance	**11 945**	9 326	**8 954**	7 212

46 Borrowings

Non-current (Note 46.1)	**406 213**	480 056	**266 190**	340 056
Current (Note 46.1)	**246 669**	45 900	**236 669**	45 900
Total borrowings	**652 882**	525 956	**502 859**	385 956

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

46 Borrowings (continued)

46.1 Long term loans

		Group		Company	
		2015	2014	**2015**	2014
		E'000	E'000	**E'000**	E'000
The analysis of long term loans is as follows:					
Swaziland Government	46.1.1	**10 000**	10 000	**10 000**	10 000
Swaziland Government – ADB	46.1.2	**64 909**	64 909	**64 909**	64 909
ICDF - Taiwan Loan	46.1.3	**67 668**	42 275	**67 668**	42 275
Swaziland National Provident Fund	46.1.4	**4 548**	6 047	**4 548**	6 047
Norsad	46.1.5	**11 702**	15 000	**11 702**	15 000
Kobwa loan fund	46.1.6	**1 194**	1 194	**1 194**	1 194
African Alliance	46.1.7	**78 102**	45 900	**78 102**	45 900
Public Service Pension Fund	46.1.8	**140 023**	140 000	**-**	-
PEU Loan	46.1.9	**8 242**	8 000	**8 241**	8 000
Standard Bank Loan	46.1.10	**-**	5 194	**-**	5 194
Stanlib	46.1.11	**53 500**	44 500	**53 500**	44 500
Medium Term Notes	46.1.12	**202 994**	97 037	**202 995**	97 037
Inhlonhla loan	46.1.13	**10 000**	-	**-**	-
Total long term loans		**652 882**	480 056	**502 859**	340 056

46.1.1 Swaziland Government

The loan with the Swaziland Government (E 10 million), received 11 February 2003, is for a 10 year period at 8% interest per annum payable semi annually on 30 June and 31 December. The capital amount is payable in two instalments of E5m on 30 June 2008 and 30 June 2013.

46.1.2 Swaziland Government – ADB

The African Development Bank (ADB) in terms of which the bank advanced E150 million to the Government for the purposes of financing agricultural activities on the Komati Downstream Development Project. For this purpose, the Swaziland Government advanced E75 million to Swaziland Development Finance Corporation Limited. The amount has been advanced to the Corporation in five tranches of E12,500,000, E12,500,000, E19,230,000, E10 823 355 and E 7 200 000 at 10.5% per annum. The principal and interest payments shall commence 2 years after date of disbursement, with the first payment made on 31 December 2006. The loan shall be repaid over a period of 10 years and the last payment due on 31 December 2019. An amount of E32.5million was paid in respect of interest on the ADB loan during the year.

46.1.3 International Corporation for Development Finance (ICDF) Taiwan Loan

The International Corporation for Development Finance (ICDF) Taiwan granted Swaziland Development Finance Corporation a loan facility of 10 million United Stated Dollars and the first disbursement of USD$4 million was received in April 2013. This facility will be drawn in three tranches of USD $4 million (as received), and two tranches of USD$3 million. The term of the loan is 7 years with a grace period of 2 years and the interest rate is fixed at 4.5%. The loan will be repayable in full in January 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

46. Borrowings (continued)

46.1.4 Swaziland National Provident Fund

The Swaziland National Provident Fund (SNPF) loan agreement in terms of which will lend Swaziland Development Finance Corporation Limited E 15 million. Interest is calculated at prime minus one percent (prime-1%) per annum on the outstanding balance and is chargeable bi-annually on the anniversary date of the median dates of the draw downs. The repayments shall be made in 10 annual instalments of E 1.5 million with the first instalment date after the expiry of the first anniversary date of the median date of draw downs. The first drawn down was for E 5 million obtained on 22 April 2006 and the last drawn down amount was for E 10 million obtained on 13 January 2008.

46.1.5 Norsad

The Current Norsad Finance loan agreement is for an advance of E12.1 million to Swaziland Development Finance Corporation. Interest is at variable interest rate of prime plus 100 basis points per annum calculated on the outstanding balance. The repayments shall be made in 7 years inclusive of one (1) grace period. Amounts due as a percentage of totals disbursed shall be 4.17% and interest is payable quarterly in March, June, September and December. The loan shall be settled in September 2017.

46.1.6 Kobwa loan fund

The Kobwa revolving fund is aimed at assisting residents of the communities that were displaced by Maguga and Driekopis dams. A large number of budding entrepreneurs are increasingly becoming aware of the opportunities presented by the revolving fund. The Corporation only helps in the administration of the loan fund and charges only a management fee on the management services provided to the Fund.

