



SAAB



GEMAS AGM

Grintek Electronics 2016

Registered Office:

Universal House, 15 Tambach Road, Sunninghill Park, Sandton | Private Bag X1897, Rivonia, 2128, South Africa

Tel +27 11 591 8207 | Fax +27 11 208 1028 | Email Gemas@universal.co.za | Web www.GEMAS.co.za



GEMAS

GRINTEK ELECTRONICS AGM 2016

18 May 2016

Dear Member,

NOTICE IS HEREBY GIVEN that the Twenty First Annual General Meeting of members of the Grintek Electronics Medical Aid Scheme will be held at the **OFFICES OF SAAB Grintek Technologies (PTY) LTD, 58 OAK AVENUE, HIGHVELD, TECHNOPARK, CENTURION** on **WEDNESDAY, 15 JUNE 2016** at **09:30** for the purpose of transacting the following business:

AGENDA

1. To confirm the Minutes of the previous Annual General Meeting of members held on 23rd of June 2015.
2. To receive and consider the Annual Financial Statements for the year ended 31 December 2015, together with the Report of the Auditors.
3. To appoint the Auditors for the ensuing year.
4. Confirmation of Trustees.
5. To transact such other business as may be transacted at an Annual General Meeting. In terms of the Rules, notices of motions to be placed before the Annual General Meeting must be in writing and must reach the Principal Officer not later than seven days prior to the date of the meeting.
6. General

BY ORDER OF THE BOARD OF TRUSTEES

18 May 2016

GRINTEK ELECTRONICS MEDICAL AID SCHEME

MINUTES OF MEETING OF THE TWENTIETH ANNUAL GENERAL MEETING OF MEMBERS OF THE GRINTEK ELECTRONICS MEDICAL AID SCHEME, HELD IN THE ELEPHANT BOARDROOM, GRINTEK DEFENCE BUILDING SGD 1, 185 WITCH-HAZEL AVENUE, HIGHVELD TECHNOPARK, CENTURION, ON TUESDAY, 23 JUNE 2015 AT 10H00.

1. **PRESENT:**
- | | | | |
|--|---|--------------------|---------------|
| Mr Jacques Botha | - | Chairperson | <u>Action</u> |
| Mr Rudie Bennett | - | Member and Trustee | |
| Mr Gustav Engelbrecht | - | Member and Trustee | |
| Mr Gerry Mattheyse | - | Member and Trustee | |
| Ms Brenda Talazo | - | Member and Trustee | |
| Ms Evelyn Motsatsing | - | Trustee | |
| 20 members as per attendance register. | | | |

- IN ATTENDANCE:**
- | | | |
|---------------------|---|----------------------|
| Mr Bernard le Roux | - | Principal Officer |
| Ms Moira Oosthuizen | - | Fund Manager |
| Mr Mark Bayley | - | Universal Healthcare |
| Mr Desmond Kerr | - | Universal Healthcare |
| Ms Keshni Arjune | - | Universal Healthcare |
| Ms Debbie Worton | - | Universal Healthcare |
| Ms Helen Baker | - | Universal Healthcare |

2. **APOLOGIES:** No apologies were received

3. **QUORUM:**

The Chairperson welcomed those present and advised that the meeting had been publicised as per the Rules of the Scheme and as the necessary quorum was present, he declared the meeting properly constituted.

4. **CONFIRMATION OF MINUTES OF THE NINETEENTH ANNUAL GENERAL MEETING HELD ON 19 JUNE 2015:**

The Minutes of the Nineteenth Annual General Meeting held on 19 June 2015 having been circulated with the notice of the meeting, were proposed and seconded as a true record of the proceedings.

5. **TO RECEIVE THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015:**

The annual financial statements of the Scheme for the year ended 31 December 2015, had been circulated to members. (A copy of the relevant documentation is attached to the **minute book** copy of these Minutes).

