

MAKOTI

MEDICAL SCHEME



Makoti Annual General Meeting | **2018**

Administered by Universal Healthcare Administrators (Pty) Ltd



Universal
Administrators

AGENDA

1. To confirm the Minutes of the Fortieth Annual General Meeting held on 28 June 2017.
2. To receive and consider the report of the Board of Trustees for the year ended 31 December 2017 and the Annual Financial Statements for the year ended 31 December 2017, together with the Report of the Auditors.
3. To confirm Trustee remuneration for 2019.
4. To appoint an Auditor for the ensuing year.
5. To transact any other business that may be transacted at an Annual General Meeting.

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, therefore by Wednesday, the 13th of June 2018.

BY ORDER OF THE BOARD OF TRUSTEES

4 June 2018

MAKOTI MEDICAL SCHEME
MINUTES OF MEETING OF THE RECONVENED FORTIETH ANNUAL
GENERAL MEETING OF MEMBERS OF THE MAKOTI MEDICAL
SCHEME, HELD AT IRENE CORPORATE OFFICE PARK, NELMAPIUS
AVE IRENE, AT 69 REGENCY DRIVE BLOCK B, ON WEDNESDAY,
28 JUNE 2017 AT 10H00.

PRESENT:

Mr P Nxumalo	-	Chairperson
Mr K Naidoo	-	Trustee
Mr S Motshoane	-	Member and Trustee
Mr D Nkambule	-	Member and Trustee

Action

15 members as per attendance register

IN ATTENDANCE:

Mr H Makgopela	-	Principal Officer
Mr R Rapoza	-	Enabledmed (Pty) Ltd
Mr W Nkosi	-	Enabledmed (Pty) Ltd
Mr D Kerr	-	Universal Healthcare
Ms K Arjune	-	Universal Healthcare
Mr T Khumalo	-	Universal Healthcare
Ms O Sheehan	-	Universal Healthcare

APOLOGIES:

Mr B le Roux	-	Trustee
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The notice calling the meeting was taken as read.

1. CHAIRPERSON'S WELCOME TO MEMBERS:

The Chairperson welcomed those present and advised that the meeting had been publicised as per the Rules of the Scheme. There were 15 members present in person and 16 members by proxy. A quorum being present the Chairperson declared the meeting duly constituted.

2. CONFIRMATION OF THE MINUTES OF THE THIRTY-NINTH ANNUAL GENERAL MEETING HELD ON 25 JUNE 2016:

The Minutes of the Thirty-Ninth Annual General Meeting held on 25 June 2016 having been circulated with the notice of meeting, were adopted and signed by the Chairperson as a true record of the proceedings. The Chairperson requested that the confirmation of approval of his signature be approved and adopted. The motion proposed by Mr Nkosi and duly seconded by Mr Nkambule was unanimously accepted.

3. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016:

The Annual Financial Statements of the Scheme for the year ended 31 December 2016 had been circulated to members.

At the request of the Chairperson, Ms Arjune gave a brief overview of the performance of the Scheme for the 2016 year highlighting the salient points as follows:

- Average number of members reduced from 2 436 in 2015 to 2 429 in 2016 with an average contribution of R871 per family.
- The solvency ratio which is the key element of any medical scheme increased from 110.11% in 2015 to 111.68% in 2016 which was well above the 25% statutory requirement of the Medical Schemes Act.
- Accumulated Funds were reflected at R56 359 241 for the year under review, indicating a strong financial position.
- The Scheme has total assets of R61 177 593 of which R46 647 277 is invested in cash and cash equivalents.
- The Scheme incurred a net surplus of R3 013 407 for the Financial Year ended 31 December 2016.

As there were no questions, the Chairperson requested that the Annual Financial Statements be adopted and that all matters and actions undertaken by the Administrator on behalf of the Scheme be confirmed. The motion having been proposed by Mr Mashishi and duly seconded by Mr Tlailane was unanimously agreed to.

4. TRUSTEE REMUNERATION:

The Principal Officer advised that the Trustees' remuneration for the year under review (2016) was R7 705 per meeting attended and for 2017 it was R8 168 per meeting attended. The remuneration for the year 2018 is recommended at R8 658 per meeting attended, which constitutes a 6% increase.

A query regarding whether the Trustee Remuneration is taxable was raised. The Chairperson confirmed that the Scheme is registered with SARS and therefore the Trustees are obliged to pay PAYE, which amounts to 25%.

There was no objection and the remuneration having been proposed by Mr Pitso and duly seconded by Ms Selemale was unanimously approved.

5. APPOINTMENT OF AUDITORS:

The Chairperson advised that the appointment of the Auditors was a statutory requirement and the Scheme had gone out to tender followed by an adjudication process and after due consideration it was proposed that the current auditor, PwC be re-appointed as the Scheme's auditor for the 2017 audit.

The proposal to re-appoint PwC for the 2017 financial year was proposed by Mr Nkosi and duly seconded by Mr Thekane.

6. GENERAL:

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

6.1 FASA Business Festival

The Principal Officer discussed the affiliation of Makoti Medical Scheme to the Franchise Association of South Africa (FASA). He explained that FASA has undertaken to ensure that Makoti Medical Scheme receives the necessary exposure when and where possible. The Principal Officer highlighted that the FASA Business Festival is taking place at Kyalami from 30 June to 2 July 2017 and he explained that there will be activities whereby Makoti Medical Scheme would receive exposure alongside Universal Healthcare.

