

**THE ENTERPRISE TRUST FUND**  
**Financial Statements**  
**for the six months ended 30 September 2003**

THE ENTERPRISE TRUST FUND

**ANNUAL FINANCIAL STATEMENTS**  
for the sixth months ended 30 September 2003

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THE ENTERPRISE TRUST FUND

**STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES**

for the six months ended 30 September 2003

The trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and the related information. The auditors are responsible for reporting on the fair presentation of the financial statements. The financial statements have been prepared in accordance with International Accounting Standards and in the manner required by the Notarial Deed of Trust.

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

The financial statements have been prepared on the going-concern basis, since the trustees have every reason to believe that the Fund has adequate resources in place to continue in operation for the foreseeable future.

The audit report of PricewaterhouseCoopers is presented on page 2.

The annual financial statements which appear on pages 3 to 22 have been approved by the board of trustees on \_\_\_\_\_ and are signed on its behalf by:

\_\_\_\_\_  
CHAIRMAN

\_\_\_\_\_  
MANAGING DIRECTOR

## **REPORT OF THE INDEPENDENT AUDITORS**

**To the Minister of Finance  
THE ENTERPRISE TRUST FUND**

We have audited the financial statements of the Fund set out on pages 5 to 22. These financial statements are the responsibility of the Fund's trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

### **Scope**

We conducted our audit in accordance with International Standards of Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

### **Audit opinion**

In our opinion the financial statements fairly present, in all material respects, the financial position of the Fund at 30 September 2003 and the results of its operations and cash flows for the period then ended in accordance with International Accounting Standards, and in the manner required by the Notarial Deed of Trust.

**DATE**

**PRICEWATERHOUSECOOPERS  
CHARTERED ACCOUNTANTS  
(SWAZILAND)**

THE ENTERPRISE TRUST FUND

**BOARD OF TRUSTEES' REPORT**

for the sixth months ended 30 September 2003

1. GENERAL REVIEW

**Individual Lending**

Lending to individuals was introduced with effect from 1 April 2004 and this was done along with our existing group lending. The new product has been well received by our clients with significant increase in number of customers from 701 at 31 March 2003 to 2123 at 30 September 2003. A Credit Committee has been established and tasked with the responsibility of making loan approval within board approved limits.

**Finalisation of the Trust**

After obtaining approval from The Government of Swaziland an orderly termination of The Enterprise Fund will be done which will facilitate the transfer of all assets and liabilities to Swaziland Development Finance Corporation Limited (FINCORP). The new company will commence operations under the new name from 1 October 2003 with Swaziland Government and Tibiyo Taka-Ngwane owning 70% and 30% of the issued shares respectively.

2. FINANCIAL RESULTS

Full details of the financial results are set out on pages 5 to 22.

3. BOARD OF TRUSTEES AND OFFICIALS

The members who acted in office during the six months under review are:

Leonard Sithebe - Chairman  
Vincent Mhlanga – Managing Director  
Louis Nxumalo  
Christabel Motsa  
Musa Sibandze  
Indvuna Mlobokazana Fakudze  
Bertram Stewart  
Mbuso Simelane  
Mduduzi Zwane  
Buhle Dlamini  
Sarah Jane Kemp

4. SECRETARY OF THE FUND

The Secretary of the Fund is: Mr Vincent Mhlanga.

THE ENTERPRISE TRUST FUND

**BOARD OF TRUSTEES REPORT** (continued)  
for the sixth months ended 30 September 2003

5. BANKERS

The Bankers of the Fund are First National Bank Swaziland Limited, P O Box 261, Eveni.

6. BUSINESS AND POSTAL ADDRESS OF THE FUND

Business address:

Gwamile Street  
First Floor, Asakhe House  
Mbabane

Postal address:

P O Box 6099  
Mbabane  
Swaziland

7. AUDITORS

The auditors of the Fund are: PricewaterhouseCoopers Swaziland P O Box 569 Mbabane.

