

MINUTES OF LUKHOTSE ANNUAL GENERAL MEETING HELD ON THE 7th
SEPTEMBER 2019 AT SNAT CENTRE

ITEM	SUBJECT	ACTION OFFICER																																
	<p>PRESENT</p> <table><tr><td>1. Stephen Ntshalintshali</td><td>Chairperson</td></tr><tr><td>2. Sabelo Mdziniso</td><td>Vice Chairperson</td></tr><tr><td>3. Bhekani Shongwe</td><td>Treasurer</td></tr><tr><td>4. Carol Gamedze</td><td>Secretary</td></tr><tr><td>5. Mathanda Simelane</td><td>Supervisory Committee</td></tr><tr><td>6. Nonhlanhla Maseko</td><td>Supervisory Committee</td></tr><tr><td>7. Thokozani Motsa</td><td>Supervisory Committee</td></tr><tr><td>8. Madoda Shabangu</td><td>Credit Committee</td></tr><tr><td>9. Mduduzi Nkonyane</td><td>Credit Committee</td></tr><tr><td>10. Nelly Dlamini</td><td>Credit Committee</td></tr><tr><td>11. Ncamsile Dlamini</td><td>Education Committee</td></tr><tr><td>12. Zwelithini Gamedze</td><td>Education Committee</td></tr><tr><td>13. Banele Dlamini</td><td>Education Committee</td></tr></table> <p>MEMBERSHIP</p> <p>There were 212 members present.</p> <p>INVITED GUESTS</p> <table><tr><td>1. SASCCO</td></tr><tr><td>2. FSRA</td></tr><tr><td>3. Commissioner Office</td></tr><tr><td>4. Sibonelo Sacco</td></tr><tr><td>5. Asihlumisane Sacco</td></tr><tr><td>6. Phaphamani Sacco</td></tr></table>	1. Stephen Ntshalintshali	Chairperson	2. Sabelo Mdziniso	Vice Chairperson	3. Bhekani Shongwe	Treasurer	4. Carol Gamedze	Secretary	5. Mathanda Simelane	Supervisory Committee	6. Nonhlanhla Maseko	Supervisory Committee	7. Thokozani Motsa	Supervisory Committee	8. Madoda Shabangu	Credit Committee	9. Mduduzi Nkonyane	Credit Committee	10. Nelly Dlamini	Credit Committee	11. Ncamsile Dlamini	Education Committee	12. Zwelithini Gamedze	Education Committee	13. Banele Dlamini	Education Committee	1. SASCCO	2. FSRA	3. Commissioner Office	4. Sibonelo Sacco	5. Asihlumisane Sacco	6. Phaphamani Sacco	
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<p>1.0</p>	<p>1. AGENDA</p> <ol style="list-style-type: none"> 1. Ascertainment of Quorum 2. Opening Prayer 3. Apologies 4. Minutes of the Last Meeting 5. Matters Arising 6. Reports <ol style="list-style-type: none"> (i) Chairman's Report (ii) Treasurer's Report (iii) Supervisory Report 7. Address by FSRA 8. Address by Deputy Commissioner 9. A.O.B 10. Closing Prayer 	
<p>1.1</p>	<p>ASCERTAINMENT OF QUORUM</p>	
	<p>A quorum was formed at 9:45 a: m and the meeting was called to order.</p>	
<p>1.2</p>	<p>OPENING PRAYER</p>	
	<p>The meeting was opened with a word of prayer by Nozi Mabaso at 10:05 a:m.</p>	
<p>1.3</p>	<p>APOLOGIES</p>	
	<p>There were 28 apologies.</p>	

1.4	<p>MINUTES OF THE LAST MEETING</p> <p>They were read and corrections were made on Kwanele instead of Banele</p> <p>Khulekani Mzileni from Eswatini Royal Insurance moved for the adoption of the minutes and was seconded by Themba Dvuba.</p>	
1.5	<p>MATTERS ARISING</p> <p>They were no matters arising from the minutes.</p>	
1.6	<p>REPORTS</p> <p>(i) Chairman's Report</p> <p>The Chairman started by observing a moment of silence in honor of the members who passed away. He mentioned that Lukhotse has shown resilience given the current economic conditions. He mentioned that members have maintained a great saving culture even though there were some challenges with some employers about the 33% statutory deduction requirement.</p> <p>HIGHLIGHTS FOR THE YEAR 2018/2019</p> <p>1. Legal Matters- The Chairperson mentioned that a long standing matter with one of our members has been resolved and for those members who are owing the</p>	

	<p>Sacco they will be dealt accordingly.</p> <p>2. Strategic Plan- The Board has resolved to embark on crafting a new strategic plan since the current strategy is an annual work plan. The strategy will help to address and mitigate the challenges faced by the cooperative.</p> <p>3. Funeral Cover- The funeral has benefited most members during the year. Members are also reminded that the cover is subsidized by 15% and the premiums are deducted from dividends except for extended family members which are deducted on a monthly basis.</p> <p>4. Accounting Software- The Board has managed to secure accounting software called Mtatane which is able to send SMSes to members.</p> <p>5. Mobile Money Payments- The Board has also introduced mobile money as another disbursement method for members who prefer it than banks.</p> <p>6. Speed-point System-A speed point system has also been introduced in the office to minimize the risks of carrying cash and members are encouraged to use this facility.</p> <p>CHALLENGES AND THREATS</p> <p>1. Voluntary Exit for ENPF AND Closure of MITC- The Sacco has suffered another setback due to the voluntary exit exercise by ENPF and the closure of MITC.</p> <p>2. Suspension of deduction from source Eswatini Beverages- Eswatini Beverages has threatened to suspend deductions from source due to their employees being above the 33% statutory deduction.</p>	
