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Abridged Financial Information

SATRIX 
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Satrix FINI Index Securities

Abridged Financial Information

for the period ended 31 December 2002

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Financial statements of Indexco II Limited for the fifteen months ended 31 December 2002

Report of the independent auditors

To the member of Indexco II Limited

We have audited the financial statements of Indexco II Limited set out on pages 3 to 15 for the fifteen months ended 31 December 2002. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. 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 company at 31 December 2002 and the results of its operations and cash flows for the fifteen months then ended in accordance with International Financial Reporting Standards and their interpretations and in the manner required by the Companies Act in South Africa.

KPMG Inc.

Registered Accountants and Auditors



Per JE O'Neill

Partner

10 April 2003

Directors' report

for the fifteen months ended 31 December 2002

The directors have pleasure in presenting their report for the fifteen months ended 31 December 2002.

Nature of business

Indexco Limited (Indexco) is a public limited liability company incorporated on 14 October 2000. The entire share capital of Indexco is held by or on behalf of the JSE Securities Exchange South Africa (JSE). Indexco is a special purpose vehicle incorporated for the sole business purpose of issuing Satrix Index Securities.

Satrix 40 Index Securities are securities listed and traded on the JSE in much the same way as any listed share. By owning Satrix 40 Index Securities an investor will obtain market exposure to the constituent companies included in the FTSE/JSE Top 40 Index (Top40 Index).

This year also saw the introduction of two new Satrix products. Satrix INDI and Satrix FINI were listed on 27 February 2002 and give investors exposure to the benchmark indices of the Industrial and Financial sectors, respectively.

Satrix INDI Index Securities give investors exposure to the FTSE/JSE Industrial 25 Top Companies Index (INDI25), while Satrix FINI Index Securities track the performance of the FTSE/JSE Financial 15 Top Companies Index (FINI15). Investors are now able to gain exposure to an entire sector of the market with only one trade and, using a combination of all three products, replicate the performance of the entire JSE.

For more detailed information regarding the structure and operations of any of the Satrix Index Securities please refer to the offering circulars (available at www.satrix.co.za).

Performance

The year 2002 has been tough on the South African and global equity markets.

The global economic down-turn already evident in the first half of 2002 was compounded by the events surrounding September 11, and the South African market also had to contend with a strong rand, the Zimbabwe issue and emerging market status.

Despite this, the Satrix products have performed admirably when compared with actively managed general equity investment products.

Trading Information

Satrix 40 continues to feature prominently in the 40 most liquid counters traded on the JSE, with over R2.4 billion changing hands during the year. While Satrix FINI and Satrix INDI are considered to be less liquid than Satrix 40, the presence of market makers virtually eliminates the risk of being unable to sell these instruments in the secondary market.

The Satrix Investment Plan continues to provide investors with a cheap and efficient method of investing in all three Satrix products. More than 12 000 investors are currently clients of the Investment Plan via either lump sum investments (minimum of R1000) or the debit order facility (minimum of R300), and contribute over R3 million to the fund each month.

Risk analysis

Exposure to investment, index, credit, taxation, secondary trading and operational risk arises in the normal course of investment activities in listed index securities. A brief description of the respective risks and means utilised to mitigate these risks are given below –

Investment risk

There can be no assurance that the Satrix FINI Index Securities will achieve their investment objectives of replicating the price and yield performance of the FINI 15 Index.

The following factors could impact negatively on the investment performance of the Satrix FINI Index Securities –

- > Tax implications on the gross return;
- > Certain cost and expenses incurred by the Satrix FINI Trust could cause the underlying portfolio to miss track the FINI 15 Index;
- > Temporary unavailability of securities in the secondary market or other extraordinary circumstances could cause deviations from the exact weightings of the FINI 15 Index;
- > In circumstances where securities comprising the FINI 15 Index are suspended from trading or other market disrupting events occur, it may be impossible to rebalance the portfolio of securities held by Satrix FINI Trust and this may lead to tracking errors;
- > There exists a risk that Indexco II will exercise its right to place a temporary moratorium on the delivery rights attached to the Satrix FINI Index Securities. For more details on the moratorium please refer to note 4;
- > Holders holding less than 1 million Satrix FINI Index securities, or with a value of less than R10 million are not entitled to demand the delivery of cash or underlying scrip from Indexco II. Smaller investors would have to dispose of their investment in the secondary market, thereby exposing themselves to all the related investment risk associated with investing in listed securities; and
- > Holders of Satrix FINI Index securities are discretionary beneficiaries of the Satrix Trust. Accordingly there can be no guarantee that holders will receive quarterly distributions.

