



**ANNUAL GENERAL MEETING  
2012**





#### **AGENDA**

1. To confirm the minutes of the 33rd annual general meeting held on 30 June 2011.
2. To receive and consider the Report of the Board of Trustees for the year ended 31 December 2011, and the Annual Financial Statements for the year ended 31 December 2011, together with the Report of the Auditors.
3. To confirm Trustee remuneration.
4. To appoint Auditors for the ensuing year.
5. To transact such other business as may be transacted at an Annual General Meeting subject to the required notice.

Notices of any motion to be placed before the Annual General Meeting must reach the Principal Officer not later than 7 days prior to the date of the meeting.

**BY ORDER OF THE BOARD OF TRUSTEES**

22 May 2012

## MINUTES OF THE THIRTY-THIRD ANNUAL GENERAL MEETING

### MINUTES OF THE THIRTY-THIRD ANNUAL GENERAL MEETING OF COMPCARE WELLNESS MEDICAL SCHEME, HELD IN THE UNIVERSE BOARDROOM, STATUS HOUSE, 15 TAMBACH ROAD, SUNNINGHILL PARK, SANDTON ON THURSDAY, 30 JUNE 2011 AT 09H30.

1. **PRESENT:** S Ireton - Chairperson  
27 members as per attendance register
- IN ATTENDANCE:** Mr R J Hallowell - Principal Officer  
Dr J Pretorius, Messrs D Kerr, T Francis and J Joubert and  
Mesdames C Sevilano-Barredo, and K Fisher -  
representing the Administrators
2. **APOLOGIES:** R Lombard - Roadcrete Africa (Pty) Ltd
3. **NOTICE:**  
The notice dated 08 June 2011 calling the meeting was taken as read.
4. **QUORUM:**  
The Chairperson welcomed members to the meeting. As those members present constituted the necessary quorum, the Chairperson declared the meeting duly constituted.
5. **CONFIRMATION OF THE MINUTES OF THE THIRTY-SECOND ANNUAL GENERAL MEETING HELD ON 25 JUNE 2010:**  
The minutes of the 32nd Annual General Meeting held on 25 June 2010, having been circulated with the notice of meeting, had been approved and signed by the Chairperson as a true record of the proceedings at a meeting of the Board of Trustees held on 08 July 2010. The Chairperson moved that the confirmation of approval of his signature be approved and adopted. The motion duly seconded was unanimously accepted.
6. **ANNUAL FINANCIAL STATEMENTS, ANNUAL REPORT AND REPORT OF THE INDEPENDENT AUDITORS FOR THE YEAR ENDED 31 DECEMBER 2010:**  
The annual financial statements of the Scheme, annual report and report of the independent auditors for the year ended 31 December 2010, had been circulated to members. *(A copy of the relevant documentation is attached to the minute book copy of these Minutes).*  
  
There being no questions the Chairperson formally moved that the accounts be adopted and that all matters and actions undertaken by the Administrators on behalf of the Scheme be confirmed. The motion, duly seconded was unanimously agreed to.
7. **APPROVAL OF AMENDMENT TO SCHEME'S RULES - RULE 19.2:**  
In order to clearly define that all Trustees are elected by members from amongst members, the Chairperson requested that the following rule amendment as stated in the notice of meeting be considered:  
  
"All such Trustees must be elected by members from amongst members, to serve terms of office of three years each."  
  
*Previously read "At least half of such Trustees must be elected by members from amongst members, to serve terms of office of three years each and the remaining Trustees shall be appointed by participating employers also to serve a three year term."*  
  
The rule amendment duly considered, having been seconded, was unanimously agreed to.
8. **RECORDING OF THE NEW BOARD OF TRUSTEES:**  
In terms of the nomination process as set out in the rules of the Scheme there were nine nominations for the eight vacancies. However one of the nominees, due to circumstances beyond his control, was forced to withdraw his nomination.

**Action**

As a result there were eight nominations for eight vacancies and a voting process was therefore not necessary and the Chairperson proposed the eight nominees be duly appointed as Trustees. The proposal, having been seconded was unanimously agreed to.