## THE ENTERPRISE TRUST FUND

**BALANCE SHEET**  
at 30 September 2003

	Notes	At 30 September 2003 E	At 31 March 2003 E
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	-	1 538 109
Loans and advances	4	-	46 511 714
		<hr/>	<hr/>
		-	48 049 823
		<hr/>	<hr/>
<b>Current assets</b>			
Loans and advances	4	-	28 807 682
Receivables and prepayments	5	-	6 989 164
Cash and cash equivalents	6	-	1 630 813
		<hr/>	<hr/>
		-	37 427 659
		<hr/>	<hr/>
<b>Total assets</b>		-	85 477 482
		<hr/>	<hr/>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Donor Funds	7	-	64 000 000
General Risk Reserve		-	-
Accumulated surplus		-	15 802 991
		<hr/>	<hr/>
		-	79 802 991
		<hr/>	<hr/>
<b>Long term liability</b>			
Long term borrowings	10	-	5 000 000
<b>Current liabilities</b>			
Trade and Accounts payable	11	-	674 491
		<hr/>	<hr/>
Total liabilities		-	5 674 491
		<hr/>	<hr/>
<b>Equity and liabilities</b>		-	85 477 482
		<hr/>	<hr/>

## THE ENTERPRISE TRUST FUND

**INCOME STATEMENT**

for the six months ended 30 September 2003

	Notes	Six months ended 30 September 2003 E	12 months ended 31 March 2003 E
Interest receivable	13	8 829 168	11 891 150
Interest payable	13	(418 753)	(53 699)
		<u>8 410 415</u>	<u>11 837 451</u>
Bad debts recovered		522 403	366 146
Other income		463 636	595 354
		<u>9 396 454</u>	<u>12 798 951</u>
Operating expenses		<u>(3 029 406)</u>	<u>(5 304 661)</u>
Operating profit before provisions	1	6 367 048	7 494 290
Provisions for doubtful debts	14	<u>(1 766 209)</u>	<u>(3 595 202)</u>
Surplus for the year		4 600 839	3 899 088
Release from capital reserve	9	-	52 230
		<u>4 600 839</u>	<u>3 951 318</u>





## THE ENTERPRISE TRUST FUND

**CASH FLOW STATEMENT**

for the six months ended 30 September 2003

	Notes	Six months ended 30 September 2003 E	12 months ended 31 March 2003 E
<b>CASH FLOWS ACTIVITIES</b>			
Cash utilised by operations	16	(4 698 662)	(22 383 045)
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of fixed assets		-	83 000
Additions to fixed assets	3	(46 079)	(799 478)
Net cash used in investing activities		(46 079)	(716 478)
<b>FINANCING ACTIVITIES</b>			
Long term borrowing		5 000 000	5 000 000
Cash distributed to beneficiaries	20	(1 886 072)	-
Net cash generated in financing activities		3 113 928	5 000 000
Net decrease in cash and cash equivalents		(1 630 813)	(18 099 523)
<b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>			
At start of the period		1 630 813	19 730 336
Decrease		(1 630 813)	(18 099 523)
At end of period	6	-	1 630 813

## THE ENTERPRISE TRUST FUND

### **SUMMARY OF ACCOUNTING POLICIES**

for the six months ended 30 September 2003

The principal accounting policies adopted in the preparation of these financial statements are set out below:

#### **BASIS OF PREPARATION**

The financial statements have been prepared on the historical cost basis in accordance with Swaziland and International Financial Reporting Standards.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates.

#### **PROPERTY, PLANT AND EQUIPMENT**

All property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on the reducing balance basis by reference to the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:-

Computer Equipment	33 $\frac{1}{3}$ %
Furniture and fittings	10%
Office furniture	10%
Motor vehicle	20%

Repairs and maintenance are charged to expenses during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in operating profit.

#### **SPECIFIC AND GENERAL RISK PROVISION**

The balance of advances is reduced by the balance of the specific and general risk provisions. All known bad debts are written off. Specific provisions are made for all debts identified as doubtful. The accrual of interest on an advance is suspended immediately if reasonable doubt exists with regard to the recoverability thereof. A general provision is maintained against potential losses which have not been specifically identified, as 2% per annum of advances to intermediaries.

## THE ENTERPRISE TRUST FUND

**SUMMARY OF ACCOUNTING POLICIES** (continued)  
for the six months ended 30 September 2003**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

**TRADE RECEIVABLES**

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms of receivables.

**TRADE PAYABLES**

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

**RETIREMENT BENEFITS**

The Fund's contribution to the defined contribution plan is charged to the income statement under staff costs in the year in which they relate.

