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Swaziland Training for Entrepreneurs Project (STEP)

EXPERIMENTAL PROJECT # 8

Asikhutulisane Savings & Credit Cooperative Society

Final Report, November 1989

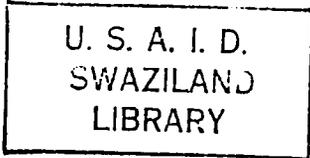
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THE SWAZILAND TRAINING FOR ENTREPRENEURS PROJECT (STEP)

This is one of a series of reports on experimental activities undertaken by STEP - the Swaziland Training for Entrepreneurs Project.

STEP was commissioned by USAID (the United States Agency for International Development) and was intended to identify potentially successful means of stimulating small business activities to increase employment and productivity. STEP's activities included the commissioning of a series of baseline studies, the undertaking of experimental activities, the provision of technical assistance.

The project commenced in 1986 and is due to end in November 1989. Originally, STEP was implemented by Partnership for Productivity, but was taken over by CARE International, a development organization, early in 1987. STEP was CARE's first and (to date) only project in Swaziland.

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November, 1989

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
I. INTRODUCTION	3
A. Project Purpose	3
B. Objectives	3
C. Organizational Background.....	4
II. BACKGROUND	5
A. Initial Organizational Contact.....	5
B. Concept Paper	5
C. Contract Negotiation And Approval Grant Disbursement	6
III. METHODOLOGY.....	7
A. Initial.....	7
1. Membership	7
2. Loan Application	7
3. Collateral.....	7
4. Licences.....	7
5. Loan Repayments.....	7
6. Monitoring.....	8
7. Shareholding	8
8. Annual General Meeting	8
B. After First contact with STEP.....	8
C. Before Grant Disbursement	8
A. Training For Manager.....	10
B. Application Form.....	10
C. Loan Assessments.....	10
D. Monitoring.....	10
E. Site visit to the Cooperative.....	11
V. FINDINGS.....	12
A. Based on Meeting	12
B. Loan Application Process.....	13
C. Financial	13
D. Enterprise Development.....	13
E. Training	14
F. CLIENT PROFILE.....	14
1. Linda Abida.....	14
2. Daphne Mavuso.....	15
3. Hezekial Dlamini.....	15
4. Thulani Masina.....	16
5. Ivy Dlamini.....	16
6. Alvinah Nomsa Nkosi.....	17
7. Desmond Mlambo.....	18
8. Obed Mpila.....	18
9. Nonhlanhla Dlamini.....	19

10. Desmond Mlambo.....	19
11. Leonard Mhlongo.....	20
12. Pauline Mabuza.....	20
13. Jabulani Ndlovu.....	21
VI. CONCLUSIONS.....	22
VII. RECOMMENDATIONS	24
VIII. APPENDICES	
A. Summary table of all clients.....	26
B. Balance Sheets for all clients.....	27
C. Pie chart of clients by gender.....	34
D. Bar chart of clients by gender and sector.....	35
E. Disbursements and total repayments.....	36

EXECUTIVE SUMMARY

Asikhutulisane Credit and Savings Cooperative Society was started in May 1985 by a group of eleven people at Bhunya. As at the end of August 1989, it had a membership of 2200 from all over the country and deposits of E843 930. From the money accumulated throughout the year, the Cooperative gives both consumption and business loans to members. As the Cooperative started as a "Christmas Club" concept, the savings and dividends from the shares are paid out early in December, which effectively means that all loans should be paid back by the end of October. This situation was not conducive to the financial needs of Small Business Enterprises.

The purpose of this Experimental Project was to assist a well-managed Swazi credit and savings Cooperative play a greater role as a Small Enterprise support institution. This was done by giving the Cooperative a grant of E100 000 to bridge the financial gap at the time of the year when savings and dividends are paid out. This meant that members could be granted loans with a repayment period longer than 10 months.

Most applicants had financial statements prepared before their applications were presented to the Board. However, it looked like some of the statements were not considered when decisions to grant loans were made. Reasons for non-consideration of the statements could be: Firstly, the clause in the Grant Agreement that all the money should be disbursed by the end of STEP may have caused the Board to give out loans as applications came and not per merit. Secondly, the new methodology adopted was very different to the previous one since applicants were now requested to supply information on their businesses in order for the Coop. to be in a position to prepare financial statements. Most people are never keen in giving information on their financial standing and moreover this process takes longer than before. The Board may have been avoiding a situation whereby members would complain about not being given money when they have made contributions to the Cooperative. It would take time for members to adapt to the new methodology. Thirdly, it could be a possibility that the Board and Manager could not analyse the statements in relation to the loans requested.

At the beginning, the Coop. gave what can be termed "bad" loans but with the discussions that were held with CARE, which served as training sessions for them, they gave good loans. From the information gathered, it is apparent that some clients did not use the loan money for the intended purposes. The effect of the loans on the businesses where it was used for the intended purposes is that owner equity increased. Poor planning on the part of the owners will most probably create cash problems for one client that under estimated the amount of money she needed to finish building her flats

Clients have been on schedule with repayments and have made them on time except for one late repayment. Time has come for the Cooperative to set a policy on collateral even if they do not request the kind of collateral that other financial institutions require.

If the Cooperative develops an interest in continuing with the Small Enterprise Development, it should look into cheaper ways of monitoring the activities of their clients other than doing site visits which may prove very costly.

Generally, CARE's experience with Asikhutulisane has been very positive; the Cooperative is well-managed, responsive to new ideas, and it should play an enhanced role in Small Economic Activity Development in future.

1. INTRODUCTION

A. Project Purpose

STEP Experimental Project # 8: Asikhutulisane Savings and Loan Cooperative small enterprise support was to assist a well-managed Swazi consumer savings and credit cooperative play a greater role as a small enterprise support institution.¹

A grant of E100 000.00 was to be given to the organization to increase its portfolio of small enterprise loans with repayment periods of longer than 10 months. The intention of the grant was to provide a financial base to bridge the period in the year when most depositors withdraw their funds.

Asikhutulisane had its origins in the "Christmas Club" concept, whereby most depositors withdraw their funds in November/December and begin saving again in January / February. This has meant that all loans, including those to small enterprises, must be repaid within a period of 10 months at the maximum. Rapid repayments are not conducive to the financial needs of most small enterprises.

B. Objectives

STEP's learning objectives were expressed in the form of hypotheses², as follows:

- A well-managed consumer credit and savings cooperative can move into an effective, sustainable small enterprise support function with an appropriately conceived package of financial assistance.
- Well-managed indigenous institutions can effectively identify and meet their own needs for appropriate technical support to their small business members with little outside technical assistance.
- Repayment of small business loans will not vary substantially from the normal repayment patterns of a well-managed consumer credit and savings cooperative due to the controls exerted by such a society on borrowers.
- Close monitoring of individual small business performance is not necessary in order for a well-managed cooperative to stimulate small enterprise activity.

1 Project proposal of November 24 1985

2 Project proposal of November 24 1985

- The small enterprise lending activities of a credit and savings cooperative can be sustainably maintained with interest income sufficient to pay for the additional cost of this specialized lending function.