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	<p>3. Regulations- The Commissioners orders states that no Sacco shall distribute dividends prior to the financial statements being presented and approved during the AGM. This was effective on the 1st April 2019.</p> <p>(ii) Education Committee</p> <p>During the year under review, there has been a significant increase of new members which was very encouraging. Only 10 members have withdrawn their membership due to different reasons. I would like to thank the education and credit committee for always encouraging those members who want to resign not to do so and always finding a solution to their problems.</p> <p>Membership statistics</p> <table><tr><td>Balance as at 1 July 2018</td><td>403</td></tr><tr><td>Resigned Members</td><td>24</td></tr><tr><td>Deceased</td><td>1</td></tr><tr><td>New Members</td><td>56</td></tr><tr><td>Total Membership as at 30 June 2019</td><td>434</td></tr></table> <p>One of the strategic objectives is to grow the membership by at least 12% per annum for the next 3 years.</p> <p>Challenges</p> <p>Although some members want to join Lukhotse, there have been some challenges whereby some employers are not keen to deduct from source.</p> <p>(iii) Credit Committee</p> <p>The Credit Committees mandate is to safeguard and protect the Society’s funds as well as receive, approve</p>	Balance as at 1 July 2018	403	Resigned Members	24	Deceased	1	New Members	56	Total Membership as at 30 June 2019	434	
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	<p>and reject all loan applications presented by members. The committee has approved loans totaling to E7 991 709.00 compared to last year's E8 343 780.00 resulting in a decrease of E352 071.00.</p> <p>(iv) Supervisory Committee</p> <p>The Chairperson thanked the Supervisory committee for their guidance and advice they have given them while executing their duties.</p> <p>These were costing the Sacco and other members have signed agreements with the Sacco to pay and we have already got court order dates for others while others have settled their loans.</p> <p>QUESTIONS</p> <p>(a) Sibusiso Lukhele from Eswatini Royal Insurance wanted to find out how the new committee will work with the new strategy.</p> <p>Answer- The Chairperson mentioned that strategic plan is a roadmap for the future and the new committee will have to familiarize themselves with the plan and execute the strategy.</p> <p>(b) Mduduzi Dlamini from SEA wanted to find out if the loans are not insured.</p> <p>Answer- The Chairperson mentioned that loans are only insured if a member dies but not when they are retrenched.</p> <p>(c) Sibusiso Lukhele wanted to find out about the legal if they are not paid by the members.</p> <p>Answer- Vice Chairperson mentioned that the costs are</p>	
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	<p>different because there are legal fees and legal costs. Legal fees are paid by the Sacco while the legal costs are added to the debt.</p> <p>Jerry Gamedze moved for the adoption of the report and was seconded by Banele Dlamini.</p> <p>TREASURER’S REPORT</p> <p>In his opening remarks the treasurer stated that auditors were engaged and our reports were submitted to FSRA who approved them.</p> <p>He explained that net surplus for the year ended 30 June 2019 showed an increase of E118 955 compared to last year of E31 676. This surplus is a result of the Financial Services Regulatory Authority where they highlighted that our reserves are below the required standard of 8%.</p> <p>Total Assets have increased by 8.9% from E12 223 600.00 last year to E13 316 570 in 2019.</p> <p>Cash and cash equivalents at year end were E775 558 compared to E693 820 last year which is an increase of 11.8%.</p> <p>Investments have increased to E2 001 078 compared to E1 685 298 last year which is an increase of 18.7%.</p> <p>Income- Total income has decreased by 1% from last year by E2 128 715 in 2019 compared to E2 151 976 in 2018.</p> <p>Expenditure- Expenditure for the year has decreased by 14 % from E1 341 055 in 2018 to E1 152 909 in 2019. Appreciation goes to the office staff and management for making sure that they maintain costs as much as possible.</p>	
