

**SWAZILAND DEVELOPMENT FINANCE
CORPORATION LIMITED**
Financial Statements
for the six months ended 31 March 2004

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

ANNUAL FINANCIAL STATEMENTS

for the six months ended 31 March 2004

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SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

CORPORATE GOVERNANCE STATEMENT

for the six months ended 31 March 2004

Swaziland Development Finance Corporation Limited confirms their commitment to the principles of openness, integrity and accountability as advocated in the King II Code on Corporate Governance. Through this process, shareholders and other stakeholders may derive assurance that the Company is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices. Monitoring the company's compliance with the King Code on Corporate Governance forms part of the mandate of the Company's audit committee.

Board of directors

The Board has two committees the Main Board and the Executive Committee. Both the Main Board and the Executive committee meet quarterly, but special Board meetings are convened when necessary. The Main Board monitors management and ensures that material matters are subject to Board approval such as the approval of loans. The Executive Committee's main functions are to review the Company's financial statements, management accounts, operational matters, staff matters and then advise the Main Board.

The Board comprises 11 directors of whom only one serves in an executive capacity. The board is balanced so that no individual or small group can dominate decision-making. The directors of the Company are listed on page 5. Roles of chairperson and chief executive do not vest in the same person and the chairperson is a non-executive. The non-executive directors comprise individuals with diverse backgrounds and expertise. The chairperson and managing director provide leadership and guidance to the Company's Board and encourage deliberation of all matters requiring the Boards attention, and obtain sufficient input from the other trustees. The chairperson and directors are elected on a three-year basis.

Risk Management

Effective risk management is essential to the Company's objective of consistently adding value to the business objectives. The Company's management is continuously developing and enhancing its risk and control procedures to improve the means for identifying and monitoring risks.

Operating risk is the potential for loss to occur through a breakdown in control information, business processes and compliance systems. Key policies and procedures are in place to manage operating risk involving segregation of duties, transaction authorisation, supervision, monitoring and financial and managerial reporting.

Financial risk management is dealt with in the notes to the financial statements.

Improvements in Corporate Governance and Accountability

To show the Company's commitment to good corporate governance it has endeavoured to establish the following during the forthcoming financial year:

Internal Audit function

The board has agreed to engage the services of an audit firm to perform the internal audit until such a time that they are ready to internalise the post.

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITY

for the six months ended 31 March 2004

The directors 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 Financial Reporting Standards and in the manner required by the Companies Act.

The directors are also responsible for the Company'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 directors 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 Company has adequate resources in place to continue in operation for the foreseeable future.

The audit report of PricewaterhouseCoopers is presented on page 3.

The annual financial statements which appear on pages 4 to 21 have been approved by the board of directors on _____ and are signed on its behalf by:

CHAIRMAN

MANAGING DIRECTOR

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SWAZILAND
DEVELOPMENT FINANCE CORPORATION LIMITED**

We have audited the financial statements of Swaziland Development Finance Corporation Limited for the period ended 31 March 2004 set out on pages 6 to 21. These financial statements are the responsibility of the company's directors. Our responsibility is to report on these financial statements.

Scope

We conducted our audit in accordance with International Standards on 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 used 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 company at 31 March 2004, and the results of its operations and cash flows for the year then ended in accordance with Swaziland and International Financial Reporting Standards and in the manner required by the Swaziland Companies Act 1912, as amended.

DATE

**PRICEWATERHOUSECOOPERS
CHARTERED ACCOUNTANTS
(SWAZILAND)**

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

DIRECTORS' REPORT

for the six months ended 31 March 2004

The directors have pleasure in submitting their report which forms part of the financial statements of the company for the six months ended 31 March 2004.

1. THE NEW COMPANY

1 October 2003 saw the first day of operations under the name of Swaziland Development Finance Corporation Limited (FINCORP). The Board of Trustees in The Enterprise Trust Fund were appointed the first Board of Directors in Fincorp.

We are optimistic that the new company will be of benefit to all its stakeholders especially the shareholders, our customers, employees and the country at large.

We look forward to attracting affordable equity and loan funds from local and international sources. We are presently in the final stages of negotiating loan funds with the Opec Fund.