C. Organizational Background

"Asikhutulisane Credit and Savings Co-operative Society Limited is a free association of people who save and lend money to one another. It is registered under the Co-operatives Act of 1964 and has its head office in Bhunya, Swaziland. Most of its members are employed by the Usutu Pulp Company Limited and the Swaziland Fruit Canners Limited. However, due to its essential service, it now attracts people from Manzini, Mbabane, Mankayane and other places within these radii".¹

Asikhutulisane was started in May 1983 by a group of eleven people who worked in the accounts section of Usutu Pulp Co. As at August 15, 1989 the cooperative has 2,200 members and E843 930 in deposits, split as follows: savings E342 850, shares E501,080.

The Cooperative's Board of Directors comprises of 7 members, of which the Chairman, Secretary and Treasurer are amongst founder members of the Cooperative, and have been re-elected to the Board every year. They are all employed by the Usutu Pulp Company as Accountants in different departments. The full-time Manager holds a B'Comm Degree which he has recently acquired - May 1989.

With their Accounting background, they have been able to build and improve the Cooperative through wise investments of the funds entrusted to them by the members. They have been able to produce the Financial Statement of the Cooperative every year during the Annual General Meeting. The purchase of property in Malkerns which comprises of a shopping complex and flats worth E290,000 has been one of the major investments of the Cooperative. The property was purchased out of money the Cooperative has accumulated from share capital. Presently it is being leased out for E3,127 a month, which the Cooperative uses to pay salaries to their full time staff.

Asikhutulisane generally makes personal consumption loans to its members, however, it also makes some short-term business loans.

¹ Excerpts from documents supplied by the Cooperative to CARE

II. BACKGROUND

A. Initial Organizational Contact

Asikhutulisane Credit and Savings Co-operative was brought to the STEP Director's attention via talks with colleagues about indigenous organizations which worked closely with small businesses. He contacted the cooperative to express his interest in the organization and this led to a meeting between Asikhutulisane and CARE on January 30 1988 at the CARE offices. The modus operandi of both organisations and potential areas of cooperation and assistance were discussed at length. Asikhutulisane expressed its needs as follows:

1. An office.
2. Technical assistance.
3. Capitalization of a long-term loan scheme in benefit of its members.
4. Research on the activities of the cooperative.

In respect to technical assistance, Asikhutulisane felt that the time had come for them to have their own computer. They had been using the Usutu Pulp Co. computer, which they had on a 'gentlemen's' agreement and were fearful that a change in management would cause them to lose that privilege. Asikhutulisane has, in the past, given business loans for a limited period but didn't have qualified personnel to appraise and monitor such loans, nor was it able to give management advice to the recipients.

Asikhutulisane explained that the nature of their operation was not conducive to long-term small business loans because a major portion of its funds are in the form of savings, which must be returned at the end of the year.

Asikhutulisane also expressed a need for a survey to look into the past and future activities of the society, and, for this venture, they required financial assistance.

STEP requested that Asikhutulisane submit a concept paper from which a project paper would be written. During the preparation of the concept paper CARE held a meeting with Asikhutulisane to help prioritize its needs.

B. Concept Paper

Asikhutulisane stated a need for professional credit management, in particular business credit. The cooperative felt it needed monetary assistance to enable it to finance the following:

1. Salary for a qualified person to appraise and monitor business loans.
2. Increase the funds to enable the society to give business loans for up to two years.

3. A personal computer to enable them to keep accurate records and produce timely reports .
4. Training programmes to stimulate entrepreneurship among its members. The cooperative is committed to promoting self-reliance among the members.

C. Contract Negotiation And Approval: Grant Disbursement.

Whilst the concept paper was still in preparation, the Project Director had started verbal negotiations with the donor, USAID. On November 24, 1988 a request for approval of STEP Experimental Project #8: Asikhutulisane Credit and Savings Cooperative small enterprise support was submitted to USAID.

In April 1989 the STEP Director was verbally informed that the project was approved; a contract between CARE International in Swaziland and Asikhutulisane Credit and Savings was drawn up and submitted to USAID on April 26, 1989. On May 2, 1989 a revised contract linking the grant period to the length of the STEP Project was submitted to USAID for its review. A condition of the grant was that all the E100 000 be disbursed in loans prior to the end of STEP, which was originally to September 30, 1989, but which was subsequently extended to November 30, 1989.

A project approval letter was received by CARE from USAID on May 2, 1989 . Asikhutulisane was immediately informed of the approval and a copy of the grant agreement was sent to them. A meeting to determine the methodology to be used by the cooperative in issuing long-term loans and monitoring the loan recipients' businesses was held in late May at Bhunya by CARE and Asikhutulisane personnel.

On June 8, 1989 a cheque issuing and grant agreement signing ceremony between CARE and Asikhutulisane was held at the Swazi Inn. Amongst the guests were the US Ambassador to Swaziland, the Deputy Director of USAID, the Minister of Justice, in his capacity as acting Minister of Commerce, the Minister of Finance and the Director of Co-operatives of the Ministry of Agriculture. The ceremony was covered by all media in the country.

III. METHODOLOGY

A. Initial

1. Membership

Membership was initially opened to employees of the Usutu Pulp Company. Later in 1983, eligibility for membership was extended to employees of the Swaziland Fruit Cannery. People applied for membership and, on acceptance by the Board, had to pay a joining fee to be a fully paid-up member.

2. Loan Application

Once a member was fully paid up, he/she could borrow money from the Cooperative. The lending pattern was not guided by the member's worth in terms of savings with the Cooperative. This was, however, in contrast with the Cooperatives Act, which states that a member of any cooperative may receive a loan from the cooperative of not more than twice the member's savings with the cooperative.

Asikhutulisane gave both consumption and business loans to its members. There was no question in the loan application form as to the use of the loan, but the Board verbally questioned the recipients as to the use of the loan money.

3. Collateral

Members who borrowed money from the Cooperative were not requested to provide collateral against the loan they received.

Asikhutulisane once asked Usutu Pulp Company to allow them to take members' salaries as security, but this was refused by the company because it claimed that this would increase administrative work for them.

4. Licences

Asikhutulisane did not enquire about the availability and validity of licences from the members who applied for and were granted business loans, except in certain cases such as Transport and General Dealers.

5. Loan Repayments

Loans were to be repaid in monthly instalments of principal and interest, the interest depending on the loan period. All money borrowed from the Cooperative, both for personal consumption and business, was to be repaid by the end of October each year.

Some members who joined at Asikhutulisane's formation defaulted on their loan repayments. A great number of the defaulters have recently come forth and paid off their balances, with the Board having come to a decision that a great part of the penalties would be written off.

6. Monitoring

Asikhutulisane did not monitor the businesses to which they had disbursed loans. The cooperative did not discover whether the business loans were in fact used for the intended purpose or for some other purpose, such as personal consumption.

7. Shareholding

In November 1985, Asikhutulisane introduced and sold shares for the first time to its members. The shares were sold at E1 per share with the minimum shareholding at 10 per member. Members were allowed to buy as many shares as they wanted to. At the end of the year when savings were paid back to members, dividends from the shares were also paid out.