46.1.7 African Alliance

African alliance has loan agreements in terms of which will lend the following loans were given :

E78.1Million loan
The Corporation currently has three Promissory Notes to African Alliance for E28.1 million, E20 million and E30 million signed on the 4th October 2014, 12th November 2014 and 3rd April 2014 respectively. These notes will be settled on the 5th October 2015, 10th June 2015 and 3rd April 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

46. Borrowings (continued)

46.1.8 Public Service Pension Fund

The loan with Public Service Pension Fund amounting to E 140 million was granted on 12 November 2013; with interest at prime plus 2.5%, as published by Swaziland Development and Savings bank, payable semi annually. The capital shall be repayable in full on 12 November 2018.

46.1.9 Public Enterprise Unit

Interest on the E20 Million Public Enterprise Unit loan is payable at a fixed rate of 6.5% and paid half yearly whilst the capital shall be repaid in five annual instalments of E 4 Million from 22 June 2012.

46.1.10 Standard Bank Loan

The Standard Bank loan is for E 17 million and repayable over a period of 36 months commencing from March 2012, interest is charged at prime plus 2% (currently 10%) and is payable monthly.

46.1.11 Stanlib

The Stanlib loan is for E20M with interest rates at 9% and E24.5M at an interest rate of 9%.

46.1.12 E300 Million Medium Term Note

Swaziland Development Finance Corporation issued a E300 Million Medium Term Note Programme through the Swaziland Stock Exchange in March 2013. The arranger of this programme is African Alliance who also serves as Sponsoring Brokers and Dealers. PricewaterhouseCoopers are the Transfer Secretaries and Paying Agents. Under this programme, E142, 937,004 has been raised over the year under review to fifty (50) Note Holders.

46.1.13 Inhlonhla Loan

The loan with Interneuron is a short term loan due and payable on 19 May 2015 and attracts an interest of prime plus 3%. Both interest and capital portion shall be settled on 19th May 2015 by First Finance Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

46 Borrowings (continued)

46.2 The maturity of the long term borrowing is as follows:

	Group		**Company**	
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
Within 1 year	**246 66**	111 13	**236 6**	111 1
Between 1 and 2 years	**83 41**	178 00	**83 4**	178 (
Between 2 and 5 years	**299 72**	190 91	**159 7**	50 9
Over 5 year	**23 07**	-	**23 0**	-
Total long term borrowings	**652 88**	480 05	**502 8**	340 (
Long term loans- minimum payments				
Not later than 1 year	**305 29**	245 21	**283 5**	168 6
Later than 1 year and not later than 2 years	**132 62**	30 46	**124 2**	20 9
Later than 2 year and not later than 5 years	**310 85**	259 42	**170 8**	178 4
Later than 5 years	**26 37**	11 22	**26 3**	7 7
	775 14	546 32	**604 9**	375 7
Future finance charges on loans	**(122 26**	(62 27	**(102 0**	(35 6
	652 88	480 05	**502 8**	340 (

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

46.2 Borrowings (continued)

The carrying amounts and fair value of the long term loans are as follow:

	Group Carrying Amount E'000	**Company** Carrying Amount E'000	Fair Values E'000
Swaziland Government	**10 000**	**10 000**	**19 161**
Swaziland Government – ADB	**64 909**	**64 909**	**72 838**
Swaziland National Provident Fund	**4 548**	**4 548**	**4 648**
Norsad Agency	**11 702**	**11 702**	**12 035**
ICDF Taiwan loan	**67 668**	**67 668**	**67 794**
PEU-Public Enterprise Unit	**8 241**	**8 241**	**8 263**
Kobwa	**1 194**	**1 194**	**1 194**
Public Service Pension Fund	**150 023**	**-**	**151 810**
Standard Bank Loam	**-**	**-**	**-**
Stanlib	**53 500**	**53 500**	**54 832**
African Alliance	**78 102**	**78 102**	**83 176**
Medium Term Note	**202 995**	**202 995**	**214 942**
	652 882	**502 859**	**690 693**

47 Trade and other payables

	Group **2015** **E'000**	2014 E'000	**Company** **2015** **E'000**	2014 E'000
Trade payables	**12 077**	11 790	**4 249**	9 590
Accruals	**5 471**	10 441	**3 424**	8 554
Security deposits	**7 029**	-	**7 029**	
Accrued interest	**34 639**	13 728	**33 012**	13 694
Guarantee funds	**(44)**	(880)	**(17)**	(861)
	59 172	35 079	**47 697**	30 977

48 Income tax liability/(Asset)

Opening balance	**4 1**	3 914	**(1 7**	(1 71
Taxation paid during the year	**(6 2**	(4 369	**(592)**	-
Prepayment taken over (note 43)	**(14)**	-	**-**	-
Current year tax (refer note 34)	**6 3**	4 601	**-**	-
Closing balance	**4 2**	4 146	**2 3**	(1 71