Index risk

- > There is no assurance that the FINI 15 Index will continue to be calculated and published on the same or similar basis indefinitely. The FINI 15 Index was created by FTSE/JSE as a measure of market performance and not for the purposes of trading Satrix FINI Index Securities.

If for any reason the FINI 15 Index ceases to exist, then if in the reasonable opinion of the directors of Indexco II, there is a successor Index composed and weighted according to substantially similar criteria as are applied with respect to the FINI 15 Index, the portfolio of securities held by the Satrix FINI Trust will be adjusted to track the agreed successor index;

- > The past performance of the FINI 15 Index is not necessarily a guide to its future performance.

Secondary trading risk

- > There can be no guarantee that Satrix FINI Index Securities will remain listed on the JSE; and
- > Although Gensec Bank Limited and CorpCapital Limited have undertaken to use their best endeavours to make a market in the Satrix FINI Index Securities, the liquidity of Satrix FINI Index Securities cannot be guaranteed.

Taxation

- > The Satrix FINI Trust may have realised capital gains at the end of a tax period which may result in the Trust being liable for Capital Gains Tax (CGT). The payment of the tax will require the Satrix FINI Trust to apply income or to realise the securities held within the Satrix FINI portfolio, thereby adversely affecting the performance of the Satrix FINI Index Securities.
- > In the current period the CGT will be paid out of the Satrix FINI Trust (Trust). However, in future the trustees could decide to transfer the tax liability from the Trust to the investor, as the payment of the liability out of the Trust would result in mistracking of the Index. A clear advantage of this transfer is that the CGT is incurred at the individuals CGT rate which may be lower than the CGT rate for trusts.

It is important to note though, that none of the capital gain is paid to the investors, as it has already been used to purchase shares in the rebalancing process. The investor is paying CGT on a profit, which is, as yet, unrealised. Any amount that is deemed to be for the benefit of the investor may be added to the base cost of the Satrix FINI Index Security. This reduces the CGT liability incurred by the investor on the eventual sale of the Satrix FINI Index Security.

Ultimately, investors will pay a portion of their total CGT liability in advance, with the remainder to be paid upon realisation of any capital gain to the investor.

- > Investors in Satrix FINI Index Securities should obtain their own tax advice on the tax treatment to be applied to the purchase, holding, quarterly distributions and eventual disposal of the securities.

Credit risk

- > The trustees of the Satrix FINI Trust are permitted and have proceeded to engage in securities lending in respect of the securities held by the Satrix FINI Trust. If a borrower fails to perform its obligations, the Satrix FINI Trust may be unable to recover the loaned securities. For more details on the significant concentrations of credit risk, please refer to note 11 in the financial statements of the Satrix FINI Trust.

Operational risks

- > If shares in the underlying companies are suspended or cease trading for any reason, the suspended shares will not be delivered to a holder exercising its right to take delivery of the underlying shares until the suspension on the trading in respect of those shares are lifted;

- > If the computer facilities or other facilities of the JSE malfunction, calculation and trading in the Satrix INI Index Securities may be suspended for a period of time; and
- > Issues, redemptions and adjustments to rebalance the underlying portfolio of shares in the Satrix FINI Trust could affect the value of the underlying shares constituting the Indices and thereby also impact on the value of the Satrix FINI Index Securities.

Results for the period

There have been no transactions affecting the income and expenses during the period except for the fair value gains and losses as set out in note.

Dividend

During the period under review no dividend was declared or paid.

Share capital

Indexco II Limited was incorporated with an authorised share capital of 1 000 ordinary par value shares of R1 each. During the period under review 100 ordinary shares were issued at the par value of R1 each.

Directors

The directors at the date of this report are -

Date of appointment

R Loubser

6 August 2001

N Newton-King

6 August 2001

L Parsons

6 August 2001

GC Clarke

6 August 2001

FM Evans

6 August 2001

Secretary

The secretarial work of the company is performed by the JSE Securities Exchange South Africa.