**Action**

The new Board is reflected as follows:

Ireton, Steve  
le Roux, Bernard  
Leviton, Harold  
Machai, Moses

Masuku, Paul  
Mnisi, Koenrad Pieter  
Nkosi, Dr Simangele R  
Sherman, Derek

9. **TO CONFIRM TRUSTEES' REMUNERATION:**

The Chairperson confirmed that the Trustees' remuneration for the year under review was R5 870 per meeting attended and for 2011 it is R6 188 per meeting attended. This was duly approved.

10. **THE APPOINTMENT OF AN AUDITOR FOR THE ENSUING YEAR:**

The Chairperson advised that Deloitte & Touché is the current auditor and proposed that they be re-appointed for the 2011 financial year.

The proposal was duly seconded and carried unanimously.

11. **GENERAL:**

11.1. **Notice of Motion:**

The Chairperson advised that we have received a notice of motion submitted in terms of Rule 27.1.5. The motion was submitted by Mr Americo DeSajose, membership no. 2712083, which reads as follows:

"To have a thorough investigation into why allowances for Psychiatry and Psychology are so low - especially when we all live in a country where violence is an everyday occurrence and Anxiety and Panic are the order of the day - you only have to look at the statistics to see how many people suffer from Depression and PTSD (post traumatic stress disorder). Cover for two visits to these professionals is just not enough."

Mr Kerr advised that benefits were paid in accordance with the member's benefit option but were dependent on a number of factors and he could not express an opinion on the member's remark that "cover for two visits to these professionals is just not enough" without conducting a full investigation following which a formal response would be addressed to the member. The Chairperson then invited those present to raise any general matters which they would like discussed.

Mr H Siebrandt asked whether it was possible to make the literature at year-end setting out the options in a more easily printable form as well as distributing it more timeously. Last year and the previous year he had not received the material in good time and while for the previous year it was not a problem, for this year he had wanted a change of option but when the information was faxed to him it was illegible because the brochures are in colour so it was very difficult to make a decision and meet the deadline. He suggested that the faxed documentation be black and white.

Mr Sherman drew attention to the fact that the 2010 brochures listed the co-payments applicable to the different illnesses. Mr Kerr pointed out that for 2011 there were two documents, i.e. the benefit guide and then the member claiming guide which included the list of co-payments. The Chairperson thanked Mr Sherman for raising the issue and advised that benefit design is approved by the Board and this matter would be noted and addressed at the Board of Trustees meeting.

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

Confirmed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

\_\_\_\_\_  
CHAIRPERSON

**EXTRACTS FROM THE  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**OPERATIONAL STATISTICS**

	<b>2011</b>	<b>2010</b>
Average number of members	11, 693	13, 319
Average number of beneficiaries	23, 933	29, 470
Net contributions per average beneficiary per month (R)	1, 251	1, 154
Relevant healthcare expenditure per average beneficiary per month (R)	1, 026	964
Average age of beneficiaries	37	38
Pensioner ratio (%)	12	12
Average accumulated funds per member at year end (R)	14, 365	10, 316
Solvency ratio (%)	41	30

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2011**

	<b>Notes</b>	<b>2011</b> <b>R</b>	<b>2010</b> <b>R</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Available-for-sale investments	2	1,034,906	886,469
		214,119,003	208,980,458
<b>Current assets</b>			
Trade and other receivables	3	19,509,896	25,249,673
Investments held at fair value through profit or loss	4	2,576,704	2,633,341
Cash and cash equivalents	5	192,032,403	181,097,444
<b>Total assets</b>		<b>215,153,909</b>	<b>209,866,927</b>
<b>FUNDS AND LIABILITIES</b>			
<b>Members' funds</b>			
Accumulated funds		161,822,662	142,677,880
Available-for-sale reserve		160,814,957	141,818,612
		1,007,705	859,268
<b>Current liabilities</b>			
Outstanding claims provision	6	53,331,247	67,189,047
Savings plan liability	7	6,870,000	13,056,689
Trade and other payables	8	25,748,207	32,810,102
		20,713,040	21,322,256
<b>Total funds and liabilities</b>		<b>215,153,909</b>	<b>209,866,927</b>