**FINANCIAL INSTRUMENTS**

## Credit Risk

The Fund advances loans to various intermediaries in terms of section 3 of the Notarial Deed of Trust No. 5 of 1998. The Fund's policy is to select and approve an intermediary because of its proven successful record of credit administration or which can prove their capacity to administer credit Funds after taking into account its capability to repay the loan.

Credit risk with respect to intermediaries is dispersed due to the geographical spread and diversity of sectors serviced. The Fund performs credit evaluations of its intermediaries as far as information is available. However, due to the inherent nature of the business it may not be possible to assess past credit history of some of the intermediaries which have been recently established and due to lack of formal financial information.

It is the Fund's policy not to obtain security against advances made to intermediaries. The Fund is therefore exposed to credit risk in the event of non-performance by intermediaries on the amounts advanced.

THE ENTERPRISE TRUST FUND

**SUMMARY OF ACCOUNTING POLICIES** (continued)  
for the six months ended 30 September 2003

**FINANCIAL INSTRUMENTS** (continued)

Credit Risk (continued)

Financial assets which potentially subject the Fund to concentrations of credit risk consist principally of loans to intermediaries and trade receivables. The Fund's cash equivalents are placed with high credit quality financial institutions.

Fair Values

At 30 September 2003 the carrying amounts of cash, accounts receivable and accounts payable approximated their fair values.

## THE ENTERPRISE TRUST FUND

**NOTES TO THE FINANCIAL STATEMENTS**

for the six months ended 30 September 2003

	Notes	Six months ended 30 September 2003 E	12 months ended 31 March 2003 E
1			
<b>PROFIT FROM OPERATIONS</b>			
The following items have been included in arriving at operating profit:			
Depreciation on fixed assets		156 286	387 199
Loss on disposal of fixed assets		1 693	112 302
Staff costs	15	1 587 534	2 239 156
Auditors remuneration		51 448	111 452
Audit fee		40 000	75 252
Under provision in previous period		11 448	36 200
Other services		-	-
<b>OTHER INCOME</b>			
Application fee		65 550	-
Loan Monitoring fee		249 955	447 319
Dividend income (Swaziland Building Society)		-	22 500
Management fee		60 167	104 581
Motor vehicle allowance		-	17 200
Sundry income		3 155	3 754
DFID receipt		84 809	-
		<u>463 636</u>	<u>595 354</u>

## THE ENTERPRISE TRUST FUND

**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
for the six months ended 30 September 2003

## 2 ADOPTION OF IAS 39

During the period, the Fund adopted the disclosure requirements of IAS 39 with respect to treatment of general provisions on doubtful debts. The statement requires that any amounts set aside for general risk (general provisions) should be separately disclosed as appropriations of retained earnings and should not be included in the determination of net profit or loss for the period. A general risk reserve has been created for this purpose. Comparative amounts have not been restated but adjustments of previous carrying amounts have been adjusted to the opening balance of accumulated surplus through the statement of changes in equity. The effect of the change in disclosure is as follows:

	Six months ended 30 September 2003 E	12 months ended 31 march 2003 E
Increase in profits	178 761	-
	<hr/>	<hr/>
Restatement of opening accumulated surplus	1 539 132	-
	<hr/>	<hr/>
There is no taxation effect.		

## THE ENTERPRISE TRUST FUND

**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
for the six months ended 30 September 2003

## 3 PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment E	Furniture & fittings E	Office Equipment E	Motor Vehicles E	Total E
<b>Year ended 31 March 2003</b>					
Opening net book amount	129 936	46 687	115 174	1 029 335	1 321 132
Additions	15 045	123 094	29 891	631 448	799 478
Disposals	(3 849)	-	(666)	(190 787)	(195 302)
Depreciation charge	(46 238)	(13 145)	(13 383)	(314 433)	(387 199)
Net book amount	94 894	156 636	131 016	1 155 563	1 538 109
<b>At 31 March 2003</b>					
Cost or valuation	249 357	186 965	174 218	1 767 138	2 377 678
Accumulated depreciation	(154 463)	(30 329)	(43 202)	(611 575)	(839 569)
Net book amount	94 894	156 636	131 016	1 155 563	1 538 109
<b>Period ended 30 September 2003</b>					
Opening net book amount	94 894	156 636	131 016	1 155 563	1 538 109
Additions	21 700	22 000	2 379	-	46 079
Disposals	-	-	(1 693)	-	(1 693)
Depreciation	(18 044)	(6 528)	(6 631)	(125 083)	(156 286)
Distribution to Trust beneficiaries	(98 550)	(172 108)	(125 071)	(1 030 480)	(1 426 209)
Balance at 30 September 2003	-	-	-	-	-
<b>At 30 September 2003</b>					
Cost or valuation	271 057	208 965	174 904	1 767 138	2 422 064
Accumulated depreciation	(172 507)	(36 857)	(49 833)	(736 658)	(995 855)
Distribution to Trust beneficiaries	(98 550)	(172 108)	(125 071)	(1 030 480)	(1 426 209)
Balance at 30 September 2003	-	-	-	-	-



