



SAAB



GEMAS AGM

Grintek Electronics 2019

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 Gemmas@universal.co.za | Web www.universal.co.za

GEMAS

Grintek Electronics AGM 2019

Dear Member,

NOTICE IS HEREBY GIVEN that the Twenty Fourth Annual General Meeting of members of the Grintek Electronics Medical Aid Scheme will be held at the **OFFICES OF SAAB Grintek Defence (PTY) LTD, 185 WITCH-HAZEL AVENUE, HIGHVELD, TECHNOPARK, CENTURION** on **WEDNESDAY, 19 JUNE 2019** at **09:00** for the purpose of transacting the following business:

AGENDA

1. To confirm the Minutes of the previous Annual General Meeting of members held on 20th of June 2018.
2. To receive and consider the Annual Financial Statements for the year ended 31 December 2018, together with the Report of the Auditors.
3. To appoint the Auditors for the ensuing year.
4. Trustee elections.
5. Confirmation of Trustees:

G Mattheyse	Member Trustee - Chairman
C Pienaar	Member Trustee
R De Bruto	Employer Trustee
B Talazo	Employer Trustee
6. 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.
7. General

BY ORDER OF THE BOARD OF TRUSTEES
May 2019

GRINTEK ELECTRONICS MEDICAL AID SCHEME

MINUTES OF MEETING OF THE TWENTY-THIRD ANNUAL GENERAL MEETING OF MEMBERS OF THE GRINTEK ELECTRONICS MEDICAL AID SCHEME, HELD IN THE KILIMANJARO BOARDROOM, SAAB GRINTEK TECHNOLOGIES, BUILDING 15, 58 OAK AVENUE, HIGHVELD, TECHNOPARK, CENTURION, ON WEDNESDAY, 20 JUNE 2018 AT 09H30.

- | | | |
|---------------------------|--|---------------|
| 1. PRESENT: | Mr Gerry Mattheyse - Chairperson | Action |
| | Mr Eugene Lourens - Member and Trustee | |
| | Ms Brenda Talazo - Member and Trustee | |
| | Mr Rudi Bennett - Member and Trustee | |
| | Ms René du Bruto - Member and Trustee | |
| | 14 members as per attendance register. | |
|
IN ATTENDANCE: | Mr Bernard le Roux - Principal Officer | |
| | Mr Kabelo Mokoena - Universal Healthcare | |
| | Ms Keshni Arjune - Universal Healthcare | |
| | Ms Debbie Worton - Universal Healthcare | |
| | Ms Tshepiso Mkhizen - Universal Healthcare | |
| | Ms Vanessa Venter - Universal Healthcare | |
- 2. NOTICE:**
The notice dated 19 May 2018 calling the meeting was taken as read.
- 3. APOLOGIES:**
Apologies were received from Mr Mark Bayley and Ms Helana Ueckermann from the Administrators.
- 4. 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.

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
- 5. NOTICE OF MOTION:**
The Principal Officer reported that no motions had been received
- 6. CONFIRMATION OF MINUTES OF TWENTY-FIRST ANNUAL GENERAL MEETING HELD ON 21 JUNE 2017:**
The Minutes of the Twenty-Second Annual General Meeting held on 21 June 2017 having been circulated with the notice of the meeting, were proposed by Mr Rudi Bennett and seconded by Ms Brenda Talazo as a true record of the proceedings.

7. TO RECEIVE THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017:

The annual financial statements of the Scheme for the year ended 31 December 2017 had been circulated to members.

For information purposes the Principal Officer drew attention to the following:

- Grintek Electronics Medical Aid Scheme is a closed scheme, belonging to the members of Saab Grintek Defense and Saab Grintek Technologies, excursively. As confirmed by the Scheme's appointed actuaries the level of benefits and contributions of the Scheme when compared to other schemes continued to provide members with value for money.
- GEMAS exceeded the Council of Medical Schemes requirement in terms of its Solvency ratio and the Board of Trustees continues to monitor the Scheme's solvency and compliance to the Medical Scheme's Act

The Chairperson added despite the loss incurred by the Scheme for the 2017 financial year, the Scheme is financially sound.