Business address -

c/o GC Clarke

One Exchange Square

Gwen Lane

Sandown

Postal address -

c/o GC Clarke

Private Bag X991174

Sandton

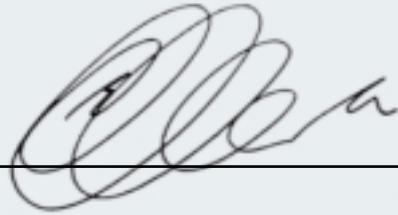
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Directors' approval of the financial statements

The financial statements for the fifteen months ended 31 December 2002 set out on pages 3 to 15 were approved by the board of directors on 10 April 2003 and are signed on its behalf by:



Directors



Balance sheet

at 31 December 2002

	Note	2002
Assets		R
Current assets		
Investment in the Satrix FINI Trust	2	668 003 986
Cash and short-term funds		100
<i>Total assets</i>		668 004 086
Equity and liabilities		
Shares capital and reserves		
Ordinary share capital	3	100
Current liabilities		
Satrix FINI Index Securities	4	668 003 986
Total equity and liabilities		668 004 086

Cash flow statement

for the fifteen months ended 31 December 2002

	Note	2002 R
Cash generated by operations	8	-
Cash flow from investing activities		
Proceeds received on cash creations of Satrix FINI Index Securities	5	207 855 515
Cash invested in Satrix FINI Trust		(207 855 315)
Cash flow from financing activities		
Proceeds on issue of share capital	3	100
Cash and cash equivalents at the end of the period		100

Notes to the financial statements

for the fifteen months ended 31 December 2002

1. Accounting policies

The financial statements incorporate the principal accounting policies set out below.

1.1 Basis of preparation

The financial statements are prepared on a historical cost basis, except for financial instruments, which are accounted for as set out in note 1.4.

1.2 Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards adopted by the International Accounting Standards Board ("IASB"), the Interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and in the manner required by the South African Companies Act.

1.3 Comparative figures

As Indexco II Limited was incorporated during the period under review, no comparative figures have been disclosed.

1.4 Financial instruments

Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:

Investment

The unlisted investment in the Satrix FINI Trust is shown at fair value and is represented by the net asset value of the Trust, net of distributions payable.

Trade and other receivables

Trade and other receivables originated by the company are stated at cost less provision for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value at balance sheet date.

Financial liability

The financial liability to holders of Satrix FINI Index Securities are stated at the fair value as represented by the net asset value of the Satrix FINI Trust.

Other financial liabilities

Financial liabilities are recognised at amortised cost, comprising of original debt less payments.

Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments are included in net profit or loss in the period in which the changes arise.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.5 Investment income

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is probable that such income will accrue to the company.

1.6 Taxation

Deferred taxation is provided using the balance sheet liability method, based on temporary differences. Temporary differences are the differences between the carrying values of assets and liabilities for financial reporting purposes and their tax base.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted at the balance sheet date, and any adjustment of tax payable for previous years.

2. Investment in the Satrix FINI Trust

Proceeds received from the issue of Satrix FINI Index Securities are invested in the Satrix FINI Trust to hedge Indexco II Limited's contingent obligation to the holders of these securities.

	2002
	R
Satrix FINI Index Securities at creation value	721 415 515
Fair value adjustments	(53 411 529)
Fair value as at 31 December 2002	668 003 986
3. Share capital	
Authorised 1 000 ordinary shares of R1 each	1 000
Issued 100 ordinary shares of R1 each	100

4. Satrix FINI Index Securities

This liability is in respect of the company's contingent obligation to deliver the underlying baskets of shares constituting 207 736 990 Satrix FINI Index Securities listed on the Traded Index Funds sector of the JSE.

Holders have a right to redeem Satrix FINI Index Securities for cash with a value of R10 million or more. The management company will match cash redeemers (sellers) with cash subscribers (buyers) with the net sell/buy position settled in the secondary market. Holders will be entitled to an amount in cash equal to the proceeds realised by the management company net of brokerage.

Investors holding blocks of 1 million Satrix FINI Index Securities, are also entitled to the delivery of the underlying shares in kind.

All trades of smaller value are traded on the secondary market as Satrix FINI Index Securities are separately listed and traded securities on the JSE.

Moratoria on the exercise of the delivery rights –

The company reserves the right, in those circumstances where it reasonably believes, in its sole discretion, that there is a real risk that it will not be able to meet the contingent delivery obligations attaching to all index securities in issue at the time, to place a moratorium on the exercise by all the holders of their rights to delivery of the specified securities, provided that Indexco II shall not, in any given calendar year, suspend such rights for more than 60 business days in aggregate.