In November 1988, Asikhutulisane decided to raise the minimum number of shares per member to 200 in order to build reserves. A member can only sell back shares to the Cooperative when she/he resigns.

8. Annual General Meeting

The meeting is held early in December every year at Bhunya Hall. During the meeting, the Cooperative's yearly report is delivered by the Executive. Copies of the Cooperative's financial standing are handed out to members and new office bearers are elected. Finally, yearly savings plus interest and dividends are paid to the members.

B. After First contact with STEP

At the first meeting of Asikhutulisane and the STEP Director emphasis was put on small enterprise support and it was resolved that Asikhutulisane submit a concept paper. In the report Asikhutulisane was asked to provide a financial breakdown by sector. This exercise saw the introduction of a new loan application form, which included the reason(s) for the loan.

C. Before Grant Disbursement

Between grant approval and disbursement, CARE and Asikhutulisane held a meeting at Bhunya to discuss the methodology that the Cooperative will use to disburse the loans from the grant. The major points discussed at the meeting were:

1. Shares:

Asikhutulisane explained that it was going to take into consideration the number of shares a member has in the Cooperative and would give out loans not more than three times the share investment. However, they did mention that there would be exceptions in the case of members who have established a good record with previous loans.

2. Counter Signatures:

Every loan applicant had to have another member countersign for them on the application form. This, however, did not preclude the right of the counter-signer to borrow money for themselves from the Cooperative, but rather meant that they would assist the Cooperative to recover its money in case of the loan recipient's default.

3. Financial Tools:

CARE expressed its interest in the use of financial tools to evaluate all the small businesses that were to be granted the loans under this experimental project. CARE requested that the Asikhutulisane Manager prepare Opening Balance Sheets, Income & Expenditure Statements, and Cash Flow Projections covering the life of the loan. Monthly Balance Sheets and Income & Expenditure Statements were to be prepared for all loan recipients.

4. Site Visits:

Asikhutulisane mentioned that it would encounter great difficulty in doing site visits to small business loan applicants and recipients because of lack of transport. CARE offered to have its Extension Officer accompany the Asikhutulisane Manager on the site visits in a CARE vehicle.

D. Grant Agreement

The Statement of Work in the Grant Agreement states the following:

The Grantee is to use the grant of E100,000 to grant loans with repayment periods longer than 10 months to its members to promote the development of small enterprises.

The Grantee shall maintain complete records of loans granted, repayment of principal and interest, and operating costs.

The Grantee shall provide the Grantor with monthly financial and statistical summaries concerning loans granted.

The Grantee shall provide the Grantor access to its records, and shall cooperate in providing any additional information that may be required by the Grantor.

The Grantee shall ensure that the recipients of loans granted by the Grantee agree, as a condition of receiving such loans, to provide all information that may be required by the Grantor and the Grantee.

IV. IMPLEMENTATION

A. Training For Manager.

Asikhutulisane requested CARE to familiarise their Manager with the process of loan appraisals and monitoring of the recipients businesses. The Manager spent a week at CARE working with Extension Officers who are involved in Credit Training (Another STEP experimental project run directly by CARE). He did site visits and prepared some financial statements for the projects he visited. He went through some of the client files reading the assessments that the Credit Training Extension Officers prepare for the STEP Director, to assist him to make a decision on whether the loan should be granted.

B. Application Form.

The application form was changed to a more legally binding document which would allow the Cooperative to take legal action in case of default. In cases of married women, husbands have to co-sign the forms for loans requested.

C. Loan Assessments.

The Manager is responsible for loan assessments and preparation of financial statements such as the Opening Balance Sheet, Income and Expenditure Statements and Cash Flow Projections. He assigns certain duties to the applicant such as bringing in records, their licenses, or their budgets showing how the requested loans will be used. He makes initial site visits to the businesses where he is better able to prepare Balance Sheets, failing which he relies on the information given to him by the member. If and when he feels that all the required information about the business is obtained, he then prepares a brief write-up outlining important issues about the particular business to the Board.

Occasionally, the assessments were done by the Board itself. These were on instances such as when the Manager was doing his familiarisation tour at CARE.

D. Monitoring.

After the loans have been disbursed, the Cooperative's Manager together with a CARE Extension Officer do site visits to the different businesses. The site visits are to confirm the information given by the members about their activities, and also to find out if the loan money was all used in the business for the intended purposes.

The members are encouraged to keep some records so as to facilitate the preparation of financial statements of their businesses every month. This exercise will help both the cooperative and themselves in determining the position of the activities as far as progress is concerned.

E. Site visit to the Cooperative.

On July 11 1989, the CARE Extension Officer made the first visit to the Cooperative after the grant disbursement. At that time, the Cooperative had already disbursed 7 loans.

During a subsequent discussion where the Project Director, the Assistant and the Extension Officer were discussing the loans disbursed by the Cooperative and the methodology used, it was unanimously agreed that a meeting should be held with the representatives of the Cooperative to help them in appraising the loans.

A meeting was held with the Asikhutulisane Chairman and Treasurer and the following points were discussed: the Cooperative's methodology in appraising the loans comparing the proposed and actual methodologies, the minimum periods for business loans as per the Grant Agreement, the loans disbursed on both their strong and weak points. This session was in fact a training exercise for the Cooperative's representatives aimed at improving their methodology, and was followed by similar monthly meetings.

V. FINDINGS

A. Based on Meeting

Loan Period.

It is stated in the Grant Agreement that loans granted are to be for periods of longer than 10 months and therefore two of the initial seven loans disbursed, which were for E10 000 each, had to be withdrawn from the Grant fund because they were for periods shorter than 10 months. Subsequent loans were granted for periods longer than the minimum specified.

Loan Appraisals.

It was felt by CARE that based on the initial seven loans, there was a need for Asikhutulisane to be more critical of whatever the members presented. Because the Cooperative has to prove itself as a capable institution in running a Small Enterprise Development project, it therefore needs to be convinced about the viability of a project and that it is likely to succeed before a loan is given.

CARE also felt that the Cooperative has the moral duty of making the members understand what is expected of them to be better able to run their businesses successfully, and this requires that both the Board members and the Manager understand each members' business and help him develop a plan which should be followed.

Members Credibility.

The Cooperative had proposed that the amount of loans members will receive for their businesses was to be determined by their worth with the Cooperative, or the relationship they have had with the Cooperative in the past particularly concerning their past loans and repayments. On looking at the loans that were disbursed then, most of the members were not worth what they had borrowed from the Cooperative; some of those who had received loans in the past were not particularly punctual in repayments and, in fact, did not pay within the agreed period but have now been given larger loans.

Security.

No collateral was taken on any of the initial seven loans. The argument the Cooperative has, is that members will complain that they joined the Coop. so that they get the help that they do not receive from the commercial institutions since they cannot put up the collateral required.

The Cooperatives' representatives were made aware that they do not have to ask for the sort of collateral that the commercial institutions required, but rather something that the Cooperative could take in the case of default. Examples of securities they could take were the fixed assets that are bought with loan money, or any other thing that the member owned and valued. In this regard, the Society agreed to discourage members who want to risk its money without bearing any risk themselves.