As there were no further questions and comments, the Chairperson moved that the Annual Financial Statements for the year ended 31 December 2017 be adopted and that all matters and actions undertaken by the Administrators on behalf of the Scheme be confirmed. The motion was duly seconded by Mr Rudi Bennett and Mr Eugene Lourens.

8. TO APPOINT AUDITORS FOR THE ENSUING YEAR:

The Chairperson proposed that the current auditor PwC be re-appointed as auditors for the 2018 audit.

The proposal was duly seconded by Ms Kruger and carried unanimously.

9. ELECTION OF TRUSTEES

The Chairperson extended a special welcome to Mr Kabelo Mokoena and Ms Keshni Arjune from the Administrators whom would oversee the voting process.

As per Rule 19.1. Regarding Governance. The affairs of the Scheme must be managed according to the Rules by a Board consisting of six persons who are fit and proper to be trustees.

Mr Gerry Mattheyse and Mr Gustav Engelbrecht, who were elected to the Board on 23 June 2015, have reached the end of their term as member trustees. In terms of the Scheme rules they can stand for re-election and Mr Gerry Mattheyse has indicated his willingness to stand for election but Mr Gustav Engelbrecht is not eligible for re-election. As two vacancies exist it is necessary to fill the positions at this AGM. The Scheme has called for nominations to fill the two vacancies and the following members were nominated:

- Mr Gerry Mattheyse
- Ms Carien Pienaar
- Mr Erich Ellman

Proxies were issued in favour of the following members:

- Mr Gerry Mattheuse
- Ms Carien Pienaar
- Mr Eugene Lourens
- Ms De Bruto

Voting took place by ballot by the members present at the meeting. Following the election and the counting of the votes by the Administrator the results of the voting confirmed the appointment of Mr Gerry Mattheuse and Ms Carien Pienaar to the Board.

10. CONFIRMATION OF TRUSTEES:

The Board of Trustees was confirmed as follows:

Employer Appointed Trustees	Member Elected Trustees
Ms Brenda Talazo	Mr Gerry Mattheuse (Chairperson)
Ms René de Bruto	Mr Rudi Bennett
Mr Eugene Lourens	Ms Carien Pienaar

11. TO TRANSACT SUCH OTHER BUSINESS AS MAY BE TRANSACTED AT THE ANNUAL GENERAL MEETING OF WHICH DUE NOTICE HAS BEEN GIVEN.

The Chairperson noted that no motions had been received.

12. GENERAL:

The members of the meeting raised the following matters to be addressed:

- National Health Insurance (NHI)
- Underwriting deficit incurred by the scheme

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

National Health Insurance (NHI)

The Principal Officer stated that NHI has its origin in Social health with a risk equalization plan. The objective of NHI is to provide every South African with the same level of care. Every person in South Africa is compelled to join the fund; the fund offers one option to meet the healthcare needs of all South Africans. The State will form the backbone of NHI. NHI is work in progress and legislation is to be amended to meet the requirements of NHI.

Underwriting deficit incurred by the Scheme

The Principal Officer addressed the concern raised by Mr Marais regarding the underwriting deficit incurred by the Scheme for the 2017 year. The Principal Officer stated that GEMAS is a small scheme and the increase in hospital claims impacted the scheme in 2017.

Ms de Bruto confirmed that the board of trustees has addressed the underwriting deficit impacting members by the introduction of a 12% contribution increase for 2018 benefit year and in addition thereto the trustees continue to review the financial performance of the scheme on a monthly basis. It was confirmed that the Scheme is a going concern with reserves in excess of the legislated 25% as required by the Council of Medical schemes. The board submits actuarial reports to the Council of Medical Schemes annually validating the sustainability of the scheme. Mr Marais requested a copy of the actuarial report submitted to the Council of Medical Schemes. The Principal Officer confirmed that the report is a confidential report prepared by the actuaries for the exclusive use by the Board. After consultation with the board of trustees and the actuaries he would establish whether the report can be made available to Mr Marais.

Mr Marais raised concern regarding the needs of members not being met by the Scheme as members required flexibility in terms of a choice of medical cover. Ms Talazo confirmed that membership of GEMAS is a condition of service and is a compulsory medical scheme providing members with comprehensive medical aid cover. The Chairperson confirmed that the Principal Officer, the administrator and he are planning a trip to Cape Town to address the members of the scheme situated in Cape Town.