49 Provisions

GROUP

	Performance bonus and gratuity E'000	**Leave pay E'000**	**Total E'000**
31 March 2015			
At 1 April 2014	**70**	**871**	**941**
Additional provision	**2 979**	**454**	**3 433**
Utilised during the year	**-**	**(311)**	**(311)**
At year-end	**3 049**	**1 014**	**4 063**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

49 Provisions (continued)

GROUP

	Performance bonus and gratuity E'000	Leave pay E'000	Total E'000
31 March 2014			
At 1 April 2013	-	509	509
Additional provision	70	362	432
Utilised during the year	-	-	-
At year-end	70	871	941

Analysis of total provisions:	**2015 E'000**	2014 E'000
Current	**4 063**	941

COMPANY

	Performance bonus and gratuity E'000	**Leave pay E'000**	**Total E'000**
31 March 2015			
At 1 April 2014	**-**	**604**	**604**
Additional provision	**2 534**	**428**	**2 962**
Utilised during the year	**-**	**(310)**	**(310)**
At year-end	**2 534**	**722**	**3 256**
31 March 2014			
At 1 April 2013	-	352	352
Additional provision	1 476	252	1 728
Utilised during the year	(1 476)	-	(1 476)
At year-end	-	604	604

Analysis of total provisions:	**2015 E**	2014 E
Current	**3 256**	604

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

49 Provisions (continued)

Leave pay provision

The leave pay provision related to vested leave pay to which employees are entitled. The provision arises as employees render services that increase their entitlement to future compensated leave. The provision is utilised when employees, who are entitled to leave pay, leave the employment of the Corporation or when accrued entitlement is utilised.

This provision in respect of staff and employees calculated on the number of days that the employees have not taken in respect of their leave entitlement. The anticipated utilisation of the amount provided is in the near future.

50 Contingencies

Contingent liabilities

At 31 March 2015 the Corporation had contingent liabilities in respect of a bank guarantee arising out in the ordinary course of business from which it is anticipated that no material liabilities will arise as the liability will not crystallise. In the ordinary course of business, the Corporation has given guarantees amounting to E1 521 900 (2014: E 1 521 900) to Swaziland Building Society in respect of staff housing loans.

51 Commitments

Capital Commitments

Loan amounts contracted and approved for at the statement of financial position date but not recognised in the financial statements are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
Loan amounts approved but not disbursed	**40**	44 8	**36 7**	4 796

Current and future cash resources will fund the above loan amounts.

The future aggregate minimum lease payments under non-cancellable operating lease are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
Not later than 1 year	**777**	894	**397**	602
Later than 1 year and not later than 5 years	**1 617**	101	**598**	101
Later than 5 years	**-**	-	**-**	-
	2 394	995	**995**	703

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

51 Commitments (continued)
Operating lease commitments –where the Corporation is the lessee.

The Corporation entered into an operating lease agreement with Swaziland National Provident Fund Properties. Operating lease current year rentals amounts to E 63 298per month with an annual fixed escalation rate of 6%.

	Group		Company	
	2015	2014	**2015**	2014
	E'000	E'000	**E'000**	E'000
52 Cash utilised by operations				
Cash flows from operating activities:				
Profit/(loss) for the period before taxation	**29 115**	16 932	**6 372**	(5 995)
Adjustment for non-cash items:				
Bad debts	**6 913**	2 789	**785**	2 715
Impairment of loans and advances (Note 38.1)	**22 204**	21 844	**13 192**	8 445
Depreciation	**1 376**	1 267	**1 031**	931
Amortisation of intangible assets	**159**	146	**159**	146
Loss/(profit) on sale of fixed assets	**(141)**	(1)	**(141)**	(3)
Operating profit before working capital changes	**59 626**	42 977	**21 398**	6 239
(Decrease) in working capital	**(247 001)**	(170 979)	**(187 022)**	(107 947)
Increase in loans and advances	**(293 717)**	(129 810)	**(100 476)**	(3 064)
(Increase) in other current assets	**(96 589)**	(103 586)	**(105 908)**	(90 749)
Increase in current liabilities	**140 212**	61 985	**16 721**	(14 386)
Increase in provisions	**3 093**	432	**2 641**	252
Net cash outflows from operating activities	**(187 375)**	(128 002)	**(165 624)**	(101 708)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

53 Analysis of financial assets and liabilities by measurement basis

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. Note 2 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of the financial assets and liabilities by category as defined in IAS 39 and by the statement of financial position heading.