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	<p>FINANCIAL RATIOS</p> <p>(i) Loan to Equity ratio: According to the pearls standards these ratio should be between 70-80%. The Sacco has recorded a 76.5% on this ratio compared to 79% from last year.</p> <p>(ii) Savings to Total Assets ratio: This ratio should be between 70-80% and the Sacco has recorded 82% on this ratio compared to 83% from last year.</p> <p>(iii) Expenses to Total Assets: this ratio should be at most 15% and the Sacco has achieved 8.6% in 2019 compared to 11% in 2018.</p> <p>Despite the short falls , the Sacco has continued to show positive signs of growth in the following areas:</p> <ul style="list-style-type: none"> • Total Assets (8. 9 %) • Members Loans (5. 9%) • Members Savings (7.8%) • Reserves (31%) <p>The Sacco was able to pay interest to members at a rate that is above inflation of 7%.</p> <p>QUESTIONS</p> <p>(a) Mduduzi Dlamini from SEA wanted to know if the financials have been audited and if tax has been deducted.</p> <p>Answer- Treasurer mentioned that financial statements are audited and that withholding tax has been deducted only from those members whose dividends exceeds E20 000.00 . He also mentioned that the tax is deducted on the excess of E20 000.00 only.</p> <p>(b) Gift Hlatwayo from Swaziland National Housing Board wanted to find out how the dividends are calculated.</p>	
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	<p>Answer- Treasurer mentioned that the dividends are calculated on a monthly basis by the system and then the annual premium for funeral cover which is E312.00 per annum is deducted from the dividends and members receive the net amount.</p> <p>(c) Tebesutfu Nkambule asked that the calculations must be shown including the funeral cover.</p> <p>Answer- The Chairperson mentioned that this will be sorted next year.</p> <p>Armstrong Sibandze from SEA moved for the adoption of the report and he was seconded by Doctor Mlotsa from Tourism Authority.</p> <p>SUPERVISORY REPORT</p> <p>The Supervisory Chairman thanked the Board and staff for their cooperation while they executed their duties. He mentioned that they have audited various sections in the Sacco which are as follows:</p> <p>(a) Loans System- He mentioned that management observed the correct procurement procedures when sourcing the system and as supervisory committee they made sure that a memorandum of agreement is signed between the service provider and Lukhotse.</p> <p>(b) Fixed Asset Register- This was checked and it is updated annually for all assets that have been purchased.</p> <p>(c) Cash Receipts- Cash received was reconciled against bank deposit slips and was banked on time. Members were asked to make use of the speed point system in the office or pay via mobile money or internet payments and use their names for referencing purposes.</p>	
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	<p>(d) Management meetings- Sub-committee meetings and management meetings were conducted accordingly and on a regular basis as per the by-laws.</p> <p>(e) Petty Cash-was maintained according to the finance policy.</p> <p>Observation</p> <p>We have observed that most organizations are now fully implementing the allowable statutory deductions of 33% for their employees. We would like to urge our members to reduce their spending and adhere to the statutory allowable deductions.</p> <p>Mduduzi Dlamini from SEA moved for the adoption of the report.</p> <p>ADDRESS BY FSRA</p> <p>Welile Soko and Tigcebile Maphalala were representing FSRA. Tigcebile thanked Lukhotse for the increase in its reserves from 5.6% in 2018 to 8% 2019.She explained that capital adequacy is very important for the sustainability of the Sacco.</p> <p>Comments: Sibusiso Lukhele asked FSRA on how they reach the 8% of capital adequacy because the Sacco's are not the same in the terms of financial stability.</p> <p>Welile replied that the 8% is based on the Sacco's total assets and is kept in the Sacco's reserves.</p> <p>Deputy Commissioner's Address</p> <p>The Deputy Commissioner mentioned that she is here on behalf of Sibonelo Sacco she is not representing the Commissioner's office. She mentioned that the Auditor should come and present the financials to the members,</p>	
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	<p>and then Treasurer should declare dividends.</p> <p>A.O.B</p> <p>The Chairperson reported that the Sacco has purchased a motor vehicle</p> <p>CLOSING PRAYER</p> <p>The meeting was closed with a word of prayer by Mduduzi Matsenjwa at 1145 a: m.</p> <p>SIGNED:</p> <p>CHAIRPERSON:.....</p> <p>SECRETARY:.....</p> <p>DATE:.....</p>	