Operationally we look towards maintaining our low cost base and improving on efficiency and delivery of our products whilst maintaining a high repayment ratio.

2. FINANCIAL RESULTS

Full details of the financial results are set out on pages 6 to 21.

3. SHARE CAPITAL

The authorised share capital is 10 000 ordinary shares at E1 each of which 1 000 ordinary shares have been issued at a premium of E84 225.07.

4. DIVIDENDS

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

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

DIRECTORS' REPORT (continued)
for the six months ended 31 March 2004

5. DIRECTORS

The directors who acted during the period are:

Leonard Sithebe - Chairman
Vincent Mhlanga
Louis Nxumalo
Christabel Motsa
Musa Sibandze
Indvuna Mlobokazana Fakudze
Bertram Stewart
Mbuso Simelane
Mduduzi Zwane

6. SECRETARY

The Secretary of the Company is: Mr Vincent Mhlanga.

7. BANKERS

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

8. BUSINESS AND POSTAL ADDRESS OF THE COMPANY

Business address:

Gwamile Street
First Floor, Asakhe House
Mbabane

Postal address:

P O Box 6099
Mbabane
Swaziland

9. AUDITORS

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

10. SUBSEQUENT EVENTS

The directors are not aware of any matter or circumstance arising since the end of the financial period, not otherwise dealt with in the financial statements, which significantly affect the financial position and operations of the company or the results of such operations.

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

BALANCE SHEET

at 31 March 2004

	Notes	At 31 March 2004 E
ASSETS		
Non-current assets		
Property, plant and equipment	4	1 273 039
Loans and advances	5	66 805 277
Deferred tax	3	90 290
		<hr/>
		68 168 606
		<hr/>
Current assets		
Loans and advances	5	23 140 172
Receivables and prepayments	6	7 528 466
Cash and cash equivalents	7	1 555 263
		<hr/>
		32 223 901
		<hr/>
Total assets		100 392 507
		<hr/> <hr/>
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary share capital	8	1 000
Share premium	8	84 224 069
General Risk Reserve	9	1 798 909
Retained Income		1 497 130
		<hr/>
		87 521 108
		<hr/>
Long term liability		
Long term borrowings	10	10 000 000
Current liabilities		
Trade and Accounts payable	11	1 226 307
Bank overdraft	7	570 941
Taxation	2	773 183
Provisions	12	300 968
		<hr/>
Total liabilities		12 871 399
		<hr/>
Equity and liabilities		100 392 507
		<hr/> <hr/>

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

INCOME STATEMENT

for the six months ended 31 March 2004

	Notes	Six months ended 31 March 2004 E
Interest receivable	14	8 979 276
Interest payable	14	(464 271)
		<hr/>
		8 515 005
Bad debts recovered		310 924
Other income		335 411
		<hr/>
		9 161 340
Operating expenses		(3 744 699)
		<hr/>
Operating profit before provisions	1	5 416 641
Provisions for doubtful debts	15	(3 155 602)
		<hr/>
Profit before tax		2 261 039
Taxation	2	(682 893)
		<hr/>
Profit for the period		<u>1 578 146</u>

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 March 2004

	Share Capital E	Share Premium E	General Risk Reserve E	Retained Income E	Total E
Share capital issued	1 000	84 224	-	-	84 225 069
GRR acquired from ETF	-	-	1 717	-	1 717 893
Profit for the period	-	-	-	1 578 146	1 578 146
Transfer to General Risk Reserve	-	-	81 016	(81 016)	-
Balance at 31 March 2004	1 000	84 224	1 798	1 497 130	87 521 108

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

CASH FLOW STATEMENT

for the six months ended 31 March 2003

	Notes	Six months ended 31 March 2004 E
CASH FLOWS ACTIVITIES		
Cash utilised by operations	17	(872 605)
INVESTING ACTIVITIES		
Additions to fixed assets	4	(29 145)
FINANCING ACTIVITIES		
Cash received from Enterprise Trust Fund		1 886 072
Net increase in cash and cash equivalents		<u>984 322</u>
MOVEMENT IN CASH AND CASH EQUIVALENTS		
At start of period		-
Increase		984 322
At end of year	7	<u>984 322</u>

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

SUMMARY OF ACCOUNTING POLICIES

for the six months ended 31 March 2004

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

1. 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.

