





**Lukhotse Savings & Credit Co-operative Society**  
**CHAIRMANS REPORT FOR THE YEAR ENDED**

**30 June 2021**

## **1. INTRODUCTION**

On behalf of the Board, allow me to report today on the activities, performance and accomplishments of the SACCO for the past financial year 2020/2021

Lukhotse has shown resilience given the current economic conditions. Members have maintained a great saving culture, which has capitalized it very well. Great restriction on borrowings have been experienced as employers exercised the 33% deduction cap.

In honor of those members that have passed away, May we please observe a moment of silence.

## **2. HIGHLIGHTS OF 2020/2021**

### **a) Covid-19**

Last year elections were supposed to be held but because of the pandemic AGMs were banned by the regulator. Members who were no longer interested to serve as board members were given permission to resign and new members co-opted. In that case the Secretary and 2 Credit committee members resigned. Mr. Penuel Malinga was co-opted for the Secretary position and Mr. Thembinkosi Dlamini and Ngwazi Dlamini were co-opted as members of the Credit committee.

### **(b) Website**

For the past year the board has been working tirelessly to develop a website. The current situation of covid 19 requires that online platforms should be

utilized especially when members apply for loans. It gives us pleasure to announce to our members that the Sacco's website is now fully operational. Developments will continue to be done on the websites as new requests from members arise. The website page is; [www.lukhotse.org](http://www.lukhotse.org).

**(c) Funeral Cover**

Last year the Board sat down with Safrican and negotiated an increase on the funeral cover as funeral costs escalates and it was found that the E10 000 does not meet all the costs associated with a funeral. The negotiations were very fruitful as they upgraded the cover from E10 000.00 to E20 000.00. The monthly premium is E53.20. Members are reminded that the annual premium is deduced from their dividends every year as it was agreed.

**3. PROPOSALS FOR THE YEAR 2021/2022**

**(i) Share Capital**

According to the WOCCU (World Council of Credit Unions) standards the required ratio for share capital over total assets is supposed to be at least 8%. The Saccos current ratios is 2 % which is far below the required ratio. Therefore the board has taken a resolution that the shares should be increased from E1000.00 to E2000.00. We have also tried to benchmark with other Saccos and ours were found to be very low. WE understand the current financial situation and an installment of E50.00 per month will be deducted from each member unless the member instructs the office otherwise.

**(ii) Family Support**

Lukhotse had partnered with ESASCCO for the above product. This is a cover of E10 000.00 for members only during death. It provides fixed funeral benefits to the organization upon death of a member. The benefit is paid as a lump sum to the Sacco who shall ensure that it is paid to the nominated beneficiaries. The monthly premium for this cover is E8.40. This is not a funeral cover but it is a contribution towards the daily expenses incurred in preparation for a funeral such as food, fuel etc. The claim must be received within 3 months after death of a member.

**(iii) ESASCCO's Savings Insurance plan**

This is a new product by the apex body for cooperatives which will cover member's savings and will not exceed E700 000.00. There will be no medical examination required and the entry date will be the commencement date of the scheme and there will be no waiting period.

Members who will join after the scheme has started will be subjected to a 6 months waiting period. The insured amount will be up to 3 times the members savings balance.

**(iv) By-laws**

Due to unforeseen circumstances that has befallen the SACCO, the Board saw it fit to amend the by-laws so that clear procedures will be put in place on how such cases should be handled. The changes in the by-laws will be tabled at the end of the reports.

#### 4. EDUCATION COMMITTEE

Despite the current situation of the pandemic, the Sacco had new members who joined during the year under review. The education committee was not able to conduct presentations to recruit new members. We had the following new members from different employers;

	New Members	Total Members
SRIC Agents	4	49
ENPF	5	78
Happy Valley Hotel	2	25
Eswatini Housing Board	1	69
Eswatini Tourism	1	19
Eswatini Beverages	6	68
Bhunu Mall	1	8
Coca Cola	8	33
Non-Employer	7	78
Damata	1	7
National Maize Corp		35
Mkhiwa		3
Nico		5
Eswatini Environment		18
Health Care		8
SUFIAW		1
Total New Members	36	
<b>Total Membership as at 30 June 2021</b>		<b>504</b>

The above figures are attributed to the current membership as they continue to be the Sacco's ambassadors to their colleagues. To join Lukhotse does not mean that the education committee has to go out to recruit new members but even the employees in the current employers some are still not members of Lukhotse. We hope and pray that after the current vaccination drive the situation will be much better so that the education committee will be able to conduct presentations.