Chairperson thanked the Administrators and the trustees for their efforts.

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 2018
OPERATIONAL STATISTICS**

	2018	2017
Average number of members during the accounting period	757	760
Average number of beneficiaries during the accounting period	1 695	1 714
Net contributions per average beneficiary per month (R)	2 096	1 864
Relevant healthcare expenditure per average beneficiary per month (R)	2 054	1 855
Average age of beneficiaries	37.63	36.62
Pensioner ratio at 31 December	9.06	8,07
Average accumulated funds per member at year end (R)	25 709	26 881
Solvency ratio (%)	43.88%	51.98%

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	2018	2017
	R	R
ASSETS		
Non-current assets		
Investments held at fair value through profit or loss	5 746 931	6 206 757
Current assets		
Trade and other receivables	3 225 555	3 386 964
Cash and cash equivalents	5 165 765	14 661 125
Loans and receivables	6 991 109	0
Total assets	21 128 360	24 254 846
FUNDS AND LIABILITIES		
Members' funds		
Accumulated funds	18 921 520	20 752 013
Current liabilities		
Outstanding claims provision	2 206 840	3 502 833
Trade and other payables	739 309	1 927 730
	1 467 531	1 575 103
Total funds and liabilities	21 128 360	24 254 846

**STATEMENT OF COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	R	R
Risk contribution income	42 638 504	38 333 301
Relevant healthcare expenditure	(41 778 775)	(38 143 336)
Net claims incurred	(41 026 846)	(37 452 450)
Claims incurred	(41 026 846)	(37 452 450)
Managed healthcare services (no risk transfer)	(719 752)	(676 209)
Net income / (expense) on risk transfer arrangement	(32 177)	(14 677)
Risk transfer arrangement fees	(135 864)	(128 513)
Recoveries from risk transfer arrangement	103 687	113 836
Gross healthcare result	859 729	189 965
Administration expenses	(3 290 998)	(3 122 612)
Net impairment losses on healthcare receivables	(11 019)	13 235
Net healthcare result	(2 442 288)	(2 919 412)
Other income		
Investment income	648 189	1 774 693
Other expenditure		
Asset management fees	(36 394)	(35 145)
Total comprehensive loss for the year	(1 830 493)	(1 179 864)

**STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Accumulated funds	Total member's funds
	R	R
Balance at 1 January 2017	21 931 877	21 931 877
Total comprehensive loss for the year 2017	(1 179 864)	(1 179 864)
Loss for the year	(1 179 864)	(1 179 864)
Other comprehensive income for the year	-	-
 Balance at 31 December 2017	20 752 013	20 752 013
Total comprehensive loss for the year 2018	(1 830 493)	(1 830 493)
Loss for the year	(1 830 493)	(1 830 493)
Other comprehensive income for the year	-	-
 Balance at 31 December 2017	18 921 520	18 921 520

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<u>2018</u>	<u>2017</u>
	R	R
Cash flows from operating activities		
Cash utilised in operations before working capital changes	(1 362 604)	(1 700 779)
Working capital changes:		
Decrease/(Increase) in trade and other receivables	161 409	(783 027)
Increase in trade and other payables	(107 572)	(1 751 066)
(Decrease)/ Increase in outstanding claims provision	(1 188 421)	1 275 235
<i>Cash utilised in operating activities</i>	<u>(2 497 188)</u>	<u>(2 959 637)</u>
Cash flows from investing activities		
Investment in term deposits	(16 991 109)	-
Purchase of investments	(1 645 785)	(1 220 200)
Proceeds on disposal of investments	1 493 056	1 098 853
Dividends received	181 060	150 296
Asset management fees	(36 394)	(35 145)
<i>Cash utilised in investing activities</i>	<u>(6 999 172)</u>	<u>(6 196)</u>
Net decrease in cash and cash equivalents	(9 496 360)	(2 965 833)
Cash and cash equivalents at the beginning of the year	14 661 125	17 626 958
Cash and cash equivalents at the end of the year	<u>5 164 765</u>	<u>14 661 125</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