2. 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	33⅓%
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.

3. PROVISIONS

Provisions are recognised when the Company 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 of the amount of the obligation. Where the effect of discounting to present value is material, provisions are adjusted to reflect the time value of money.

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

SUMMARY OF ACCOUNTING POLICIES (continued)

for the six months ended 31 March 2004

4. LOANS AND ADVANCES

Loans and advances to intermediaries are stated at fair value. 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.

5. 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.

6. 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 Company will not be able to collect all amounts due according to the original terms of receivables.

7. DEFERRED TAX

Deferred tax assets and liabilities are determined, using the liability method, for all temporary differences arising between tax basis of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rate is 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.

8. 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.

9. RETIREMENT BENEFITS

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

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

SUMMARY OF ACCOUNTING POLICIES (continued)

for the six months ended 31 March 2004

10. FINANCIAL INSTRUMENTS

10.1 Credit Risk

The Company advances loans to various intermediaries in terms of section 3 of the Notarial Deed of Trust No. 5 of 1998. The Company'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 Company 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 Company's policy not to obtain security against advances made to intermediaries. The Company is therefore exposed to credit risk in the event of non-performance by intermediaries on the amounts advanced.

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

10.2 Fair Values

At 31 March 2004 the carrying amounts of cash, accounts receivable and accounts payable approximated their fair values.

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 March 2004

	Notes	Six months Ended 31 March 2004 E
1	OPERATING PROFIT	
	The following items have been included in arriving at operating profit:	
	Depreciation on fixed assets	182 315
	Staff costs	2 207
	Auditors remuneration	70 000
		<hr/>
	OTHER INCOME	
	Application fee	39 850
	Loan Monitoring fee	230 749
	Management fee	63 807
	Sundry income	1 005
		<hr/>
		335 411
		<hr/> <hr/>
2	TAXATION	
	Current tax	773 183
	Deferred tax	(90 290)
		<hr/>
		682 893
		<hr/>
	Reconciliation	
	Profit before tax	2 261
		<hr/>
	Taxation at 30%	678 312
	Non deductible expenses	
	- company registration costs	4 581
		<hr/>
		682 893
		<hr/> <hr/>

Taxation has been computed in accordance with the Swaziland income tax order of 1975 as amended.

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 March 2004

Six months
Ended
31 March
2004
E

3 DEFERRED TAX

Deferred income taxes are calculated in full on temporal differences under the liability method using a principal tax rate of 30%. Deferred tax arises from the following item:

Provision for leave pay	90 290
-------------------------	--------

4 PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment E	Furniture & fittings E	Office Equipment E	Motor Vehicles E	Total E
Period ended 31 March 2004					
Distribution from ETF	98 550	172 108	125 071	1 030 480	1 426 209
Additions	24 570	-	4 575		29 145
Disposals	-	-	-	-	-
Depreciation	(20 857)	(10 604)	(6 705)	(144 149)	(182 315)
Closing net book amount	102 263	161 504	122 941	886 331	1 273 039
At 31 March 2004					
Cost	123 120	172 108	129 646	1 030 480	1 455 354
Accumulated depreciation	(20 857)	(10 604)	(6 705)	(144 149)	(182 315)
Net book amount	102 263	161 504	122 941	886 331	1 273 039

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 March 2004

	Six months ended 31 March 2004 E
5 LOANS AND ADVANCES	
Amounts due within one year	28 947 748
Less - specific provisions	(5 807 576)
	<hr/> 23 140 172
	66 805 277
Due over a year and below two years	23 249 877
Due over two years and below three years	22 497 281
Due over three years	21 058 119
	<hr/> 89 945 449
	<hr/> <hr/>
SECTOR ANALYSIS	
Consumer loans	7 106 204
Dressmaking/tailoring & knitting	1 012 473
Fruits and vegetables	377 454
Grocery and retailing	658 995
Handicraft	338 861
Hawking	80 409
Heavy Haulage	1 417 935
Maize and other cereal	2 245 103
Other Agricultural activities	4 091 915
Other forms of trade	1 900 570
Poultry	169 710
Savings & Credit Cooperatives	639 731
Sugar cane farming	75 249 346
Transport services	464 319
	<hr/> 95 753 025
Specific provision	(5 807 576)
	<hr/> 89 945 449
	<hr/> <hr/>