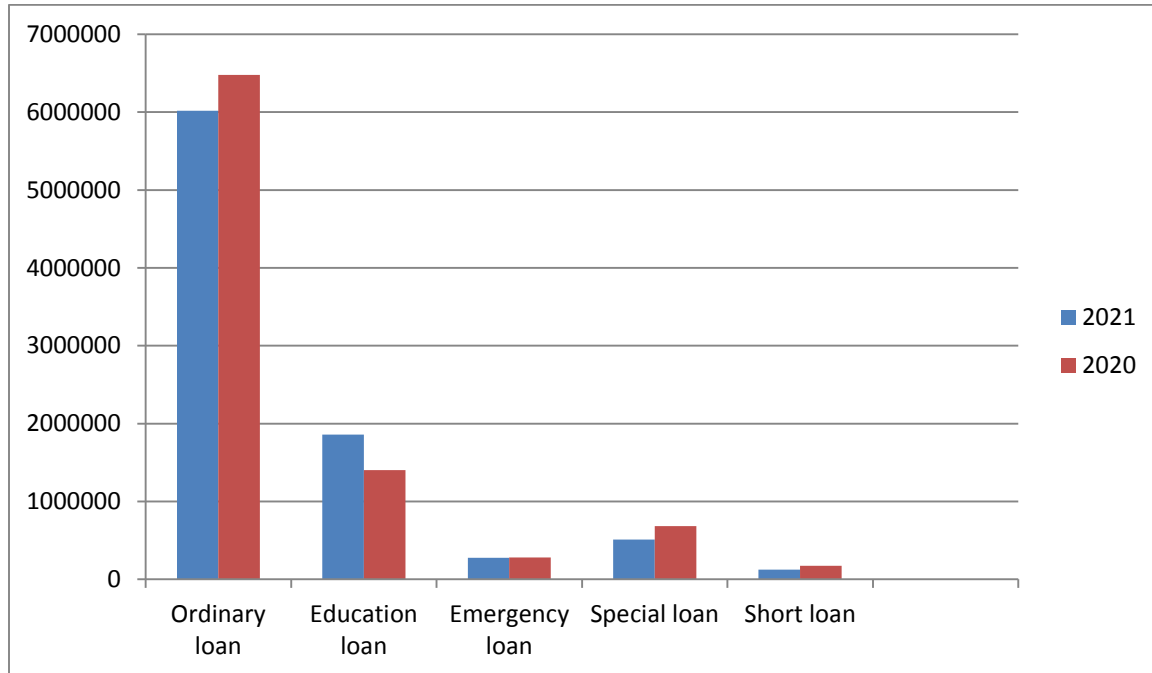
## 5. CREDIT COMMITTEE

The Credit Committee's mandate is to safeguard and protect the Society's funds as well as receive, approve and reject all loan applications presented by members to the Society. The Committee has done well in the year ended 30 June 2021 as they have approved loans totaling to **E8 793 928.00** compared to last year's **E9 021 107.00** resulting in a decrease of **E227 179.00**.

**The figure is made up of the following:**

Type of Loan	2021	2020	Difference
Ordinary Loan	6 018 345	6 480 680	(462 335)
Education Loan	1 857 483	1 402 262	455 221
Emergency Loan	278 390	281 365	(2 975)
Special Loan	512 910	682 900	(169 990)
Short Loan	126 800	173 900	(47 100)

## FIGURES PRESENTED IN A BAR CHART



### Challenges faced during the year

1. We had 12 members who resigned during the year, some due to loss of employment and some due to financial constraints.
2. We received 13 applications for loan set-offs against savings.
3. We kindly request members to try and comply with adherence of the 33% statutory deduction as most members do not meet this threshold.
4. Members are also reminded that they should review their nominations from time to time to prevent conflicts during death of a member.

## 6. PERFORMANCE

The performance of the SACCO will be best articulated by the Treasurer. I don't want to pre-empt his report



## **CONCLUSION**

Once again, I would like to thank the management committee, office staff, and all the members for the good working relationship.

Thank you/Siyabonga