	2002
Number of Satrix FINI Index Securities in issue	207 736 990
Net asset value of the Satrix FINI Trust	R 668 003 986
<hr/>	
Net asset value per Satrix FINI Index Security, after distributable amount	R 3,2156
<i>Reconciliation between fair value and cost</i>	
Creations of Satrix FINI Index Securities at cost	721 415 515
Fair value adjustments	(53 411 529)
<hr/>	
Fair value as at 31 December 2002	668 003 986

Distributions

Index securities will effect quarterly distributions at the discretion of the trustees of the Satrix FINI Trust. All distributions are made out of the income of the Satrix FINI Trust. The record dates are 31 March, 30 June, 30 September and 31 December.

For details of the distributions made during the year please refer to the financial statements of the Satrix FINI Trust.

4.1 Quarterly review of Satrix FINI Index Security prices (cents per unit)

	High	Low	Close
<i>Quarter ended</i>			
31 March 2002	395	340	345
30 June 2002	425	341	360
30 September 2002	390	316	333
31 December 2002	649	300	323

5. Creation and liquidation of securities

During the year the following Satrix FINI Index Securities were created and liquidated:

	Number	Value at date of creation/ liquidation R
Initial public offer		
Cash subscriptions	-	-
In specie subscriptions	148 000 000	513 560 000
Subsequent creations		
Cash subscriptions	59 736 990	207 855 515
In specie subscriptions	-	-
Redemptions		
Cash redemptions	-	-
In specie redemptions	-	-
Balance at end of year	207 736 990	721 415 515

2002
R

6. Fair value adjustments

Fair value adjustment on assets	(53 411 529)
Fair value adjustment on liabilities	53 411 529
Effect on income	-

7. Taxation

There is no taxable income in the company for the period ended 31 December 2002.

8. Cash generated by operations

There was no cash generated by operations.

9. Income Statement

No income statement is presented as company did not incur expenses or earn revenue during the period.

Financial statements of Satrix FINI Trust for the seventeen months ended 31 December 2002

Report of the independent auditors

To the trustees of the Satrix FINI Trust

We have audited the financial statements of the Satrix FINI Trust (Trust) set out on pages 18 to 29 for the seventeen months ended 31 December 2002. These financial statements are the responsibility of the trustee. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. 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 Trust at 31 December 2002 and the results of its operations for the seventeen months then ended in accordance with International Financial Reporting Standards and their interpretations and in the manner required by the trust deed.

KPMG Inc.

Registered Accountants and Auditors



Per JE O'Neill

Partner

14 April 2003

Trustee's report

For the seventeen months ended 31 December 2002

The trustee has pleasure in presenting its report for the seventeen months ended 31 December 2002.

Nature of business

The Satrix FINI Trust (the Trust) was established on 21 August 2001. The Trust is a special purpose vehicle established to enable Indexco Limited II (Indexco II) to hedge its exposure to holders of the Satrix FINI Index Securities. The investment objective of the Trust is to track the price and yield performance of the FTSE/JSE Financial 15 Top Companies Index (FINI 15).

Although the underlying portfolio will be held by the Satrix FINI Trust, holders of Satrix FINI Index Securities will have no rights whatsoever against the Satrix FINI Trust, or in respect of its assets or the income earned from those assets. The Satrix FINI Trust operates solely to provide Indexco with a means of hedging its contractual obligations to holders. The relationship between the Satrix FINI Trust and Indexco II does not confer any rights on holders. The contractual rights embodied in Satrix FINI Index Securities are exercisable solely against Indexco II itself. Consequently neither Indexco II nor the Satrix FINI Trust are unit trusts as defined in the Unit Trust Control Act of 1981 and investors do not, as a result, qualify for any protection in terms of that Act.

Satrix FINI Index Securities are securities listed and traded on the JSE in much the same way as any listed shares. By owning Satrix FINI Index Securities an investor will obtain market exposure to the constituent companies included in the FINI 15 Index.

Trustee

The trustee at the date of this report is –

Webber Wentzel Bowens Trustees 2 (Proprietary) Limited

Beneficiaries

The different beneficiaries of the Trust at the date of this report are as follows –

Capital beneficiary:

– Indexco II Limited

Vested income beneficiaries:

– The JSE Securities Exchange South Africa

– Corpcapital Limited

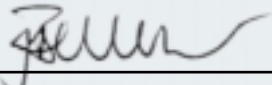
– Gensec Bank Limited

Discretionary income and capital beneficiaries:

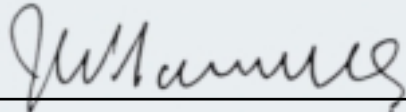
– All holders of Satrix FINI Index Securities

Trustee's approval of the financial statements

The financial statements for the seventeen months ended 31 December 2002 set out on pages 20 to 29 were approved by the trustee on 14 April 2003 and are signed on its behalf by:



Trustee: Director WWB Trustees 11 (Pty) Ltd.