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 March 2004

	Six months ended 31 March 2004 E
6	RECEIVABLES AND PREPAYMENTS
	Interest accrued
	Staff loans
	Prepayments
	Sundry deposits
	NMC Management fee accrued
	6 366 472
	876 341
	142 849
	19 030
	123 774
	<hr/>
	7 528 466
	<hr/> <hr/>
7	CASH AND CASH EQUIVALENTS
	For the purpose of cash flow statement, cash and cash equivalent comprise the following:
	Short-term bank deposits
	Bank overdraft
	Cash and cash equivalent
	1 555 263
	(570 941)
	<hr/>
	984 322
	<hr/>
8	SHARE CAPITAL
	The share capital of the company consists of the following:
	<u>Authorised</u>
	10 000 ordinary shares at E1 each
	<u>Issued</u>
	1 000 ordinary shares
	1 000
	<hr/> <hr/>
	Premium on issue of shares
	84 224 069
	<hr/> <hr/>

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 March 2004

	Six months ended 31 March 2004 E
9 GENERAL RISK RESERVE	
<p>The general risk reserve arises from the disclosure requirement of IAS 39 regarding the treatment of general provisions. General provisions are accounted for through the statement of changes in equity in general risk reserve.</p>	
General provisions raised during the period	81 016
	<hr/>
10 BORROWINGS	
Non-current Loan – Swaziland Government	10 000 000
	<hr/>
<p>This is a 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.</p>	
	Six months ended 31 March 2004 E
11 ACCOUNTS PAYABLE	
Trade payables	718 573
Accruals	198 282
Interest payable	199 452
Provision audit fee	110 000
	<hr/>
	1 226 307
	<hr/>

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 March 2004

	Six months ended 31 March 2004 E
12 PROVISIONS	
Provision for leave pay	300 968
	<hr/>
13 COMMITMENTS	
Loan amounts approved but not disbursed to intermediaries	17 737 623
	<hr/>
Current and future resources will fund the above loan amounts.	
14 FINANCE INCOME	
Interest receivable	
Loans and advances	8 786 294
Staff loans	45 892
Investments	147 090
	<hr/>
	8 979 276
	<hr/>
Interest payable	
Borrowings	464 271
	<hr/>
15 PROVISION FOR DOUBTFUL DEBTS	
Specific provision	
Acquired from ETF	2 651 974
Raised and charged to the income statement during the period	3 155 602
	<hr/>
	5 807 576
	<hr/>
Interest in suspense	
Net interest suspended during the period	238 697
	<hr/>

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the six months ended 31 March 2004

	Six months ended 31 March 2004 E
16	STAFF COSTS
	Salaries
	Provident Company Contributions
	Pension costs (defined contribution plan)
	Other benefits and costs
	1 893 016
	3 000
	101 078
	210 881
	<hr/>
	2 207 975
	<hr/>
	The average number of persons employed by the Company during the year was 20 (31 March 2003:18).
17	CASH UTILISED BY OPERATIONS
	Profit for the period
	Adjustment for non-cash items:
	Provision for doubtful debts
	Depreciation
	Provision for leave pay
	1 578 146
	3 155 602
	182 315
	300 968
	<hr/>
	5 217 031
	(6 089 636)
	Decrease in working capital
	Loans to customers
	Other current assets
	Current liabilities
	(7 270 792)
	909 103
	272 053
	<hr/>
	(872 605)
	<hr/>

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the six months ended 31 March 2004

	Six months ended 31 March 2004 E
18	
ORIGINATED LOANS AND RECEIVABLES	
Loan to the Managing Director	
Balance at beginning of the year	240 825
Interest accrued during the year	13 618
Loan repayments during the year	(25 080)
	<hr/>
Balance at the end of the Period	229 363
	<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 9.5%. The underlying property has been secured by a first mortgage bond in favour of the Company.