The Principal Officer requested that the Board of Trustees should attend the event to observe the efforts taken to promote Makoti Medical Scheme. A brochure was circulated to the members in attendance, which illustrated how the Scheme will be promoted at the conference.

6.2 The Chairperson invited the members to direct any other questions to the Trustees and the Administrator after the meeting.

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

DATE

CHAIRPERSON

**MAKOTI MEDICAL SCHEME
EXTRACT FROM THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2017**

**OPERATIONAL STATISTICS
As at 31 December 2017**

	2017	2016
Average number of members	2 754	2 429
Average number of beneficiaries	4 933	4 718
Net contributions per average beneficiary per month (R)	889	871
Relevant healthcare expenditure per average beneficiary per month (R)	814	765
Average age of beneficiaries	30	29
Pensioner ratio (%)	0.46%	0.57%
Average accumulated funds per member at year end (R)	16 150	22 688
Solvency Ratio (%)	105.27%	111.68%

**MAKOTI MEDICAL SCHEME
(PREVIOUSLY GOOD HOPE MEDICAL AID SOCIETY)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	Notes	2017	2016
		R	R
ASSETS			
Non-current assets		10,003,195	11,191,603
Available-for-sale financial instruments	2	9,996,432	11,191,603
Computer Equipment	3	6,763	-
Current assets		54,571,239	49,985,990
Trade and other receivables	4	5,461,326	3,338,713
Cash and cash equivalents	5	49,109,913	46,647,277
Total assets		64,574,434	61,177,593
FUNDS AND LIABILITIES			
Members' funds		58,557,050	56,359,241
Accumulated funds		55,378,897	55,062,643
Available -for-sale reserve		3,178,153	1,296,598
Current liabilities		6,017,384	4,818,352
Outstanding claims provision	6	2,316,322	1,447,289
Trade and other payables	7	3,701,062	3,371,063
Total funds and liabilities		64,574,434	61,177,593

MAKOTI MEDICAL SCHEME
(PREVIOUSLY GOOD HOPE MEDICAL AID SOCIETY)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 R	2016 R
Risk contribution income	8	52,605,844	49,302,839
Relevant healthcare expenditure		(48,200,063)	(43,329,614)
Net claims incurred		(52,640,745)	(51,979,128)
Risk claims incurred	9	(52,640,745)	(51,979,128)
Net income on risk transfer arrangements	9	4,440,682	8,649,514
Risk transfer arrangement fees		(48,200,063)	(43,329,614)
Recoveries from risk transfer arrangements		52,640,745	51,979,128
Gross healthcare result		4,405,781	5,973,225
Broker service fees		(1,354,106)	(1,257,158)
Administration expenses	10	(6,290,418)	(4,849,374)
Net impairment (loss)/gain on healthcare receivables	4	(12,750)	14,653
Net healthcare result		(3,251,493)	(118,654)
Other income		3,659,676	3,419,760
Investment income	11	3,659,676	3,419,760
Other expenditure			
Asset management fees		(91,929)	(89,569)
Net surplus for the year		316,254	3,211,537
Other comprehensive income			
Unrealised gains on revaluation of available-for-sale investments	2	1,881,555	(198,130)
Loss on disposal of available-for-sale investment	2	-	-
Total comprehensive income for the year		2,197,809	3,013,407

**MAKOTI MEDICAL SCHEME
(PREVIOUSLY GOOD HOPE MEDICAL AID SOCIETY)
STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Accumulated funds	Available-for-sale reserve	Total members' funds
		R	R
Balance at 1 January 2016	51,851,106	1,494,728	53,345,834
Total comprehensive income for the year	3,211,537	(198,130)	3,013,407
Net surplus for the year	3,211,537	-	3,211,537
Other comprehensive loss for the year	-	(198,130)	(198,130)
Balance at 31 December 2016	55,062,643	1,296,598	56,359,241
Total comprehensive income for the year	316,254	1,881,555	2,197,809
Net surplus for the year	316,254	-	316,254
Other comprehensive income for the year	-	1,881,555	1,881,555
Balance at 31 December 2017	55,378,897	3,178,153	58,557,050

**MAKOTI MEDICAL SCHEME
(PREVIOUSLY GOOD HOPE MEDICAL AID SOCIETY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 R	2016 R
Cash flows from operating activities			
Cash utilised in from operations before working capital changes	13	(3,340,040)	(208,223)
Working capital changes:			
Increase in trade and other receivables		(2,122,613)	(106,015)
Increase in outstanding claims provision		869,033	76,486
Increase in trade and other payables		329,999	108,682
<i>Cash utilised in from operations</i>		<u>(4,263,621)</u>	<u>(129,070)</u>
Cash flows from investing activities			
Purchase of investments	2	-	(48,449)
Disposal of investments	2	3,076,726	-
Purchase of computer equipment	3	(10,145)	-
Investment income	11	3,659,676	3,419,760
<i>Cash generated from investing activities</i>		<u>6,726,257</u>	<u>3,371,311</u>
Net increase in cash and cash equivalents		2,462,636	3,242,241
Cash and cash equivalents at the beginning of the year		46,647,277	43,405,036
Cash and cash equivalents at the end of the year	5	<u>49,109,913</u>	<u>46,647,277</u>

NB: Please note that a full set of the audited Annual Financial Statements is available on our web site at www.makotihealth.com A copy will be available at the Annual General Meeting.

Administered by Universal Healthcare Administrators (Pty) Ltd



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