Trustee: Director WWB Trustees 11 (Pty) Ltd.

Balance sheet

at 31 December 2002

	Note	2002
Assets		R
Investments at market value		
Listed equities	2	675 953 528
Current assets		8 832 2
Accounts receivable and accruals	3	1 440 736
Cash resources		7 391 489
Total assets		684 785 753
Equity and liabilities		
Undistributed income		8 720 810
Non-current liabilities		
Loans from associated entities	4	2 321 133
Current liabilities		673 743 810
Liability – Indexco II Limited	5	668 003 986
Receiver of Revenue		415 729
Accounts payable and provisions	6	93 627
Unitholders for distribution	7	5 193 425
Total equity and liabilities		684 785 753

Income statement

for the seventeen months ended 31 December 2002

	Note	2002 R
Income		
Dividends		32 291 447
Fee income: Scrip lending		858 209
Interest earned		691 081
		33 840 737
Expenses		
Management and administrative expenses	9	2 476 340
Income available for distribution		31 364 397
Distributions	7	22 227 858
Undistributed income before taxation		9 136 539
Taxation	10	415 729
Undistributed income		8 720 810

Notes to the financial statements

for the seventeen months ended 31 December 2002

1. Accounting policies

The financial statements incorporate the principal accounting policies set out below.

1.1 Basis of preparation

The financial statements are prepared on a historical cost basis, except for financial instruments, which are accounted for as set out in note 1.4.

1.2 Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards adopted by the International Accounting Standards Board ("IASB"), the interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and in the manner required by the trust deed.

1.3 Comparative figures

As the Satrix FINI Trust was incorporated during the period under review, no comparative figures have been disclosed.

1.4 Financial instruments

Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

Investments

Listed investments are shown at fair value, as represented by the closing market value on Balance sheet date as published in the financial press.

Trade and other receivables

Trade and other receivables originated by the Trust are stated at cost less provision for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value at balance sheet date.

Financial liabilities

The financial liability to Indexco II Limited is stated at the fair value as represented by the net asset value of the Satrix FINI Trust, net of distributions payable.

Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments are included in net profit or loss in the period in which the change arises.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.5 Revenue

Revenue comprises fee income from scrip lending activities and investment income.

1.6 Investment income

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is probable that such income will accrue to the Trust.

Dividends are recognised when the right to receive payment is established. Scrip dividends have been accounted for as income.

1.7 Taxation

Deferred taxation is provided using the balance sheet liability method, based on temporary differences. Temporary differences are the differences between the carrying values of assets and liabilities for financial reporting purposes and their tax base.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted at the balance sheet date, and any adjustment of tax payable for previous years.

2. Investments

Listed equities

No. of shares at 31 December 2002	Name of company	Cost R	Current Price R	Market Value R	% of equities	% of fund
	Financial Sector					
	Banks					
1 192 143	ABSA	31 813 588	31,60	37 671 719	5,6	5,5
10 035 810	FirstRand	68 313 192	7,36	73 863 562	10,9	10,8
102 447	Investec	14 554 108	113,00	11 576 511	1,7	1,7
198 000	Investec Plc	28 099 716	113,02	22 377 960	3,3	3,3
328 047	Nedcor	37 618 356	111,10	36 446 022	5,4	5,3
2 190 350	RMBH	21 943 873	10,24	22 429 184	3,3	3,3
3 105 772	Standard Bank	85 971 080	30,15	93 639 026	13,9	13,7
	Insurance					
909 762	Alexander Forbes	13 161 351	13,95	12 691 180	1,9	1,9
	Life assurance					
343 477	Liberty	18 690 168	54,65	18 771 018	2,7	2,7
1 759 024	NAC	11 118 041	6,10	10 730 046	1,6	1,6
9 393 980	Old Mutual	137 648 058	12,05	113 197 459	16,7	16,6
6 904 790	Sanlam	56 851 823	7,60	52 476 404	7,8	7,7
	Investment companies					
1 227 575	Remgro	85 102 337	61,9	75 986 893	11,2	11,1
1 237 776	Venfin	22 790 227	17,61	21 797 235	3,2	3,2
	Financial services					
35 205	Corohold	1 790 861	51,25	1 804 256	0,3	0,3
136 741	Corohold N	6 979 244	51,95	7 103 695	1,1	1,0
	Property					
804 274	Liberty-Int	73 827 151	78,79	63 368 748	9,3	9,2
	Total financial equities	716 273 174		675 930 918	99,9	98,9