19 LOAN GUARANTEE FUND - National Maize Corporation Guarantee (NMC)

In terms of a 3-year contract with NMC, 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 Company 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. Swaziland Development Finance Corporation Limited acts as signatories to this account. As at 31 March 2004, the balance on the NMC Fund Account was as follows:

	Six months ended 31 March 2004 E
Balance at beginning of the year	1 923 909
Interest accrued	52 204
Less: Claims on guarantee	-
Bank charges	-
Add: Recoveries from Maize farmers	-
	<hr/>
	1 976 113
	<hr/> <hr/>

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the six months ended 31 March 200420 SWAZILAND DAIRY BOARD CREDIT
GUARANTEE FUND

In terms of a 6 year contract with 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 company 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 acts as signatories to this account. As at 31 March 2004, the balance on the SDB Fund account was as follows:

	Six months ended 31 March 2004 E
Funds received for Guarantee	1 500 000
	<hr/> <hr/>

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

DETAILED INCOME STATEMENT
for the six months ended 31 March 2004

	Six months ended 31 March 2004 E
INCOME	
Interest receivable	8 979 276
Bad debts recovered	310 924
Sundry income	335 411
	<hr/>
	9 625 611
	<hr/>
EXPENSES	
Advertising	96 414
Audit remuneration	70 000
Bank charges	60 863
Bad debts written off	43 379
Board expenses	39 846
Computer expenses	27 742
Consulting fees	4 150
Depreciation	182 315
Insurance	24 987
Interest payable	464 271
Legal fees	92 394
Magazines and subscriptions	81 131
Motor vehicle expenses	188 028
Printing and stationery	58 902
Repairs and maintenance	53 519
Rent, water and light	111 567
Salaries and wages	2 207 975
Security	24 708
Sundry expenses	20 157
Telephone and postage	94 630
Training	2 110
Travelling and entertainment & International conferences	259 882
	<hr/>
	4 208 970
	<hr/>
Operating profit before provisions	5 416 641
	<hr/>

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

TAXATION SCHEDULES

for the six months ended 31 March 2004

Six months
ended
31 March
2004
E

1. REPAIRS AND MAINTENANCE

Plant maintenance	1 714
Photocopier maintenance charges	7 995
Repairs to Shed at Hhohho before leasing	40 714
Electrical Maintenance – Offices	280
Tractor Repairs before sale	1 468
Airconditioner Repairs	440
Telephone Management System Maintenance costs	908

 53 519

2. TRAVELLING AND ENTERTAINMENT

Staff travelling claims – local
 Dumisani Msibi - Business: Micro Alliance Meeting –
 Johannesburg
 Dumisani Msibi - Business - Export Import Bank - India
 Dumisani Msibi - Business Conference - Johannesburg
 Vincent Mhlanga - Business - SADC DFRC meeting – Zambia
 Zodwa Mabuza - Micro-Finance Training Course - USA
 Vincent Mhlanga – ICSB Conference – Business – Ireland
 Vincent Mhlanga - Business - SADC DFRC meeting - Tanzania
 Vincent Mhlanga - Business - Opec Fund - Austria
 Christmas party
 Dinner for CEOs – SPEA
 Other Entertainment costs

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

TAXATION SCHEDULES (continued)
for the six months ended 31 March 2004

	Six months ended 31 March 2004 E
3. LEGAL FEES	
Howe, Nsibande, Masuku, Maphanga – debt collection	50
Cloete Corporate – registration of the Company	1:
Robinson Bertram – debt collection	1:
Other auction costs	
	9:
	<hr/>
4. RENT	
Swaziland Building Society, PO Box 300 Mbabane	100
Tibiyo Properties (Pty) Ltd, PO Box 9769 Mbabane	
	103
	<hr/>
5. SUNDRY EXPENSES	
Visa costs	
Auction costs - labour and licences	
Office drinks, tea, coffees, film etc	
Cleaning - Contra Clean	10
	<hr/>
	20
	<hr/>

SWAZILAND DEVELOPMENT FINANCE CORPORATION LIMITED

TAXATION SCHEDULES (continued)
for the six months ended 31 March 2004

	Six months ended 31 March 2004 E
6. TAXATION COMPUTATION	
Profit for the period	2 261 039
Add back: provision for leave pay	300 968
company registration costs	15 268
	<hr/>
Taxable profit	2 577 275
	<hr/> <hr/>
Taxation at 30%	773 183
	<hr/> <hr/>