GROUP

	Loans and Receivables E'000	Available for-sale securities E'000	Financial assets and liabilities at amortised cost E'000	Total E'000
As at 31 March 2015				
Financial assets				
Loans and advances	**940 544**	**-**	**-**	**940 544**
Financial investment	**-**	**1 522**	**-**	**1 522**
Other asset	**34 956**	**-**	**-**	**34 956**
Cash and cash equivalent	**5 084**	**-**	**-**	**5 084**
	980 584	**1 522**	**-**	**982 106**
Financial liabilities				
Bank overdraft			**6 897**	**6 897**
Borrowings	**-**	**-**	**652 882**	**652 882**
Other short term liabilities	**-**	**-**	**4 063**	**4 063**
Trade and other payables	**-**	**-**	**59 145**	**59 145**
	-	**-**	**722 987**	**722 987**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

53 Analysis of financial assets and liabilities by measurement basis (continued)

GROUP (continued)

	Loans and receivables E'000	Available for-sale securities E'000	Financial assets and liabilities at amortised cost E'000	Total E'000
As at 31 March 2014				
Financial assets				
Loans and advances	694 026	-	-	694 026
Financial investment	-	1 522	-	1 522
Other asset	37 425	-	-	37 425
Cash and cash equivalent	22 743	-	-	22 743
	754 194	1 522	-	755 716
Financial liabilities				
Bank overdraft	-	-	-	-
Finance lease liabilities	-	-	-	-
Long term liabilities	525 956	-	-	525 956
Other short term liabilities	941	-	-	941
Trade and other payables	35 079	-	-	35 079
	561 976	-	-	561 976

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

53 Analysis of financial assets and liabilities by measurement basis (continued)

COMPANY

	Loans and Receivables E	Available for-sale securities E	Financial assets and liabilities at amortised cost E	Total E
As at 31 March 2015				
Financial assets				
Loans and advances	**447 038**		**-**	**447 038**
Financial investment	**-**	**1 522**	**-**	**1 522**
Other asset	**295 513**		**-**	**295 513**
Cash and cash equivalent	**3 967**		**-**	**3 967**
	746 518	**1 522**	**-**	**748 040**
Financial liabilities				
Borrowings	**-**	**-**	**502 859**	**502 859**
Overdraft	**-**	**-**	**1 301**	**1 301**
Other short term liabilities		**-**	**3 257**	**3 257**
Trade and other payables	**-**	**-**	**47 699**	**47 699**
	-	**-**	**555 116**	**555 116**
As at 31 March 2014				
Financial assets				
Loans and advances	360 529	-	-	360 529
Financial investment	-	1 522	-	1 522
Other asset	189 605	-	-	189 605
Cash and cash equivalent	10 077	-	-	10 077
	560 211	1 522	-	561 733
Financial liabilities				
Long term liabilities	-	385 956	-	385 956
Other short term liabilities	-	604	-	604
Derivative financial instruments	-	-	-	-
Trade and other payables	-	30 979	-	30 979
	-	417 539	-	417 539

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

54 Credit quality of financial assets

The credit quality of financial assets can be assessed by reference to the credit rating about the counterparty

GROUP

	Loans and Advance E'000	Other assets E'000	Cash and cash equivalents E'000	Financial Instruments E'000	Total E'000
As at 31 March 2015					
Counterparties without external credit ratings					
- Low Risk	**874 633**	**34 956**	**5 084**	**1 522**	**916 195**
- General Credit risk	**60 567**	**-**	**-**	**-**	**60 567**
- High risk	**57 174**	**-**	**-**	**-**	**57 174**
- Impairment	**(52 030)**	**-**	**-**	**-**	**(52 030)**
	940 344	**34 956**	**5 084**	**1 522**	**981 906**
As at 31 March 2014					
Counterparties without external credit ratings					
- Low Risk	478 716	37 425	22 743	1 522	540 406
- General Credit risk	127 543	-	-	-	127 543
- High risk	139 335	-	-	-	139 335
- Impairment	(51 568)	-	-	-	(51 568)
	694 026	37 425	22 743	1 522	755 716

COMPANY

	Loans and Advance E	Other assets E	Cash and cash equivalents E	Financial instruments E	Total E
As at 31 March 2015					
Counterparties without external credit ratings					
- Low Risk	**378 881**	**295 513**	**3 967**	**1 522**	**679 883**
- General Credit risk	**51 693**	**-**	**-**	**-**	**51 693**
- High risk	**36 998**	**-**	**-**	**-**	**36 998**
- Impairment	**(20 534)**	**-**	**-**	**-**	**(20 534)**
	447 038	**295 513**	**3 967**	**1 522**	**748 040**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2015

54 Credit quality of financial assets (continued)

COMPANY (continued)

	Loans and Advance E	Other assets E	Cash and cash equivalents E	Financial instruments E	Derivatives designated as fair value hedging instruments E	Total E
As at 31 March 2014						
Counterparties without external credit ratings	145 219	189 605	10 077	1 522	-	346 423
- Low Risk						
- General Credit risk	127 543	-				127 543
- High risk	117 053	-				117 053
Impairments	(29 286)	-	-	-	-	(29 286)
	360 529	189 605	10 077	1 522	-	561 733

The grouping of loans and advances is based on the following:

Low risk- This category is utilised for the performing loans that are classified as current and 3 months due, and mainly comprise of general purpose loans and business loans.
General credit risk- This category is for all clients' accounts that are 60-91 days due, where a moderate credit risk is taken. Included in the category are Agricultural loans.
High Risk- this category is for all high risk clients and comprises all clients immediately they are over 91 days due.

