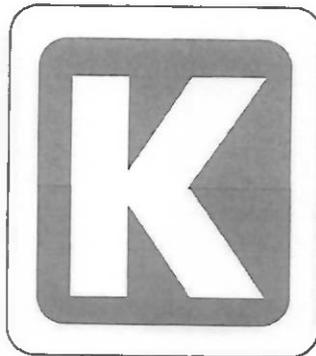


**Phaphamani Maswati Savings and Credit  
Co-operative Society Limited**  
(Registration number SACCO/28/2014)  
Annual Financial Statements  
for the year ended 31 July 2025



*Kobla Quashie and Associates*

CHARTERED ACCOUNTANTS (ES)

Maliya House, Lot 137, Esser Street  
P.O. Box 710, Manzini M200, Eswatini  
Tel: (+268) 2505-4974 Fax: (+268) 2505-4540  
E-mail: [info@koblaquashie.co.sz](mailto:info@koblaquashie.co.sz)  
Website: [www.koblaquashie.com](http://www.koblaquashie.com)



# Phaphamani Maswati Savings and Credit Co-operative Society Limited

(Registration number SACCO/28/2014)

Annual Financial Statements for the year ended 31 July 2025

## General Information

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<b>Nature of business and principal activities</b>	Savings and Credit Co-operative Society
<b>Executive Committee</b>	Chairperson: Sibanyoni Nhlanhla Vice Chairperson: Kunene Celcolo Secretary: Dlamini Manenekazi Treasurer: Gamedze Mpendulo
<b>Supervisory Committee</b>	Chairperson: Nxumalo John Secretary: Gwebu Sibonangaye Member: Jele Muzi
<b>Credit Committee</b>	Chairperson: Shongwe Sukulwenkosi Secretary: Vilakati Bongani Member: Mngomezulu Ndumiso
<b>Education Committee</b>	Chairperson: Mvubu Phila Secretary: Dlamini Nomkhosi Member: Mkhabela Sukulwenkhosi
<b>Business address</b>	Eswatini Railway, Sidvokodvo, Manzini
<b>Postal address</b>	P. O. Box 176, Sidvokodvo M216
<b>Bankers</b>	Standard Bank Eswatini Limited Eswatini Building Society
<b>Auditors</b>	Kobla Quashie and Associates Chartered Accountants (Eswatini)



## Phaphamani Maswati Savings and Credit Co-operative Society Limited

(Registration number SACCO/28/2014)

Annual Financial Statements for the year ended 31 July 2025

### Management Committee's Responsibilities and Approval

The Management Committee is required by the Cooperative Societies (Amendment) Act of 2023 and Financial Services Regulatory Act, 2010 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Society as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and the Financial Services Regulatory Authority Act, 2010. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Management Committee acknowledge that they are ultimately responsible for the system of internal financial control established by the Society and place considerable importance on maintaining a strong control environment. To enable the Management Committee to meet these responsibilities, the Committee sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Society and all employees are required to maintain the highest ethical standards in ensuring the Society's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Society is on identifying, assessing, managing and monitoring all known forms of risk across the Society. While operating risk cannot be fully eliminated, the Society endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Management Committee is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Management Committee has reviewed the Society's cash flow forecast for the year to 31 July 2026 and, in the light of this review and the current financial position, they are satisfied that the Society has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Society's annual financial statements. The annual financial statements have been examined by the Society's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 8 to 26, which have been prepared on the going concern basis, were approved by the Management Committee on 30 October 2025 and were signed on its behalf by:

Signed by:

654983D0024E494

Chairperson

Signed by:

674ADE320040408

Treasurer

Signed by:

AF662006D48D4E6

Secretary



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## Independent Auditors' Report

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**To the members of Phaphamani Maswati Savings and Credit Cooperative Society**

**Report on the audit of the Annual Financial Statements**

### Opinion

We have audited the annual financial statements of Phaphamani Maswati Savings and Credit Cooperative Society ("the Society"), as set out on pages 8 - 26 which comprise the statement of financial position as at 31 July 2025, the statements of profit or loss and other comprehensive income, changes in funds and cash - flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the Society as at 31 July 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and in a manner required by the Cooperatives Societies (Amendment) Act of 2023 and the Financial Services Regulatory Authority Act of 2010.

### Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants with the ethical requirements applicable to performing audits in Eswatini and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Management Committee and those charged with Governance for the Financial Statements

The Management Committee is responsible for preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report which includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

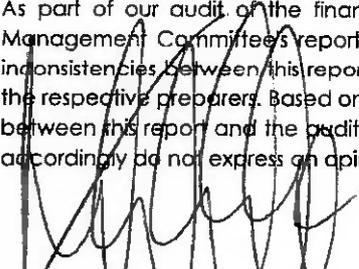
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.
- Conclude on the appropriateness of Management Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on other Legal and Regulatory Requirements**

As part of our audit of the financial statements for the year ended 31 July 2025, we have read the Management Committee's report as required for the purposes of identifying whether there are material inconsistencies between this report and the audited financial statements. This report is the responsibility of the respective preparers. Based on the reading of this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

  
Kubla Quashie and Associates  
Chartered Accountants (Eswatini)  
Manzini  
Registered Auditor: Daniel Bediako

30 October 2025



# Phaphamani Maswafi Savings and Credit Co-operative Society Limited

(Registration number SACCO/28/2014)

Annual Financial Statements for the year ended 31 July 2025

## Statement of Financial Position

Figures in Lilangeni	Note(s)	2025	2024
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	120 574	43 590
Financial Assets	3	529 004	513 504
Loans to Members	4	6 829 329	5 851 498
		<b>7 478 907</b>	<b>6 408 592</b>
<b>Current Assets</b>			
Financial Assets	3	1 738 623	1 613 006
Inventories		25 711	20 210
Trade and other receivables	5	323 857	292 465
Loans to members	4	1 130 905	1 287 457
Cash and cash equivalents	6	2 709 821	2 109 373
		<b>5 928 917</b>	<b>5 322 511</b>
<b>Total Assets</b>		<b>13 407 824</b>	<b>11 731 103</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	7	1 668 127	1 507 112
Reserves	8	1 400 231	1 258 901
		<b>3 068 358</b>	<b>2 766 013</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Members' savings	9	9 515 375	8 388 339
<b>Current Liabilities</b>			
Trade and other payables	10	402 432	344 173
Provisions	11	421 659	232 578
		<b>824 091</b>	<b>576 751</b>
<b>Total Liabilities</b>		<b>10 339 466</b>	<b>8 965 090</b>
<b>Total Equity and Liabilities</b>		<b>13 407 824</b>	<b>11 731 103</b>



## Phaphamani Maswati Savings and Credit Co-operative Society Limited

(Registration number SACCO/28/2014)

Annual Financial Statements for the year ended 31 July 2025

### Statement of Comprehensive Income

Figures in Lilangeni	Note(s)	2025	2024
Interest income		2 142 298	1 602 333
Interest expenditure		(582 367)	(331 936)
<b>Net Interest</b>		<b>1 559 931</b>	<b>1 270 397</b>
Other income		350 901	317 244
Operating expenses		(1 977 108)	(1 637 388)
<b>Operating surplus</b>		<b>(66 276)</b>	<b>(49 747)</b>
Investment revenue		214 035	164 024
<b>Surplus for the year to be transferred to reserves</b>		<b>147 759</b>	<b>114 277</b>
Other comprehensive income		-	-
<b>Surplus for the year from continuing operations</b>		<b>147 759</b>	<b>114 277</b>
Surplus transferred to reserves		147 759	114 277



# Phaphamani Maswati Savings and Credit Co-operative Society Limited

(Registration number SACCO/28/2014)

Annual Financial Statements for the year ended 31 July 2025

## Detailed Statement of Financial Performance

Figures in Lilangeni	Note(s)	2025	2024
<b>Interest Income</b>			
Interest from loans		2 142 298	1 602 333
<b>Interest expenditure</b>			
Interest expenditure		(582 367)	(331 936)
<b>Net Interest</b>		<b>1 559 931</b>	<b>1 270 397</b>
<b>Other income</b>			
Investment income		214 035	164 024
Credit checking profit		3 560	3 480
Joining fees		21 000	21 070
Penalties and fines		231 814	172 094
Profit on promotional items		41 727	74 400
Suscriptions		52 800	46 200
		<b>564 936</b>	<b>481 268</b>
<b>Operating expenses</b>			
AGM expenses		106 271	81 124
Advertising and promotion		54 580	37 696
Auditors remuneration		46 000	43 700
Bad debts provision		148 470	27 428
Bank charges and collection fees		46 103	35 990
Board orientation		-	70 635
Co-operatives day		21 223	18 233
Committee expenses		74 400	83 604
Computer expenses		1 810	7 197
Congresses, conferences and meetings		144 567	114 865
Corporate social responsibility		17 040	15 313
Depreciation		33 087	28 049
Education expenses		45 920	24 481
Employee costs		658 219	624 487
Regulatory		5 093	7 608
Honorarium		77 896	36 400
Incentives		11 648	15 129
Management and license fees		33 704	37 206
Office expenses		23 998	18 058
Phaphamani day		84 619	-
Policy review		62 441	28 000
Printing and stationery		11 745	13 692
SASCCO Indaba		-	20 600
ESASCCO subscriptions and dues		35 330	28 450
Staff training		115 107	97 447
Staff uniform		-	16 612
Telephone, fax and postage		27 118	22 944
Travelling expenses		79 526	76 258
Insurance		11 193	6 182
		<b>1 977 108</b>	<b>1 637 388</b>
<b>Surplus for the year to be transferred to reserves</b>		<b>147 759</b>	<b>114 277</b>