B. Loan Application Process

Under normal circumstances, loan appraisals are done by the Project Manager, but because of the short period the Cooperative had to disburse the grant, the Board members were the ones responsible for the appraisals whilst the Manager spent a week at CARE. In these instances, most of the financial statements that CARE requested to be prepared prior to loan approvals were not done.

There are two reasons for this. Firstly, the fact that the Board was itself not clear as to the use of the financial tools in appraising the loans, and, secondly, the fact that the members of the Board have full-time jobs and are merely doing Cooperative work after working hours which does not give them much time to look into the previous records of the members concerned.

In the loan approval stage, the Manager is not involved in the discussions, and that has its own repercussions as he is the one who researches on the applications, and assigns certain duties to the applicants. He is therefore well informed and can clear up uncertainties during such discussions.

C. Financial

Financial tools to determine the actual amount of money needed, and the period the business can take in repaying the loan have not yet been fully utilised by the Board and Manager.

The Manager has prepared these statements for almost all the members' loan assessments, but the loan repayment periods were not always appropriate, and the Board did not make its decisions based on the financial statements.

D. Enterprise Development

Before the Grant to the Cooperative, the Board used to approve loans for business purposes far beyond a member's worth. There was no monitoring to determine whether the loans were used for stated purposes and whether they benefited the recipients or not. Members do not understand why they now have to go through a long process before getting their loans approved and be monitored during the life of the loan, as is the case under this Experimental Project.

Some clients did not finish the tasks assigned to them before the loans were disbursed, and the Board somehow feels duty bound to disburse the money quickly if the members claim to be in a hurry. From the Board's point of view, they feel obliged to act fast because they say they have been entrusted with members' monies and can therefore not delay since members will start complaining about their monies invested with the Cooperative. This point is nevertheless cancelled by the fact that only one loan recipient has shareholdings that are slightly higher than half his loan - illustrated in the

individual loans). This problem was compounded by the late approval of this project, its consequent short duration, and the requirement for the Cooperative to disburse all the grant before the end of STEP.

E. Training.

The meetings that have been held between CARE and the Cooperative's Board members together with the Manager have helped them a great deal in understanding how to deal with their members in business terms. The Board has in fact requested that other people from the Cooperative attend the sessions because their constitution allows for new office bearers to be elected every year, and therefore as many people as possible should know in what direction the Cooperative is moving. However, due to the fact that all the meetings have been held in the evenings, some members have had other commitments and have been unable to attend the sessions.

From the sessions CARE has had with the Cooperatives' representatives, there has been the observation that they are open to criticism and change. The loans that were given after each session showed great improvement from the previous ones and they are certainly getting more confident.

The Cooperative is presently trying to find cheaper ways in which they can train their members in running their businesses successfully. They have been contemplating organising seminars and requesting people who have sound knowledge in areas of importance, to volunteer their services to teach their members how to run their businesses successfully and how to tackle certain problems.

F. CLIENT PROFILE.

Summary table of all clients attached as an appendix.

1. Linda Abida.

Abida is a soft goods hawker and lives in Zakhele, Manzini. She applied for, and was granted a loan of E10 000 from the Cooperative, from which she was to purchase a motor vehicle worth E6 000 and stock worth E4 000 from S.A. .

Abida has shares and savings with the Cooperative worth E550 and E150 respectively. She has, in the past, borrowed money from the Cooperative and made her repayments on time.

After loan disbursement, it took Abida some time to purchase the motor vehicle and when she finally did, she bought one in Swaziland worth E9 000 and this decapitalised her business. She did not insure the vehicle and has since had an accident which she claims is minor. Repair costs were not catered for in the cash-flow forecast, and the repairs have further decapitalized her business. She has come up with a suggestion that the Cooperative gives her another loan to capitalize her business. The Board has not made a final decision

as there were two viewpoints: some suggested that she should be given more money for stock, and others suggested that she should sell the car, pay back a greater portion of the loan to the Co-op, and buy whatever stock she needs with the balance. On the other hand, when the Asikhutulisane Manager made a site visit to her home, he discovered that she is in the process of extending the house she lives in which could be another reason for decapitalization. Abida has not been particularly helpful to the Manager in supplying requested information. She is very difficult to find at home since she is a hawker and has, in most cases, not kept appointments made with the Manager. She showed up after buying the car, when she wanted to introduce the subject of a second loan. She has made her two repayments and is still on schedule as far as repayments are concerned.

From the financial statements, it can be observed that owner equity has decreased due to the drastic change in stock.

2. Daphne Mavuso.

Daphne operates a Restaurant in Ngwenya Border Post and requested a E10 000 loan to purchase a bakkie which she was to use mainly for stock purchases. A loan of E10 000 was given to her for a period of 4 months. CARE pointed out that this loan could not be given from the STEP grant because it did not conform with the Grant Agreement which states that all loans should be for a period of 10 months or more.

3. Hezekial Dlamini.

Hezekial operates a Record shop in Bhunya. He is a full-time employee of Usutu Pulp Company and has a female employee to be in charge of the shop. He has, in the past, borrowed for business purposes from the Cooperative, and has been punctual with his repayments. He keeps receipts from stock purchases, cash sales and a debtors record book, from which the Cooperative's Manager was able to compile an opening Balance sheet and also make future projections.

Hezekial sells to some of his customers on credit and gives them between one and two months to pay depending on their purchases. This exercise tied down his working capital to debtors and made it impossible for him to make his purchases monthly. The loan has made it possible for him to increase stock and subsequently his collections, thus making it possible for him to make monthly purchases.

Hezekial is very cooperative and supplies the Manager with information whenever requested even if he cannot make it on the specified date. He is presently worth more than half his loan with the society with both his shares and savings at E3 500 and E100 respectively.

A loan of E5 000 was disbursed to him for stock purchases with a repayment period of 15 months at E396.66 per month split as follows: Principal E 333.33 and interest E 63.33. He is on schedule with his repayments. Owner equity has increased.

4. Thulani Masina.

Thulani is an attorney and has his office in the Liphaga Building in Manzini. He requested and was granted a loan of E15 000 for a period of 24 months which was his first loan with the Cooperative. He was to use E7 000 in buying Office furniture and some books and E8 000 to cover administrative expenses. Of the administrative expenses, he included non-business items such as house rent and a salary of E2 000 per month which was felt by STEP to be too high.

Thulani has other loans which he is servicing concurrently with this one. He has a balance of E6 000, with the Swazi Bank, E12 000 with Union Bank and E1 500 with a relative. He claims to have used these loans for setting up the office and for purchasing a motor vehicle.

He has shares and savings of E200 and E110 respectively. The Cooperative did not request security on the loan. Thulani's repayment is E800 per month split as follows: Principal E625 and interest E175.

During the first discussion we had with the Coops.' representatives after the Grant, it was brought to their attention that members like Thulani were a risk to the Coop. because he is too indebted. He has not offered any collateral and the amount he draws as a salary is too high for a business that cannot support itself and that moreover he has his other loans and house rent paid for from the business. This is an indication that this member, is not willing to risk his own money.

Information was supplied though usually not on time. He is on time with his loan repayment and has made all payments on time. The loan was used for the intended purpose and has helped the business increase owner equity.