55 Financial instruments – maturity

The Corporation's financial instruments are made up of the following financial assets and liabilities by maturity:

GROUP	**Less than 1 year E'000**	**Between 1 and 2 years E'000**	**Between 2 and 5 years E'000**	**Over 5 years E'000**	**Total E'000**
31 March 2015					
Financial Assets:					
Other assets	**31 656**	**-**	**3 500**	**-**	**35 156**
Financial investment	**1 522**	**-**	**-**	**-**	**1 522**
Loans and advances	**37 396**	**87 380**	**728 839**	**86 929**	**940 544**
Cash and bank	**5 084**	**-**	**-**	**-**	**5 084**
	75 658	**87 380**	**732 339**	**86 929**	**982 306**
Financial Liabilities:					
Trade and other payables	**59 372**	**-**	**-**	**-**	**59 372**
Overdraft	**6 897**	**-**	**-**	**-**	**6 897**
Other short-term liabilities	**4 063**	**-**	**-**	**-**	**4 063**
Borrowings	**246 669**	**83 414**	**299 727**	**23 072**	**652 882**
	317 001	**83 414**	**299 727**	**23 072**	**723 214**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

55 Financial instruments – maturity (continued)

GROUP (continued)

	Less than 1 year E'000	Between 1 and 2 years E'000	Between 2 and 5 years E'000	Over 5 years E'000	Total E'000
31 March 2014					
Financial Assets:					
Other assets	20 850	-	-	-	20 850
Financial investment	1 522	-	-	-	1 522
Loans and advances	57 792	43 515	372 811	107 126	581 244
Cash and bank	17 996	-	-	-	17 996
Derivative financial instruments	-	-	-	-	-
	98 160	43 515	372 811	107 126	621 612
Financial Liabilities:					
Trade and other payables	52 498	-	-	-	52 679
Bank overdraft	1 491	-	-	-	1 491
Finance lease liabilities	-	-	-	-	-
Other short-term liabilities	509	-	-	-	509
Long term liabilities	234 431	73 004	167 968	6 805	482 208
	288 929	73 004	167 968	6 805	536 887

COMPANY

	Less than 1 year E'000	Between 1 and 2 years E'000	Between 2 and 5 years E'000	Over 5 years E'000	Total E'000
31 March 2015					
Financial Assets:					
Other assets	**292 013**	**-**	**3 500**	**-**	**295 513**
Financial investment	**1 522**	**-**	**-**	**-**	**1 522**
Loans and advances	**10 420**	**85 335**	**264 354**	**86 929**	**447 038**
Cash and bank	**3 967**	**-**	**-**	**-**	**3 967**
	307 922	**85 335**	**267 854**	**86 929**	**748 040**
Financial Liabilities:					
Trade and other payables	**47 699**	**-**	**-**	**-**	**47 699**
Overdraft	**1 301**	**-**	**-**	**-**	**1 301**
Other short-term liabilities	**3 256**	**-**	**-**	**-**	**3 256**
Borrowings	**236 669**	**83 414**	**159 704**	**23 072**	**502 859**
	288 925	**83 414**	**159 704**	**23 072**	**555 115**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

55 Financial instruments – maturity (continued)

COMPANY (continued)

	Less than 1 year E'000	Between 1 and 2 years E'000	Between 2 and 5 years E'000	Over 5 years E'000	Total E'000
31 March 2014					
Financial Assets:					
Other assets	189 605	-	-	-	189 605
Financial investment	1 522	-	-	-	1 522
Loans and advances	69 707	23 563	225 575	41 684	360 529
Cash and bank	10 077	-	-	-	10 077
	270 911	23 563	225 575	41 684	561 733
Financial Liabilities:					
Trade and other payables	30 979	-	-	-	30 979
Other short-term liabilities	604	-	-	-	604
Long term liabilities	157 036	178 006	50 911	-	385 953
	188 619	178 006	50 911	-	417 536

56 Assets charged as security for liabilities

Financial assets pledged to secure liabilities were as follows as at 31 March 2015:	Group **2015** **E'000**	Group 2014 E'000	Company **2015** **E'000**	Company 2014 E'000
Loans and advance	**89 26**	53 9	**89 2**	53 9
Cash and cash equivalents	**12 00**	12 0	**3 0**	3 0
Financial instrument	**1 50**	1 5	**1 5**	1 5
	102 76	67 4	**93 7**	93 7

These transactions are conducted under terms that are usual and customary to standard securities lending and repurchase agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

57 Litigation

The Corporation is party to a number of legal actions arising out of its normal business operations in which it has taken some of its clients for non-performing of loans and advances to court. In the on-going legal actions, there are no litigations that are against the Corporation.