The Chairperson gave a brief overview of the performance of the Scheme for the 2015 year and highlighted the key issue as follows:

- The membership of the fund was 662 for the 2015 year.
- The net contributions, per average beneficiary per month was R1 374.
- The relevant healthcare expenditure (claims) per average beneficiary per month was R1 401 which was indication of a well-managed Scheme.
- The average accumulated funds, per member at year end, was R38 301.
- The solvency ratio decreased from 108.00% in 2014 to 97.2% in 2015, which was still well above the 25% statutory requirement of the Medical Schemes Act.

Action

The chairman explained that the decline in solvency was due to a number of high cost cases during the year but was happy to say that the Scheme was able to support the members during this time.

The chairman also welcomed Mr Rudie Bennett back as a Trustee after his unfortunate incident. The member's attention was drawn to the R5m that had been invested which was showing good growth.

In concluding the discussion on the financial statements he assured the meeting that the Scheme was in a very sound financial position.

As there were no questions, the Chairperson moved that the annual financial statements for the year ended 31 December 2015 be adopted and that all matters and actions undertaken by the Administrator on behalf of the Scheme be confirmed. The motion was duly seconded and carried unanimously.

6. TO APPOINT AUDITORS FOR THE ENSUING YEAR:

The Chairperson proposed that the current auditor PwC be re-appointed as auditors for the 2015 audit.

The proposal was duly seconded and carried unanimously.

7. ELECTION OF MEMBER TRUSTEES:

It was **noted** that two member trustees of the Board of Trustees who retired at this meeting were eligible and offered themselves for re-election.

Nominations were received for the election of the following trustees, namely:

Mr Gustav Engelbrecht - SAAB Grintek Technologies

Mr Gerry Mattheyse - SAAB Grintek Defence

As no further nominations were received, the election of the trustees was proposed, seconded and unanimously accepted.

Confirmation of Trustees:

The Board of Trustees comprised the following members:

Employer Appointed Trustees

Mr Jacques Botha (Chairperson)

Ms Brenda Talazo

Ms Evelyn Motsatsing

Member Elected Trustees

Mr Rudie Bennett

Mr Gustav Engelbrecht

Mr Gerry Mattheyse

Action

8. CONFIRMATION OF PRINCIPAL OFFICER:

Mr B W le Roux as Principal Officer of the Scheme was confirmed.

9. TO TRANSACT SUCH OTHER BUSINESS AS MAY BE TRANSACTED AT AN ANNUAL GENERAL MEETING:

The Chairperson confirmed that no notice of motions had been received and invited those present to raise any general matters.

9.1. A question asked was why, from January 2015, the Scheme went from 100% to 90% benefits with co-payments.

The Principal officer explained that previously there had been a 20% co-payment on general practitioner benefits and it was decided to remove the co-payment for the following year. Unfortunately it was found that once the co-payment had been removed the cost of that benefit increased enormously, so it was decided to re-introduce a co-payment of 10% only to curtail costs.

The member suggested that the Board should consider a co-payment of 20% on doctors visits but then have no co-payment on medication, as one could not obtain prescribed medication without having visited the doctor.

The administrator advised that the member's suggestion would be referred to the committee for discussion during the 2016 benefit design period. The committee would then consider the matter in conjunction with the actuary.

It was noted that the Board of Trustees obtain advice from experts in the industry when considering matters pertaining to the Scheme, to enable them to make decisions in the best interest of the members. The Trustees of GEMAS receive no remuneration.

The chairman mentioned that in an extreme medical cost situation, which would deplete funds, an ex-gratia amount could be applied for but had to meet certain criteria and would be for approval by the Board.

For information purposes the Chairperson mentioned that the Scheme engages with an actuary who does a comparison of contributions in respect of various schemes. This illustrates how favourable the Scheme's contributions were which was one of the advantages of a closed scheme. In an open scheme environment the contributions would be much higher for comparative benefits.

9.2. Mr Bennett expressed his appreciation of the service he received from the Scheme and mentioned that he had only to sign one form to receive his equipment. He mentioned that patients on another scheme had apparently waited 3 to 6 months.

There being no further business the Chairperson thanked members for their attendance and declared the meeting closed.