## THE ENTERPRISE TRUST FUND

**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
for the six months ended 30 September 2003

	Six months ended 30 September 2003 E	12 months ended 31 March 2003 E
4 LOANS AND ADVANCES		
Amounts due within one year	-	34 157 396
Less - specific provisions	-	(3 810 582)
- general provision	-	(1 539 132)
	-----	-----
	-	28 807 682
	-	46 511 714
Due over a year and below two years	-	13 862 876
Due over two years and below three years	-	12 610 109
Due over three years	-	20 038 729
	-----	-----
	-	75 319 396
	=====	=====
<b>SECTOR ANALYSIS</b>		
Dressmaking/tailoring & knitting	-	1 052 353
Fruits and vegetables	-	424 497
Grocery	-	237 531
Handicraft	-	263 233
Hawking	-	214 779
Heavy Haulage	-	773 173
Maize and other cereal	-	2 205 429
Other Agricultural activities	-	361 398
Other forms of trade	-	1 091 168
Poultry	-	665 837
Savings & Credit Cooperatives	-	732 812
Sugar cane farming	-	72 646 900
Less - specific provisions	-	(3 810 582)
- general provision	-	(1 539 132)
	-----	-----
	-	75 319 396
	=====	=====

## THE ENTERPRISE TRUST FUND

**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
for the six months ended 30 September 2003

	Six months ended 30 September 2003 E	12 months ended 31 March 2003 E
<b>5 RECEIVABLES AND PREPAYMENTS</b>		
Interest accrued	-	6 078 815
Staff loans	-	810 315
Prepayments	-	80 404
Sundry deposits	-	19 630
	<hr/>	<hr/>
	-	6 989 164
	<hr/> <hr/>	<hr/> <hr/>
<b>6 CASH AND CASH EQUIVALENTS</b>		
Cash at bank and in hand	-	99 613
Short-term bank deposits	-	1 531 200
	<hr/>	<hr/>
	-	1 630 813
	<hr/> <hr/>	<hr/> <hr/>
<b>7 DONOR FUNDS</b>		
Donated by:		
Republic of China	36 000 000	36 000 000
Tibiyo TakaNgwane	8 000 000	8 000 000
Swaziland Government	20 000 000	20 000 000
	<hr/>	<hr/>
	64 000 000	64 000 000
Distribution	(64 000 000)	-
	<hr/>	<hr/>
	-	64 000 000
	<hr/> <hr/>	<hr/> <hr/>

The Funds are in terms of the Notarial Deed of Trust No. 5 of 1998, which states that E8M will be received from Tibiyo Taka Ngwane and E36M bilateral assistance from friendly and supportive donor. A further E20M capital has been given by the Swaziland Government. On the termination of the Fund, the reserves were distributed to Swaziland Development Finance Corporation Limited.

## THE ENTERPRISE TRUST FUND

**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
for the six months ended 30 September 2003

	Six months ended 30 September 2003 E	12 months ended 31 March 2003 E
8 TRAINING GRANTS		
Accumulated grants at beginning of year	-	1 755 912
Grant issued	-	-
Released to accumulated surplus	-	(1 755 912)
	<hr/>	<hr/>
Closing balance	-	-
	<hr/> <hr/>	<hr/> <hr/>

Grants issued to intermediaries for training are in terms of section 2.1.6 of the Notarial Deed of Trust No. 5 of 1998 as may be determined by the Board of Trustees.

9 CAPITAL RESERVE		
Capital grant designated for capital expenditure	-	52 230
Less: Depreciation released to income statement	-	-
Capital reserve released (Motor Vehicle sold)	-	-
	<hr/>	<hr/>
Closing balance	-	-
	<hr/> <hr/>	<hr/> <hr/>

The capital reserve represents a grant received from the British Department for International Development (DFID) specifically for the purchase of a motor vehicle to be owned by the Fund. The related depreciation amount is released to the profit and loss statement on an annual basis. The vehicle was sold during the year ended 31 March 2003.