Management considers that none of the actions is material, and none is expected to result in a significant favourable effect on the financial position of the Corporation, either individually or in the aggregate.

Management believes that adequate provisions have been made in respect of such litigation. The Corporation has not disclosed any contingent liability or asset associated with these legal actions because it is not practicable to do so.

58 Related party transactions

The Corporation is controlled by the Swaziland Government, which own 80% of the Corporation shares. The remaining 20% of the shares are held by Tibiyo TakaNgwane, in trust for the Swazi Nation. On the one hand the corporation is a 100% shareholder of First Finance Company (Pty) Ltd.

The following transactions were carried out with related parties.

COMPANY

		2015	2014
(i)	**Loan from related parties:**	**E'000**	E'000
	Movement:		
	Amounts due to related party:		
	Swaziland Government – ADB	**64 908**	64 908
	Swaziland Government	**10 000**	10 000
		74 908	74 908

As at 31 March 2015, the company had three loan facilities obtained from or through the Government of Swaziland. These facilities had outstanding balances totalling E74.9million with interest rate ranging from 6.5% and 10.5%. There were no loan facilities obtained from Tibiyo TakaNgwane during the year under review.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

58 Related party transactions (continued)

(ii) Loan to Group Managing Director:

	2015 E'000	2014 E'000
Balance at beginning of the year	**198**	90
Disbursed during the year	**300**	224
Interest accrued during the year	**27**	4
Loan repayments during the year	**(138)**	(120)
Balance at the end of the Period	**387**	198

The Group Managing Director has two loans with the company. One of the loans is for E 188,665. It was granted in December 2013 at staff rate. The other one is for E 300,000.00 it was granted in July 2014 at Prime plus 4.5% interest.

(iii) Loan to Board Member:

Balance at beginning of the year	**-**	-
Disbursed during the year	**188**	-
Interest accrued during the year	**10**	-
Loan repayments during the year	**(14)**	-
Balance at the end of the Period	**184**	-

Ms Maureen Gabuza has one loan with the company. It was granted in September 2014 at Prime plus 4.5% interest.

(iv) Loan to W&N Enterprises (A company where Chairman of the Board has 33% shareholding)

Balance at beginning of the year	**-**	-
Disbursed during the year	**1 400**	-
Interest accrued during the year	**153**	-
Loan repayments during the year	**(199)**	-
Balance at the end of the Period	**1 354**	-

Mr Musa Dlamini is a director at W&N Enterprises. His company has one loan with the company. It was granted in May 2014 at Prime plus 4.5% interest

(v) Loan to Chairman of the Board

Balance at beginning of the year	**-**	-
Disbursed during the year	**400**	-
Interest and charges accrued during the year	**39**	-
Loan repayments during the year	**(27)**	-
Balance at the end of the Period	**412**	-

The Chairman to the Board has two loans with First Finance Company. The loans were granted in August 2014 and January 2015 respectively at commercial rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

58 Related party transactions (continued)

Amounts due from related party	**108 109**	90 000
Intercompany account-amount due from First Finance Company	**179 166**	126 981
Intercompany account-amount due from Finsure	**656**	-
Management fees		
Management fee due from related company	**15 827**	27 848
Interest Income		
Interest receivable from related company	**48 536**	32 592

The corporation advanced E90 000 000 to its subsidiary at a 20% interest per annum. The loan is repayable over 20 years by the subsidiary with a grace period of 5 years. Interest is also charged to other funds loaned to the subsidiary at an interest charge of 13%.

(vi) Doubtful debts
There is no provision for doubtful debts, nor any bad debt written off during the year, that relates to related parties.

59 Financial guarantees		**2015 E'000**	2014 E'000
National Maize Corporation	59.1	**332**	357
Swaziland Dairy Board	59.2	**1 049**	1 007
Voluntary Deferred Pay Guarantee Fund	59.3	**1 912**	1 860
Shewula Account	59.4	**31**	31
FAO Grant Fund	59.5	**2 363**	2 957
SNTC	59.6	**42**	23
Happy Valley	59.7	**157**	146
University of Swaziland(UNISWA)	59.8	**1 459**	1 514
Swaziland post and telecommunication(SPTC)	59.9	**644**	592
Raleigh Fitkin Memorial Hospital (RFM)	59.10	**212**	674
The Times of Swaziland	59.11	**554**	195
Customer Deposit Account	59.12	**44**	5 206

59.1 National Maize Corporation (NMC) Guarantee
Swaziland Development Finance Corporation Limited has agreed to administer loans to local maize farmers. NMC will pay 8% of the total amount loaned by the Corporation as management fee at the end of each season. NMC has agreed to provide up to E2 million as guarantee against these loans. The funds are kept in a separate bank account called NMC Credit Guarantee Fund with interest accruing to the NMC Fund. There were no loan balances outstanding on this scheme as at 31 March 2015.