DATE

CHAIRPERSON

**EXTRACTS FROM THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2015
OPERATIONAL STATISTICS**

	2015	2015
Average number of members	682	662
Average number of beneficiaries	1 625	1 582
Net contributions per average beneficiary per month (R)	1 523	1 374
Relevant healthcare expenditure per average beneficiary per month (R)	1 582	1 434
Average age of beneficiaries	34.96	34.76
Pensioner ratio (%)	7.45	7.68
Average accumulated funds per member at year end (R)	33 501	38 301
Solvency ratio (%)	76.61%	97.30%

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	2015 R	2015 R
ASSETS		
Non-current assets		
Available-for-sale investments	5 448 050	5 193 963
Current assets		
Trade and other receivables	19 293 420	21 703 662
Cash and cash equivalents	441 400	396 997
	18 852 020	21 306 665
Total assets	24 741 470	26 897 625
FUNDS AND LIABILITIES		
Members' funds		
Accumulated funds	23 215 874	25 393 440
	23 215 874	25 393 440
Current liabilities		
Outstanding claims provision	1 525 596	1 504 185
Trade and other payables	364 045	446 400
	1 161 551	1 057 785
Total funds and liabilities	24 741 470	26 897 625

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	R	R
Risk contribution income	29 689 108	26 079 811
Relevant healthcare expenditure	(30 850 347)	(27 223 499)
Net claims incurred	(30 309 540)	(26 604 063)
Claims incurred	(30 309 540)	(26 604 063)
Third party claims recoveries	-	-
Managed care: management services (no risk transfer)	(564 240)	(626 792)
Net expense on risk transfer arrangement	23 433	7 357
Risk transfer arrangement fees	(71 046)	(54 489)
Recoveries from risk transfer arrangement	94 479	61 846
Gross healthcare result	(1 161 239)	(1 143 688)
Administration expenses	(2 418 182)	(2 202 026)
Net impairment losses on healthcare receivables	(70 425)	(39 220)
Net healthcare result	(3 649 846)	(3 384 934)
Other income	1 505 785	1 442 042
Investment income	1 505 785	1 441 349
Sundry income	-	693
Other expenditure		
Asset management fees	(33 505)	(12 033)
Net (deficit)/ surplus for the year	(2 177 566)	(1 954 925)
Other comprehensive deficit/ surplus	-	-
	-	-
Total comprehensive income/(deficit) for the year	(2 177 566)	(1 954 925)

	Accumulated funds	Total members' funds
	R	R
Balance at 1 January 2014	27 348 365	27 348 365
Total comprehensive income for the year	(1 954 925)	(1 954 925)
Deficit for the year	(1 954 925)	(1 954 925)
Other comprehensive deficit for the year	-	-
Balance at 31 December 2014	25 393 440	25 393 440
Total comprehensive deficit for the year	(2 177 566)	(2 177 566)
Loss for the year	(2 177 566)	(2 177 566)
Balance at 31 December 2015	23 215 874	23 215 874

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	R	R
Cash flows from operating activities		
Cash utilised in operations before working capital changes	(3 649 847)	(3 384 241)
Working capital changes:		
Decrease/(Increase) in trade and other receivables	(44 403)	1 664 332
Increase/(decrease) in trade and other payables	103 767	(131 371)
(Decrease) in outstanding claims provision	(82 355)	(203 600)
Decrease in savings plan liability	1 235 344	1 377 105
Cash utilised in operating activities	<u>(2 437 494)</u>	<u>(667 785)</u>
Cash flows from investing activities		
Purchase of investments	(2 876 193)	(5 275 794)
Proceeds on disposal of investments	2 737 973	125 794
Gross interest received	121 068	47 468
Less: Savings interest		
Cash generated from investing activities	<u>(17 152)</u>	<u>(5 102 532)</u>
Net increase/ (decrease) in cash and cash equivalents	(2 454 646)	(5 780 317)
Cash and cash equivalents at the beginning of the year	21 306 655	27 086 982
Cash and cash equivalents at the end of the year	<u>18 852 020</u>	<u>21 306 665</u>

NB: Please note that a full set of the audited Annual Financial Statements is available on our website at www.gemas.co.za. Copies will be available at the Annual General Meeting.

Administered by:
UNIVERSAL HEALTHCARE ADMINISTRATORS (PTY) LTD



Universal
Healthcare