



Treasurer's Report – SACCO Annual General Meeting 2025

Dear Members,

I am pleased to present the Treasurer's Report for the financial year ending July 31, 2025. This report highlights our SACCO's financial performance, challenges, and strategic direction.

1. Financial Performance

Total income for the year was E2,142,298, driven primarily by loan interest and other income E565,138. Expenses totalled E2,559,475, resulting in a net surplus of E147,961.

Other Income	Actuals	Budget	Variance	%
Investment Income	206,784.31	159,597.03	47,187.28	29.57%
Bank interest income	7,250.69	3,007.81	4,242.88	141.06%
Joining Fees	21,000.00	24,518.76	- 3,518.76	-14.35%
Withdrawal fees	66,036.29	40,434.65	25,601.64	63.32%
Penalties	107,472.63	14,334.65	93,137.98	649.74%
Bad Debt Recovery	6,796.00	37,530.00	- 30,734.00	-81.89%
Credit Checking	3,560.48	-	3,560.48	0.00%
Loan Application fee	51,509.08	54,961.23	- 3,452.15	-6.28%
Promotional Income	41,727.00	67,613.05	- 25,886.05	-38.29%
Subscriptions	52,800.00	106,260.00	- 53,460.00	-50.31%

Notes.

- 1) **Investment:** increase is not healthy, it means there is an un-performing cash this agrees with the decreasing gradient on loan issued.
- 2) **Joining fee:** recruitment has been missed by 11 members to meet budget
- 3) **Withdrawal fees:** charges on savings withdrawal, a positive sure cash withdrawal from the society.
- 4) **Penalties:** above budget is an indicator that members are not loyal to their instalments and attending general meetings.
- 5) **Bad debt Recovery:** a portion of amount written off in the past years. We anticipated that the defaulters are still employed yet most of them are unemployed therefore the repayment instalments mostly are E200.00 per month.
- 6) **Loan Application fee:** below budget by 6.28%
- 7) **Promotional income** below budget amount, due to late restocking.
- 8) **Subscriptions:** budget included future savers yet are excluded from this cost.

EXPENSES

EXPENSES	Actuals	Budget	Variance	%
Administration	483,311.80	619,139.99	-135,828.19	21.94%
Finance	776,955.69	543,136.21	233,819.48	43.05%
Governance	568,163.93	690,187.38	-122,023.45	17.68%
Personnel	777,826.56	877,093.74	- 99,267.18	11.32%
Totals	2,606,257.98	2,729,557.32	-123,299.34	-4.52%

Notes;

Finance costs: caused by the increase in savings (Future, Skhula nabo, Special, Christmas) and an amount of E 240,920.20 loans that need to be written off and E132,876.05 that attracted provision of 50% in the last month of the period in review, this led to high loan loss provision amounting to E148,288.64

There other 3 wings of expenses were below the budgeted amounts.

2. Loan Portfolio

Loans worth **E8,174,009** were disbursed. Our repayment rate stands at **72%**, with non-performing loans at **15.67%**. We've implemented stricter vetting and follow-up procedures. To reduce the delinquency, we have engaged a debt collection company, those whom they current deal with them now, after 12 months they will blacklisted. Members who migrated to overseas, they are honouring their monthly contributions and loan repayments. The Chairman has shared the light as why we recorded high delinquency ratio.

These were loans disbursed 10 years back, they were brought into Mtatane so that we have their records when leaving QuickBooks. Most of the defaulters came from companies whom we didn't have a deduction MOU.

This risk has been mitigated by having MOUs with companies that we draw membership from, but this does not give 100% shield against defaults for instance employee can decides to resign with the employer, yet he had issues that terminate all benefits.

3. Cash and cash equivalents

CASH AND CASH EQUIVALENT	
CASH ON HAND	186.00
STANDARD CURRENT	866,023.00
STANDARD CALL	323,385.00
STANDARD-879	202.00
MOMO OLD	69,296.00
MOMO NEW	93,187.00
TOTAL	1,352,279.00

4. Challenges

Rising Regulations reports, loan defaults and delayed member contributions remain concerns.

5. Recommendations

Increase on member education especially of financial literacy, digital loan tracking through ITC System, and quarterly members survey to feed increase member's service.

I would like to take this opportunity to thank you esteemed members, employees and the Management Committee for the commitment shown in conducting the business of Phaphamani Maswati.

In as much as we have declared a surplus, this is the same surplus that is transferred to reserves, which are used to calculate the institutional capital. The aim of the institutional capital is to enable the SACCO to have a healthy cushion for unforeseen circumstances the minimum required is 8%.

Interest on savings is not the primary objective of the SACCO but is to offer services at a very competitive rate and our loans are cheap compared to other financial institutions.

In view of the SACCO's performance, the Board declares 6% interest on members' savings.

Thank you, wish you a MERRY XMAS remember to spend wisely during the festive.

Mpendulo Gamedze:

Signed by:

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Date: 04/11/2025

Treasurer