59.2 Swaziland Dairy Board (SDB)
Swaziland Development Finance Corporation Limited has agreed to administer loans to smallholder dairy farmers. SDB will pay 10% of the total amount loaned by the Corporation as management fee at the end of each season. SDB has agreed to provide up to E1.5 million as guarantee against these loans. The funds are kept in a separate bank account called SDB Credit Guarantee Fund with interest accruing to the SDB fund. Swaziland Development Finance Corporation Limited acts as signatories to this account. On these loans E 32 716.91 was outstanding as at 31 March 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

59 Financial guarantees (continued)

59.3 Voluntary Deferred Pay Special Fund (VDPSF)

In terms of a 5 year contract with VDPSF, Swaziland Development Finance Corporation Limited has agreed to administer loans to qualifying ex-miners in order to enable them to engage in meaningful income generating activities. VDPSF will pay 8% of the total amount loaned by the Corporation as management fee at the end of each season. VDPSF agreed to provide E2.5 million as guarantee against these loans. The funds are kept in a separate bank account called Voluntary Deferred Pay Guarantee Fund with interest accruing to the VDPS fund. There were no loan balances outstanding on this scheme as at 31 March 2015.

59.4 Shewula Account

The values reflected as Shewula funds in the books refers to funds that were left by volunteers from Italy to FINCORP on behalf of shewula people. These volunteers from Italy had come to the country to help set up a certain project for the Shewula people. They could not finish this project and there were funds remaining for the project. Realising that they could not give it to anyone there to oversee the completion of the project, they decided to give the money to FINCORP to advance to people seeking to start projects that will develop Shewula. So far no one has come up with a project to be advanced on in that respect.

59.5 FAO Grant Fund

The FAO Grant Fund gave money to FINCORP of which they would lend to qualifying business people. This money is maintained in its own bank account.

59.6 SNTC

First Finance company has agreed to administer loans to employees of SNTC. As means to minimise credit risk inherent in loans to individuals the company requires the employers of the customers to guarantee payment of the outstanding loan amount. The guaranteed funds are kept in a separate bank account called SNTC Trust account with interest accruing to the SNTC Trust. The trust accounts for the SNTC scheme are held at Swaziland Building Society. Interest earned on the account is utilised by the company to make good of loan amounts which are not performing well under the Scheme. There was no outstanding loan balances in respect of this scheme at 31 March 2015.

59.7 Happy Valley

First Finance company has agreed to administer loans to employees of Happy Valley. As means to minimise credit risk inherent in loans to individuals the company requires the employers of the customers to guarantee payment of the outstanding loan amount. The guaranteed funds are kept in a separate bank account called Happy Valley Trust account with interest accruing to the Happy Valley trust. The trust accounts for the Happy Valley scheme are held at Swaziland Building Society. Interest earned on the account is utilised by the company to make good of loan amounts which are not performing well under the Scheme. There was no outstanding loan balances in respect of this scheme at 31 March 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31March 2015

59 Financial guarantees (continued)

59.8 University of Swaziland (UNISWA)

First Finance company has agreed to administer loans to employees of UNISWA. As means to minimise credit risk inherent in loans to individuals the company requires the employers of the customers to guarantee payment of the outstanding loan amount. The guaranteed funds are kept in a separate bank account called UNISWA Trust account with interest accruing to the UNISWA trust. The trust accounts for the UNISWA scheme are held at Standard bank, Stanlib and African alliance. Interest earned on the account is utilised by the company to make good of loan amounts which are not performing well under the Scheme. There was no outstanding loan balances in respect of this scheme at 31 March 2015.

59.9 Swaziland post and telecommunication (SPTC)

First Finance company has agreed to administer loans to employees of SPTC. As means to minimise credit risk inherent in loans to individuals the company requires the employers of the customers to guarantee payment of the outstanding loan amount. The guaranteed funds are kept in a separate bank account called SPTC Trust account with interest accruing to the SPTC trust. The trust account for the SPTC scheme is held at Swaziland Building Society. Interest earned on the account is utilised by the company to make good of loan amounts which are not performing well under the Scheme. There was no outstanding loan balances in respect of this scheme at 31 March 2015.