10 BORROWINGS		
Non-current		
Loan – Swaziland Government		
Opening balance	5 000 000	-
Received during the period	5 000 000	5 000 000
Transfer to beneficiaries	(10 000 000)	-
	<hr/>	<hr/>
Closing balance	-	5 000 000
	<hr/> <hr/>	<hr/> <hr/>

This is a E10 million loan with Swaziland Government. It 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. On the termination of the Fund, the loan was disposed of with the assets of the Fund. Refer to note 20.

## THE ENTERPRISE TRUST FUND

**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
for the six months ended 30 September 2003

	Six months ended 30 September 2003 E	12 months ended 31 March 2003 E
11	<b>ACCOUNTS PAYABLE</b>	
	Trade payables	421 576
	Accruals	123 964
	Interest payable	53 699
	Provision audit fee	75 252
	-	674 491
12	<b>COMMITMENTS</b>	
	Loan amounts approved but not disbursed to intermediaries	32 968 875
	12 219 436	32 968 875
	Current and future resources will fund the above loan amounts. On the termination of the Fund, the commitments were transferred to the new company set by the Swaziland Government – Swaziland Development Finance Corporation Limited.	
13	<b>FINANCE INCOME</b>	
	<b>Interest receivable</b>	
	Loans and advances	10 677 665
	Staff loans	54 328
	Investments	1 159 157
	8 829 168	11 891 150
	<b>Interest payable</b>	
	Borrowings	53 699
	418 753	53 699

## THE ENTERPRISE TRUST FUND

**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
for the six months ended 30 September 2003

	Six months ended 30 September 2003 E	12 months ended 31 March 2003 E
14	<b>PROVISION FOR DOUBTFUL DEBTS</b>	
	<b>Specific provision</b>	
	3 810 582	3 938 776
	-	-
	1 766 209	3 058 074
	(2 924 817)	(3 186 268)
	<u>2 651 974</u>	<u>3 810 582</u>
	<b>General provision</b>	
	1 539 132	1 002 004
	178 761	537 128
	(1 717 893)	-
	<u>-</u>	<u>1 539 132</u>
	The provision at 30 September 2003 was applied against the balance of loans and advances which were transferred to Swaziland Development Finance Corporation Limited.	
	<b>Interest in suspense</b>	
	38 821	219 936
	<u>38 821</u>	<u>219 936</u>
15	<b>STAFF COSTS</b>	
	1 334 142	1 684 793
	3 495	6 150
	92 619	142 722
	157 278	405 491
	<u>1 587 534</u>	<u>2 239 156</u>

The average number of persons employed by the Fund during the period was 20 (31 March 2003:18).

## THE ENTERPRISE TRUST FUND

**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
for the six months ended 30 September 2003

	Six months ended 30 September 2003 E	12 months ended 31 March 2003 E
16 CASH UTILISED BY OPERATIONS		
Profit for the period	4 600 839	3 899 088
Adjustment for non-cash items:		
Provision for doubtful debts	1 766 209	3 595 202
Depreciation	156 286	387 199
Loss on sale of asset	1 693	112 302
	<hr/>	<hr/>
	6 525 027	7 993 791
(Increase)/decrease in working capital	(11 223 689)	(30 376 836)
Loans to intermediaries	(10 737 940)	(29 816 402)
Other current assets	(1 448 405)	(1 167 614)
Current liabilities	962 656	607 180
	<hr/>	<hr/>
	(4 698 662)	(22 383 045)
	<hr/>	<hr/>
17 ORIGINATED LOANS AND RECEIVABLES		
Loan to the Managing Director		
Balance at beginning of the period	248 575	261 221
Interest accrued during the period	17 330	37 514
Loan repayments during the period	(25 080)	(50 160)
Transfer to beneficiaries	(240 825)	-
	<hr/>	<hr/>
Balance at the end of the period	-	248 575
	<hr/>	<hr/>

The loan was advanced to the Managing Director as a property loan, repayable over 17 years, interest rate is based on the Swaziland Building Society mortgage rate, which is currently 9.75%. The underlying property has been secured by a first mortgage bond in favour of the Fund. On the termination of the Fund, all loans receivable were transferred to a newly formed company (Swaziland Development Finance Corporation Limited) set up by the Swaziland Government. Refer to note 20.