5. Ivy Dlamini.

Ivy is a Distributor who sells cleaning chemicals and health care products purchased from a company in South Africa. She purchases the stock at a certain discount and sells at prices controlled by the Company. She applied for and was granted a loan of E6 000 to purchase stock. The loan period is 24 months and her repayment is E320 per month split as follows: Principal E250 Interest E70.

Ivy has shares of E450 and savings of E340. A Cash Flow Projection was prepared for her at the initial stage and it showed huge sums of positive cash balances at the end of each month which is an indication that either the loan

period was too long or the amount borrowed was too much for her monthly purchases.

With regard supplying information on her business to the Cooperative, she has never voluntarily submitted it, but does so if and when the Manager makes a site visit or telephone contact. She has made all her repayments and was punctual.

The loan has helped her increase her working capital.

6. Alvinah Nomsa Nkosi.

Alvinah runs a Pre-School in Manzini and applied for a loan of E10 000 to finish the construction of an extra classroom. She has shares of E360 and savings of E20. She had an overdue balance of E850 from a previous loan with the Cooperative.

The construction of the extra classroom was started with a loan from Barclays Bank, but she subsequently claimed that the cost was underestimated by the builder. The Cooperative requested her to make a list of items, and their prices, she needed for the completion of the room plus labour costs. It was established that the bank balance of the loan was E3 500. The Cooperative Board discussed with Alvinah that it would be difficult for her to service two loans concurrently and therefore unanimously decided that she be given a loan which included the bank balance so that she clears the bank debt. She was, however, requested to clear from Pre-School funds, the existing debt with the Cooperative before she could be granted the current loan. One of the conditions of the loan was that Alvinah pays back the bank loan as soon as she got the money from the Cooperative.

On monitoring, it was discovered that all the finances of the Pre-school were controlled by her husband and getting information was always very difficult. She did not keep separate bank accounts for the home and Pre-school and therefore it was difficult to account for all the school income of the previous terms. It was uncovered from her expenditure list that she had included the E850, which was the amount owing from the previous loan with the Cooperative and that the Bank loan was not repaid. Also included in her current payments were overdue wages for the school teachers and the house maid. There were no receipts for most of the items claimed to have been bought with the loan money, and Alvinah claimed she did not know where her husband kept business records. An effort of giving her a list of items requested from her husband was made and it proved futile as the information given to the Asikhutulisane Manager was always not what was requested from her.

Prior to loan disbursement, her husband sent a copy of a stop order to the Cooperative to effect loan repayments. However, he sent personal cheques to

the Cooperative for the first and second instalments before the bank could effect the stop order. The third instalment was missed, which indicates that the original of the stop order was probably not returned to the bank to be effected. All in all, the loan helped increase owner equity.

7. Desmond Mlambo.

Desmond is a contractor and has been granted loans in the past to help him purchase material for different projects. His loans have always been short-term due to the nature of his activity that is guided by the length of each project. He has always been on schedule with his loan repayments. He has recently applied for a E10 000 loan to purchase material for a 4 month project and wants to pay back the loan within the life of this project.

He was granted a E10 000 loan payable in 4 months at E2 700 a month split as follows: Principal E2 500 and Interest E200. This loan, however, had to be transferred from the Grant money to the Cooperative's funds due to the fact that it does not conform to the Grant Agreement, which states that all loans have to be repaid over 10 months or more.

8. Obed Mpila.

Obed is a full time employee of Usutu Pulp Company and runs a small grocery shop in Siphocosini which is a few kilometers from Bhunya towards Mbabane. He has received business loans in the past and his repayment record is good.

He requested a loan of E 12,000 from which he was to purchase a cash register, a counter refrigerator and stock. He was granted a loan of E7 000 to clear the balance of the previous loan, to purchase a cash register and stock.

During the site visit, it was discovered that the shop is relatively empty and it is doubtful that all the money was used in purchasing stock, and that the cash register was not bought. (The major problem in knowing whether there was an increase in stock or not is that this loan was appraised by the Treasurer who did not prepare an opening Balance Sheet.) He has employed two males and one female as shop assistants. One of the male assistants is in charge of the shop is responsible for the cash takings. He takes the cash to Mpila at home every evening. He is paid a wage of E120 and the other two are paid E100 each per month. The staff are individually responsible for certain portions of stock and at the end of each day they record available stock and the records are sent to Mpila with the daily cash.

Obed has been asked by the Manager to give an explanation as to why he has not purchased a cash register as he seemed hard pressed for it during the loan application.

He is punctual with repayments and is on time with loan repayment schedule.

9. Nonhlanhla Dlamini.

Nonhlanhla is full time employed by Langa Bricks, does soft goods hawking on a part-time basis and also has a taxi operating at the Manzini Bus Rank by an employee. She bought a second hand car from hawking proceeds and started operating it as a taxi in December 1988. She uses her uncle's Road Transport Permit. Her car broke down and she took it in for a major service. During the non-operational period, she applied for a E10 000 loan from the Cooperative to purchase a good second hand car from South Africa with the intention of selling the older one as soon as it was out of the garage.

Nonhlanhla's shares and savings stood as follows at the time of the loan application: Shares E300 and savings E450. She was granted a loan of E9 000 payable in 12 months. It was agreed that she gives as security the car's blue book and the comprehensive insurance certificate. During the discussion between CARE and the Cooperatives' representatives, it was highlighted that the Cooperative should have requested Nonhlanhla to get a letter from her uncle permitting her to use the permit and that being in possession of the blue book does not, in itself, give the Cooperative the right to take the car in the case of defaulting on the loan.

She purchased the car and has registered it in her name. She now encounters problems with the insurance company which cannot insure her car as a taxi because it is registered in her name and uses a different name on the Road Transportation Permit.

There is not much comment on the effect of the loan on the business since she has recently received it, other than that it was used for the intended purpose.

10. Desmond Mlambo.

Desmond is the contractor who was granted the 4 month loan. He paid his loan off because he was fast in completing his contract and has now applied for a E20 000 loan to purchase a truck. He is going to pay this through profits from the two jobs he has recently won tenders for, worth E98 000 and E104 000.

He was granted a loan of E20 000 for 12 months and his repayment is E1 937 split as follows: Principal E1 667 and Interest E267 per month. He purchased the truck from Mondi Timbers at an auction sale. He is currently using the truck but still has to fix the minor faults it has, and take it for a roadworthy test before he can register it in his name and be in a position to insure it. The Asikhutulisane Manager has requested Desmond to give himself time to attend to the truck because there is a condition of having the truck insured in the loan agreement.

He made his first repayment on time and has been cooperative with the Manager where information gathering is concerned.

11. Leonard Mhlongo.

Leonard is a full-time employee of the Usutu Pulp Company, and operates a canteen in one of the Matsapha factories, and has a poultry project in Ngcoseni which is his country place. He has now taken up a shop at Ngcoseni (Mankayane), next to his poultry project, which was run by an old relative of his.

The shop is situated next to a school, and a bus station, where most commuters change buses, and these are his target for the market. He applied and was granted a loan of E6 000 to purchase stock, which he supplemented with E2 000 which he claims to be proceeds from the canteen.