2. Investments (continued)

Listed equities (continued)

No. of shares at 31 December 2002	Name of company	Cost R	Current Price R	Market Value R	% of equities	% of fund
	Other securities					
7 000	Satrix FINI	24 780	3,23	22 610	0,1	0,1
	Total equities	716 297 954		675 953 528	100,0	99,0
	Cash resources	7 391 489		7 391 489		1,0
	Total assets excluding accounts receivable	723 689 443		683 345 017		100,0

2002
R

3. Accounts receivable and accruals

Unsettled transactions	1 260 590
Other receivables	180 146
	1 440 736

4. Loans from associated entities

Indexco Managers (Proprietary) Limited	2 318 526
Satrix 40 Trust	2 607
	2 321 133

5. Liability – Indexco II Limited

This liability to Indexco II Limited is in respect of Indexco II's contingent obligation to deliver the underlying baskets of shares constituting 207 736 990 Satrix FINI Index Securities listed on the Traded Index Funds sector of the JSE.

6. Accounts payable and provisions

Other payables	93 627
	93 627

Notes to the financial statements

for the seventeen months ended 31 December 2002 (continued)

7. Distributions

The index securities will effect quarterly distributions at the discretion of the trustee of the Satrix FINI Trust. All distributions are made out of the income of the Satrix FINI Trust. The record dates are 31 March, 30 June, 30 September and 31 December.

During the period under review the following distributions were effected per Satrix FINI Index Security –

	2002 R
No. 1 1,5 cents per security declared 31 March 2002 and paid 17 April 2002	3 116 055
No. 2 6,0 cents per security declared 30 June 2002 and paid 24 July 2002	12 464 219
No. 3 0,7 cent per security declared 30 September 2002 and paid 16 October 2002	1 454 159
No. 4 2,5 cents per security declared 31 December 2002 and paid 22 January 2003	5 193 425
	22 227 858

8. Creation and liquidation of Satrix FINI Index Securities

A total of 207 736 990 Satrix FINI Index Securities were created during the year at a value of R721 415 515.

9. Management and administrative expenses

Indexco Managers (Proprietary) Limited (Manco) has been established to perform all management and administrative services in respect of both the Satrix FINI Trust (the Trust) and Indexco II Limited (Indexco II). As set out in the management agreement entered into between Manco, the Trust and Indexco II, Manco pays substantially all expenses of the Trust and Indexco II. Manco will be reimbursed on a quarterly basis for all cash expenses paid plus a management fee.

Management and administrative expenses comprise –	2002 R
<i>Management fee</i>	116 624
<i>Reimbursements –</i>	2 332 474
Administration costs	9 964
Asset management fee	832 094
Audit fees	50 000
Bank charges	27 621
Custodian fees	16 277
Legal fees	97 267
Listing fees	367 595
Marketing fees	2 607
Running costs	69 047
Start-up costs	860 002
Interest on loan account	27 242
	2 476 340

10. Taxation

	2002 R
South African normal tax	
Income tax – current period	-
Any residual taxable income in the Trust is taxable in the hands of the vested income beneficiaries. Therefore, there is no income tax due by the Trust.	
Capital gains tax	415 729
Total taxation	415 729
For taxation purposes the gains and losses of a capital nature realised through portfolio rebalancing and redemption of Satrix FINI Index Securities were as follows –	
Gains	4 923 004
Losses	(2 844 363)
Net gain	2 078 641
Inclusion rate at 50%	1 039 321
Capital gains tax on the net gain at 40%	415 729

11. Scrip lending

The trustee of the Satrix FINI Trust is permitted to engage in securities lending in respect of the securities held by the Satrix FINI Trust as envisaged in the offering circular. If a borrower fails to perform its obligations, the Satrix FINI Trust may be unable to recover the loaned securities.

At balance sheet date significant concentrations of credit risk existed as significant securities lending had been engaged with ABSA Bank Limited and Standard Bank Limited. The market value of scrip lending exposure as at 31 December 2002 is as follows –

	2002 R
ABSA Bank Limited	210 551 778
Standard Bank Limited	389 128 682
	599 680 460