## THE ENTERPRISE TRUST FUND

**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
for the six months ended 30 September 200318 LOAN GUARANTEE FUND - National Maize Corporation Guarantee  
(NMC)

In terms of a 3-year contract with NMC, the Enterprise Trust Fund has agreed to administer loans to local maize farmers. NMC will pay 8% of the total amount loaned by the Fund as management fee at the end of each season. NMC has agreed to provide up to E2 million as guarantee against these loans. The money is kept in a separate bank account called NMC Credit Guarantee Fund with interest accruing to the NMC Fund. Enterprise Trust Fund acts as signatories to this account. As at 30 September 2003, the balance on the NMC Fund Account was as follows:

	Six months ended 30 September 2003 E	12 months ended 31 March 2003 E
Balance at beginning of the period	1 843 040	2 137 634
Interest accrued	80 874	159 794
Less: Claims on guarantee	-	(490 518)
Bank charges	(5)	(594)
Add: Recoveries from Maize farmers	-	36 724
	<u>1 923 909</u>	<u>1 843 040</u>

On termination of the Fund, the administration of the loan guarantee fund was transferred to Swaziland development Finance Corporation Limited.

## 19 CONTINGENT LIABILITIES

There is a contingent liability in respect of taxation on interest earned on funds invested in the Republic of South Africa. The amount is estimated at E1 882 285, should the Fund be deemed liable by the Receiver of Revenue.

## THE ENTERPRISE TRUST FUND

**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
for the six months ended 30 September 2003

## 20 TRANSFER OF THE NET ASSETS OF THE FUND

On the 30<sup>th</sup> of September 2003, the Fund was liquidated by the Minister of Finance based on the provisions of Section 13 of the Notarial Deed of Trust No. 5 of 1998. The reserves of the Trust which amounted to E85,942,962 were distributed to the Swaziland Development Finance Corporation Limited.. These were represented by the following assets and liabilities:

<b>ASSETS</b>	E
<b>Non-current assets</b>	
Property, plant and equipment	1 426 209
Loans and advances	58 330 793
	<hr/>
	59 757 002
	<hr/>
<b>Current assets</b>	
Loans and advances	27 499 466
Receivables and prepayments	8 437 569
Cash and cash equivalents	1 886 072
	<hr/>
	37 823 107
	<hr/>
Total Assets	97 580 109
	<hr/> <hr/>
<b>LIABILITIES</b>	
<b>Long term liability</b>	
Long term borrowings	10 000 000
<b>Current liabilities</b>	
Trade and Accounts payable	1 637 147
	<hr/>
Total liabilities	11 637 147
	<hr/> <hr/>
Net Assets	85 942 962
	<hr/> <hr/>



THE ENTERPRISE TRUST FUND

**DETAILED INCOME STATEMENT**

for the six months ended 30 September 2003

	Six months ended 30 September 2003 E	12 months ended 31 March 2003 E
<b>INCOME</b>		
Interest receivable	8 829 168	11 891 150
Bad debts recovered	522 403	366 146
Sundry income	463 636	595 354
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	9 815 207	12 852 650
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<b>EXPENSES</b>		
Advertising	26 623	61 059
Audit remuneration	51 448	111 452
Bank charges	24 987	40 330
Bad debts written off	15 534	3
Board expenses	32 709	84 821
Computer expenses	11 296	73 084
Consulting fees	55 126	407 772
Depreciation	156 286	387 199
Insurance	83 987	103 174
Interest payable	418 753	53 699
Legal fees	11 523	192 021
Loss on sale of fixed assets	1 693	112 302
Magazines and subscriptions	44 292	105 602
Motor vehicle expenses	163 244	351 695
Printing and stationery	58 678	57 468
Repairs and maintenance	11 518	55 283
Rent, water and light	77 025	178 325
Salaries and wages	1 587 534	2 239 156
Security	23 212	39 827
Sundry expenses	39 018	44 327
Telephone and postage	63 571	134 477
Training	282 520	33 516
Travelling and entertainment & International conferences	207 582	491 768
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	3 448 159	5 358 360
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Operating profit before provisions	6 367 048	7 494 290
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