He has employed one male and one female as shop assistants and pays them E80 and E60 respectively. They work every day from 6am to 6pm. The shop started operating under Leonard on 1 September 1989, and they have been making daily takings between E250 and E475. The male employee is in charge and he keeps all the cash until Leonard comes from Bhunya to collect it, which they say is at least twice a week. He gets a list of items they have run low on and the ones that have been requested by customers and make purchases at a wholesaler in Manzini.

The available stock shows that Leonard used the loan money to make purchases. It was observed that he did not take into account the low spending power of people in the rural areas, e.g. he bought items in big packages which are moving slowly, and also purchased what can be termed as luxury items for his market. The shop assistants have realised the mistake in purchasing items in bigger packages and claim to have asked Mr Mhlongo to negotiate changing them for smaller packages at the wholesaler.

The loan was used for the intended purpose and has increased owner equity and created two jobs.

12. Pauline Mabuza.

Pauline is involved in property building at Ngwane Park. She and her husband have another block of 9 flats also at Ngwane Park which they are letting out and are currently building a block of 11 one-bedroom flats. When she approached the Cooperative for a loan, they were almost at the roofing stage and no longer had enough funds to continue with the construction of the block.

Pauline has E2 370 in Shares and E2 380 in savings. She has had previous loans with the Cooperative and her repayment pattern was per schedule. She applied for a loan of E15 000 and was granted this amount for a period of 10 months. Her repayment will be E1 710 per month. The repayments will be made from the rental fee from both blocks at the rate of E100 each per month.

From the E15 000 loan, they are not going to be able to do the electrical wiring, and plumbing fees were also not catered for. At the moment they are not sure if the rentals from the finished block will cater for these expenses.

13. Jabulani Ndlovu.

Jabulani operates a butchery in Luyengo and is full-time in the business. He has received business loans from the Cooperative in the past and the Board feels he is one person who has always received such loans but keeps coming back for more loans with no sign of improvement in his activity. The purpose of his last loan was for him to purchase cattle and keep them so as to avoid running out of meat in the butchery, but he has again come back to the Cooperative for a loan before he cleared his past debt.

Jabulani applied for a E10 000 loan to purchase a van for buying cattle to replace the one that was stolen. His balance from the previous loan is E2 990 and he has been struggling to pay it off. This loan application was discussed between CARE and Asikhutulisane representatives. There were different opinions to this issue as some people felt that the Cooperative can rather lose E2 990, which was the balance owing, than risk a further E10 000 and others felt that Jabulani is an honest person who will pay back his loan if the Cooperative could help him out of the capital problem. Eventually, the Asikhutulisane representatives agreed that he had a problem managing the cash of the business and therefore they were going to give him money for buying cattle only and then teach him cash management of his business.

He was granted a loan of E8 400 from which the balance of the previous loan was deducted and the balance he was to use for buying cattle. They estimated that he would be in a position to purchase at least 4 beasts and also have some working capital. His repayment is E656 per month split as follows: Principal E560 Interest E106. He has E770 in shares and E170 in savings.

VI. CONCLUSIONS

- From the information we have on the loan recipients, it is apparent that some members did not use the loans for the intended purposes. After the Grant signing ceremony, some members may have thought it was time they got themselves large sums of money from the grant money under the disguise that they were business loans.
- The repayment rate of loans given from the grant has continued to be high, irrespective of whether the loans were used for the intended purpose. Perhaps this is an indication that on the basis of members' relationship developed with the Cooperative, they feel a commitment to repay.
- Where sufficient information is available, during the short period the Cooperative has been disbursing loans from the grant, business recipients have generally shown an increase in owner equity (i.e. the businesses have grown.)
- The monthly discussions that CARE has had with the Cooperatives' representatives, have been a form of informal training for them and they have greatly improved in implementing their methodology. The Cooperative has to identify with other organisations that deal with small business people and share ideas with them. From this Experimental Project, it can be observed that without the time pressure they were working under and with more interaction with people who have working experience with the Small Business community, Asikhutulisane has the potential to run a Small Business Credit Scheme.
- Time has come for the Cooperative to set a policy on collateral. Even though the Cooperative does not ask for the kind of collateral that other Financial Institutions require, they do have to bear in mind that when they give out loans to members whose worth with the Society is very little, they are risking other members monies. An example of the collateral they could ask for are the assets that one buys with the loan money or any movable property that a member has but has been fully paid for.
- It is still a problem in our country to get small business men and women, who in most cases are illiterate or have little education, to understand why using financial tools is important. From the look of things, it will take Asikhutulisane some time to get its members to adapt to the situation whereby they have to disclose their business financial status in order for them to be helped develop the activities.

- The Board now has to be extra careful when admitting new members because some will join the Cooperative for the purpose of borrowing large sums of money which they do not intend to pay back.
- The Board is convinced that the default rate will be minimal considering the current repayment rate from both the consumption and business loans they have given to members before the grant.
- From CARE's experience, Asikhutulisane is a well-managed Cooperative, with a Board comprised of committed people who are very responsive to new ideas. The Cooperative has considerable potential for future development, particularly in the field of Small Economic Activity Development.

VII. RECOMMENDATIONS

- The monthly sessions between CARE and the Cooperatives' representatives should be continued at the end of STEP project because the Board has shown signs of great improvement in appraising their loans and have gained confidence in dealing with the different loan applicants and recipients.
- All loans should be appraised by the Manager and not members of the Board. This will reduce Cooperative work load for the Board members as they have full-time jobs and do not have enough time to prepare all the required pre-loan financial statements for the loan applicants. It will also help eliminate people who are always on the look out for Administrative weak points, and may realise that through members of the Board one is never required to bring in all the requested documents before their loans are assessed. Another important aspect that is overlooked by the Board members is that, the Cooperative members need to build confidence in the Manager who happens to be a new figure in the Society's Administration. As such, the Manager's objectivity and lack of previous knowledge of individual members can complement the Board's relationship with members developed since the beginning of the Cooperative.
- The Manager should be involved in the loan application discussions with the Board.
- The Cooperative must explore ways of ensuring that the loan money is used for the intended purposes and that the amount of money paid out for assets is reasonable.
- If the Cooperative is to develop its activities in Small Enterprise Development, it has to request the members to volunteer their skills wherever needed in order to minimise the cost of running such a project.
- The Cooperative should continue using the methodology they have now adapted on business loans even after the life of the Grant Agreement.
- The Cooperative should continue with the training preparations for their members. They should identify the needs first and then prioritise them so they can get positive results from their sessions. The use of volunteers from members can save the Cooperative a lot of money.
- Consideration should be given to an assistance program that facilitates Asikhutulisane's development particularly in the field of Small Economic Activity Development.

APPENDICES

- A. Summary table of all clients.
- B. Balance Sheets for all clients.
- C. Pie chart of clients by gender.
- D. Bar chart of clients by gender and sector.
- E. Disbursements and total repayments.

ABIDA LINDA (HAWKER)
Balance Sheet
September 12, 1989.