59.10 Raleigh Fitkin Memorial Hospital(RFM)

First Finance company has agreed to administer loans to employees of RFM. As means to minimise credit risk inherent in loans to individuals the company requires the employers of the customers to guarantee payment of the outstanding loan amount. The guaranteed funds are kept in a separate bank account called RFM Trust account with interest accruing to the RFM trust. The trust account for the RFM scheme is held at Swaziland Building Society. Interest earned on the account is utilised by the company to make good of loan amounts which are not performing well under the Scheme. There was no outstanding loan balances in respect of this scheme at 31 March 2015.

59.11 The Times of Swaziland

First Finance company has agreed to administer loans to employees of the Times of Swaziland. As means to minimise credit risk inherent in loans to individuals the company requires the employers of the customers to guarantee payment of the outstanding loan amount. The guaranteed funds are kept in a separate bank account called Times of Swaziland Trust account with interest accruing to the Times of Swaziland trust. The trust account for the Times of Swaziland scheme is held at Swaziland Building Society. Interest earned on the account is utilised by the company to make good of loan amounts which are not performing well under the Scheme. There was no outstanding loan balances in respect of this scheme at 31 March 2015.

59.12 Customer deposit Account

FINCORP sometimes requires that some projects be secured by a deposit. These deposit monies are then banked with Swaziland Building Society in the clients name but with FINCORP holding the deposit book and the withdrawal rights of the funds from Swaziland Building Society. After the client has settled the funds are withdrawn and given to the client with interest. As at year end there were 125 (2014: 125) sub-accounts to the Customer Deposit Account. In March 2015 these deposits were transferred to Fincorp bank account.

SWAZILAND DEVELOPMENT FINANCE CORPORATION GROUP LIMITED

DETAILED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2015

COMPANY

	2015 E'000	2014 E'000
INCOME		
Interest receivable	**85 616**	60 648
Bad debts recovered	**(104)**	1 732
Sundry Income	**19 764**	14 889
Fee income	**2 640**	1 802
	107 916	79 071
EXPENSES		
Advertising	**1 489**	1 961
Audit remuneration	**340**	279
Bad debts written off	**594**	2 715
Bank charges	**649**	452
Board expenses	**501**	566
Cleaning	**128**	98
Computer expenses	**41**	36
Computer maintenance	**14**	15
Consulting fees	**-**	22
Depreciation	**1 182**	1 077
Donations	**150**	198
Entertainment	**662**	451
Facility fee charge	**1 418**	6 089
Forex gains and losses	**9 308**	3 743
Impairment of loans and advances	**13 187**	8 445
Insurance	**609**	417
Interest expense	**41 187**	34 341
International conferences	**441**	548
Impairment of asset in possession	**1 500**	-
Legal fees	**127**	174
Subscriptions and Magazines	**523**	1 635
Motor vehicle expenses	**838**	918
Postage	**10**	7
Printing and stationery	**391**	521
Professional fees	**819**	971
Profit on disposal	**(145)**	(2)
Rent, water and light	**1 144**	1 185
Repairs and maintenance	**90**	646
Salaries and wages	**21 818**	15 924
Security	**551**	403
Staff uniforms	**418**	81
Rates and taxes	**77**	23
Tea, coffee, other expenses	**92**	25
Communication cost	**1 264**	989
Travelling expenses	**129**	113
Total operating expenses	**(101 546)**	(85 066)
(Loss) before tax	**6 370**	(5 995)
Income tax expense	**2 312**	870
(Loss)/for the year	**8 682**	(5 125)

SWAZILAND DEVELOPMENT FINANCE CORPORATION GROUP LIMITED

TAXATION SCHEDULE
for the year ended 31 March 2015

COMPANY

		2015 E'000	2014 E'000
(Loss) before tax		**6 370**	(5 995)
Add back:	Provision for leave pay and bonus current period	**3 257**	603
	Acquisition of Subsidiary	**600**	
	Forex loss/(gains)	**9 308**	-
	Donations	**150**	197
	Legal fees	**34**	-
	Penalties	**1 500**	-
	Prepayment prior year	**7**	26
	Loss on disposal of assets		-
	Prior year impairments	**7 322**	8 445
Deduct:	Provision for leave pay prior year	**(603)**	(351)
	Prepayment current	**(10)**	(7)
	Scrapping allowance on assets disposed	**-**	-
	Bad debts written-off	**(21 944)**	-
	Provision for impairment @ 25%	**(5 133)**	(7 321)
Taxable income/(loss)		**858**	(4 403)
Assessed loss brought forward		**(4 403)**	-
Taxable income/(loss)		**(3 545)**	(4 403)
Taxation at 27.5%		**-**	-
(Assessed loss) carried forward		**(3 545)**	(4 403)

These schedules do not form part of the financial statements and are unaudited