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	<u>2011</u> R	<u>2010</u> R
<b>Net contribution income</b>	9	<b>359,289,836</b>	<b>407,930,972</b>
<b>Relevant healthcare expenditure</b>		(294,621,213)	(340,980,375)
Net claims incurred		(294,031,453)	(340,655,513)
Claims incurred	10	(295,355,645)	(341,308,472)
Third party claim recoveries		1,324,192	652,959
Net expense on risk transfer arrangements		(589,760)	(324,862)
Risk transfer arrangement fees	10	(4,118,615)	(7,429,110)
Recoveries from risk transfer arrangements		3,528,855	7,104,248
<b>Gross healthcare result</b>		<b>64,668,623</b>	<b>66,950,597</b>
Managed care: management services	11	(11,373,621)	(13,361,279)
Broker service fees		(6,439,316)	(8,359,422)
Administration expenditure	12	(38,532,594)	(44,675,070)
Net impairment (losses)/gains on healthcare receivables	3	(986,360)	912,276
<b>Net healthcare result</b>		<b>7,336,732</b>	<b>1,467,102</b>
<b>Other income</b>		11,689,241	17,209,518
Investment income	13	10,870,760	16,633,813
Sundry income	14	818,481	575,705
<b>Other expenditure</b>			
Asset management fees		(29,628)	(41,611)
<b>Net surplus for the year</b>		<b>18,996,345</b>	<b>18,635,009</b>
<b>Other comprehensive income/(deficit)</b>		<b>148,437</b>	<b>(3,346,553)</b>
Unrealised gains on the revaluation of available-for-sale investments	2	148,437	93,851
Reversal of the realised gain on the sale of available-for-sale investments from the available-for-sale reserve	2	-	(3,440,404)
<b>Total comprehensive income for the year</b>		<b>19,144,782</b>	<b>15,288,456</b>

**STATEMENT OF CHANGES IN FUNDS AND RESERVES  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Accumulated funds	Available-for- sale reserve	Total members' funds
	R	R	R
<b>Balance at 1 January 2010</b>	<b>123,183,603</b>	<b>4,205,821</b>	<b>127,389,424</b>
<b>Total comprehensive income for the year</b>	<b>18,635,009</b>	<b>(3,346,553)</b>	<b>15,288,456</b>
Surplus for the year	18,635,009	-	18,635,009
Other comprehensive deficit for the year	-	(3,346,553)	(3,346,553)
<b>Balance at 31 December 2010</b>	<b>141,818,612</b>	<b>859,268</b>	<b>142,677,880</b>
<b>Total comprehensive income for the year</b>	<b>18,996,345</b>	<b>148,437</b>	<b>19,144,782</b>
Surplus for the year	18,996,345	-	18,996,345
Other comprehensive income for the year	-	148,437	148,437
<b>Balance at 31 December 2011</b>	<b>160,814,957</b>	<b>1,007,705</b>	<b>161,822,662</b>



**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

	<b>Notes</b>	<b>2011</b> <b>R</b>	<b>2010</b> <b>R</b>
<b>Cash flows from operating activities</b>			
<b>Cash flows from operations before working capital changes</b>	16	8,125,585	2,001,196
Working capital changes:			
Decrease/(increase) in trade and other receivables		5,739,777	(4,253,989)
Decrease in trade and other payables		(609,216)	(5,069,745)
Decrease in outstanding claims provision		(6,186,689)	(2,918,311)
(Decrease)/increase in savings plan liability		(7,061,895)	5,829,504
<i>Cash generated from/(utilised in) operating activities</i>		7,562	(4,411,345)
<b>Cash flows from investing activities</b>			
Purchase of investments		(331,287)	(873,579)
Proceeds on disposal of investments		281,274	7,642,527
Interest and dividend income		10,977,410	12,020,563
<i>Cash generated from investing activities</i>		10,927,397	18,789,511
<b>Net increase in cash and cash equivalents</b>		<b>10,934,959</b>	<b>14,378,166</b>
Cash and cash equivalents at the beginning of the year		181,097,444	166,719,278
<b>Cash and cash equivalents at the end of the year</b>	5	<b>192,032,403</b>	<b>181,097,444</b>

**NB: Please note that a full set of the audited Annual Financial Statements is available on our website at [www.compcarewellness.co.za](http://www.compcarewellness.co.za). A copy will be available at the Annual General Meeting.**

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