ASSETS				
	<i>Pre-Loan</i>	<i>Post-Loan</i>	<i>Change</i>	<i>% Change</i>
<i>Current Assets</i>				
Cash	805	438	(367)	-46%
Inventory	142	320	178	125%
Debtors	<u>7,187</u>	<u>2,800</u>	<u>(4,387)</u>	<u>-61%</u>
<i>Total Current Assets</i>	8,134	3,558	(4,576)	-56%
<i>Fixed Assets</i>				
Furniture	0	0	0	0%
Equipment	0	0	0	0%
Vehicle	0	9,500	9,500	0%
<i>Total Fixed Assets</i>	<u>0</u>	<u>9,500</u>	<u>9,500</u>	<u>0%</u>
<i>Total Assets</i>	<u>8,134</u>	<u>13,058</u>	<u>4,924</u>	<u>61%</u>

LIABILITIES & OWNER EQUITY				
	<i>Pre-Loan</i>	<i>Post-Loan</i>	<i>Change</i>	<i>% Change</i>
<i>Liabilities</i>				
Amounts Payable	0	547	547	0%
Loan Asikhutulisane	<u>0</u>	<u>10,306</u>	<u>10,306</u>	<u>0%</u>
<i>Total Liabilities</i>	0	10,853	10,853	0%
<i>Owner Equity</i>	<u>8,134</u>	<u>2,205</u>	<u>(5,929)</u>	<u>-73%</u>
<i>Total Liabilities & Owner Equity</i>	<u>8,134</u>	<u>13,058</u>	<u>4,924</u>	<u>61%</u>

HEZEKIAL DLAMINI (RECORD BAR)

Balance Sheet
September 9, 1989

ASSETS

	<i>Pre-Loan</i>	<i>Post-Loan</i>	<i>Change</i>	<i>% Change</i>
<i>Current Assets</i>				
Cash	500	1,780	1,280	256%
Inventory	800	9,572	8,772	1097%
Debtors	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Total Current Assets	1,300	11,352	10,052	773%
<i>Fixed Assets</i>				
Furniture	0	0	0	0%
Equipment	0	0	0	0%
Vehicle	7,000	7,000	0	0%
Total Fixed Assets	<u>7,000</u>	<u>7,000</u>	<u>0</u>	<u>0%</u>
<i>Total Assets</i>	<u>8,300</u>	<u>18,352</u>	<u>10,052</u>	<u>121%</u>

LIABILITIES & OWNER EQUITY

	<i>Pre-Loan</i>	<i>Post-Loan</i>	<i>Change</i>	<i>% Change</i>
<i>Liabilities</i>				
Amounts Payable	5,859	6,073	214	4%
Loan Asilkhutulisane	<u>8,100</u>	<u>21,267</u>	<u>13,167</u>	<u>163%</u>
Total Liabilities	13,959	27,340	13,381	96%
<i>Owner Equity</i>	<u>20,341</u>	<u>51,359</u>	<u>31,018</u>	<u>152%</u>
<i>Total Liabilities & Owner Equity</i>	<u>34,300</u>	<u>78,699</u>	<u>44,399</u>	<u>129%</u>

THULANI MASINA - (ATTORNEY)

Balance Sheet
AUGUST 08, 1989.

ASSETS

	<i>Pre-Loan</i>	<i>Post-Loan</i>	<i>Change</i>	<i>% Change</i>
Current Assets				
Cash	777	5,155	4,378	563%
Inventory	0	0	0	0%
Debtors	<u>3,067</u>	<u>4,560</u>	<u>1,493</u>	<u>49%</u>
Total Current Assets	3,844	9,715	5,871	153%
Fixed Assets				
Furniture	3,500	4,130	630	18%
Equipment	0	2,207	2,207	0%
Vehicle	16,000	16,000	0	0%
Total Fixed Assets	<u>19,500</u>	<u>22,337</u>	<u>2,837</u>	<u>15%</u>
Total Assets	<u>23,344</u>	<u>32,052</u>	<u>8,708</u>	<u>37%</u>

LIABILITIES & OWNER EQUITY

	<i>Pre-Loan</i>	<i>Post-Loan</i>	<i>Change</i>	<i>% Change</i>
Liabilities				
Amounts Payable	0	250	250	0%
Loan Asikhutulisane/Union Bank	<u>19,862</u>	<u>26,125</u>	<u>6,263</u>	<u>32%</u>
Total Liabilities	19,862	26,375	6,513	33%
Owner Equity	<u>3,482</u>	<u>5,677</u>	<u>2,195</u>	<u>63%</u>
Total Liabilities & Owner Equity	<u>23,344</u>	<u>32,052</u>	<u>8,708</u>	<u>37%</u>

Ivy Dlamini (Distributor)
 Balance Sheet
 September 9, 1989

<i>ASSETS</i>					
	<i>Pre-Loan</i>	<i>Post-Loan</i>	<i>Change</i>	<i>% Change</i>	
<i>Current Assets</i>					
Cash	5,000	4,512	(488)	-10%	
Inventory	3,000	4,989	1,989	66%	
Debtors	<u>0</u>	<u>4,000</u>	<u>4,000</u>	<u>∞</u>	
Total Current Assets	8,000	13,501	5,501	69%	
<i>Fixed Assets</i>					
Total fixed assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>	
<i>Total Assets</i>	<u>8,000</u>	<u>13,501</u>	<u>5,501</u>	<u>69%</u>	

<i>LIABILITIES & OWNER EQUITY</i>					
	<i>Pre-Loan</i>	<i>Post-Loan</i>	<i>Change</i>	<i>% Change</i>	
<i>Liabilities</i>					
Loan Asik'hutullisane	<u>0</u>	<u>6,751</u>	<u>6,751</u>	<u>∞</u>	
Total Liabilities	0	6,751	6,751	∞	
<i>Owner Equity</i>	<u>8,000</u>	<u>6,750</u>	<u>(1,250)</u>	<u>-16%</u>	
<i>Total Liabilities & Owner Equity</i>	<u>8,000</u>	<u>13,501</u>	<u>5,501</u>	<u>69%</u>	

Alvina Nkosi (Pre-School)
Balance Sheet
August 31, 1989

<i>ASSETS</i>				
	<i>Pre-Loan</i>	<i>Post-Loan</i>	<i>Change</i>	<i>% Change</i>
<i>Current Assets</i>				
Cash	500	3,619	3,119	624%
Inventory	0	0	0	0%
Debtors	<u>300</u>	<u>1,300</u>	<u>1,000</u>	<u>333%</u>
<i>Total Current Assets</i>	800	4,919	4,119	515%
<i>Fixed Assets</i>				
Furniture	900	900	0	0%
Equipment	1,000	1,000	0	0%
<i>Total Fixed Assets</i>	<u>31,900</u>	<u>37,778</u>	<u>5,878</u>	<u>18%</u>
<i>Total Assets</i>	<u>32,700</u>	<u>42,697</u>	<u>9,997</u>	<u>31%</u>

<i>LIABILITIES & OWNER EQUITY</i>				
	<i>Pre-Loan</i>	<i>Post-Loan</i>	<i>Change</i>	<i>% Change</i>
<i>Liabilities</i>				
Amounts Payable	760	533	(227)	-30%
Loan Asikhutulisane	<u>3,500</u>	<u>11,733</u>	<u>8,233</u>	<u>235%</u>
Total Liabilities	4,260	12,266	8,006	188%
<i>Owner Equity</i>				
	<u>28,440</u>	<u>30,431</u>	<u>1,991</u>	<u>7%</u>
<i>Total Liabilities & Owner Equity</i>	<u>32,700</u>	<u>42,697</u>	<u>9,997</u>	<u>31%</u>

Desmond Mlambo (Builder)
Balance Sheet
September 30, 1989.

ASSETS

	<i>Pre-Loan</i>	<i>Post-Loan</i>	<i>Change</i>	<i>% Change</i>
<i>Current Assets</i>				
Cash	3,600	5,999	2,399	67%
Inventory	0	0	0	0%
Debtors	<u>9,000</u>	<u>31,000</u>	<u>22,000</u>	<u>244%</u>
	12,600	36,999	24,399	194%
<i>Fixed Assets</i>				
Furniture	700	700	0	0%
Equipment	6,000	6,000	0	0%
Vehicle	15,000	35,000	20,000	133%
	<u>21,700</u>	<u>41,700</u>	<u>20,000</u>	<u>92%</u>
<i>Total Assets</i>	<u>34,300</u>	<u>78,699</u>	<u>44,399</u>	<u>129%</u>

LIABILITIES & OWNER EQUITY

	<i>Pre-Loan</i>	<i>Post-Loan</i>	<i>Change</i>	<i>% Change</i>
<i>Liabilities</i>				
Amounts Payable	5,859	6,073	214	4%
Loan Asil'hutulisane	<u>8,100</u>	<u>21,267</u>	<u>13,167</u>	<u>163%</u>
Total Liabilities	13,959	27,340	13,381	96%
<i>Owner Equity</i>	<u>20,341</u>	<u>51,359</u>	<u>31,018</u>	<u>152%</u>
<i>Total Liabilities & Owner Equity</i>	<u>34,300</u>	<u>78,699</u>	<u>44,399</u>	<u>129%</u>

Leonard Mhlongo (Grocery)

Balance Sheet
September 29, 1989.

ASSETS

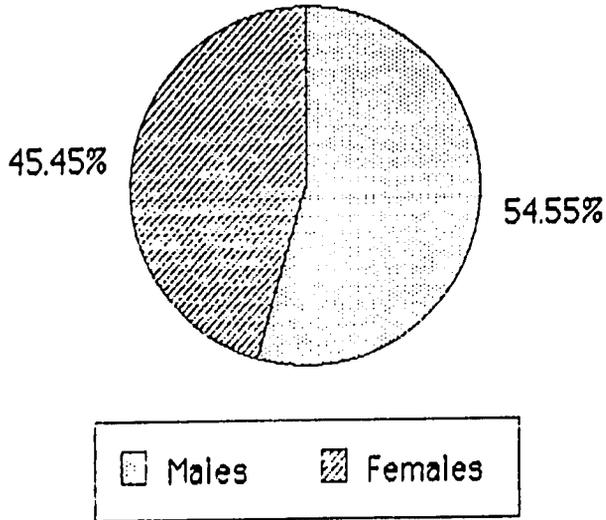
	<i>Pre-Loan</i>	<i>Post-Loan</i>	<i>Change</i>	<i>% Change</i>
<i>Current Assets</i>				
Cash	500	1,780	1,280	256%
Inventory	800	9,572	8,772	1097%
Debtors	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Total Current Assets	1,300	11,352	10,052	773%
<i>Fixed Assets</i>				
Furniture	0	0	0	0%
Equipment	0	0	0	0%
Vehicle	7,000	7,000	0	0%
Total Fixed Assets	<u>7,000</u>	<u>7,000</u>	<u>0</u>	<u>0%</u>
<i>Total Assets</i>	<u>8,300</u>	<u>18,352</u>	<u>10,052</u>	<u>121%</u>

LIABILITIES & OWNER EQUITY

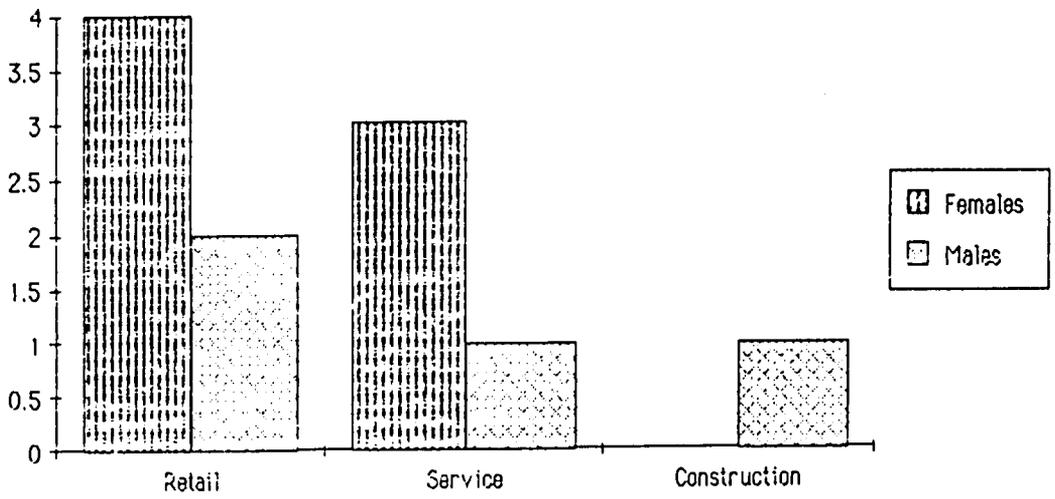
	<i>Pre-Loan</i>	<i>Post-Loan</i>	<i>Change</i>	<i>% Change</i>
<i>Liabilities</i>				
Amounts Payable	0	0	0	0%
Loan Asil-hutuisane	<u>534</u>	<u>6,380</u>	<u>5,846</u>	<u>1095%</u>
Total Liabilities	534	6,380	5,846	1095%
<i>Owner Equity</i>	<u>7,766</u>	<u>11,972</u>	<u>4,206</u>	<u>54%</u>
<i>Total Liabilities & Owner Equity</i>	<u>8,300</u>	<u>18,352</u>	<u>10,052</u>	<u>121%</u>

Appendix C
Clients by GENDER

Clients by GENDER



Clients by SECTOR



DISBURSEMENT AND TOTAL REPAYMENT.

Appendix E

	<u>JUNE</u>	<u>JULY</u>	<u>AUGUST</u>	<u>SEPT.</u>	<u>OCT.</u>
	<u>E</u>	<u>E</u>	<u>E</u>	<u>E</u>	<u>E</u>
Balance B/F	100 000	64 000	50 219	17 903	3 349
Less Disbursements	<u>36 000</u>	<u>17 000</u>	<u>35 000</u>	<u>23 400</u>	<u>12 000</u>
Balance B/d	64 000	47 000	15 219	(5 497)	(8 651)
Add total repayment	<u>00 000</u>	<u>3 219</u>	<u>2 684</u>	<u>8 846</u>	
Funds Available c/f	<u>64 000</u>	<u>50 219</u>	<u>17 903</u>	<u>3 349</u>	