WCMAS

Our members Our passion

Witbank Coalfields Medical Aid Scheme

2018
ANNUAL REPORT

- Providing health cover for diverse population of members
- Your health and well-being is important to us
- Understanding of the mining industry
- Valuable relationships
- Team work

Providing affordable healthcare funding to our members for **84** *years*

ANNUAL REPORT
WITBANK COALFIELDS MEDICAL AID SCHEME
CONTENTS
31 December 2018

WITBANK COALFIELDS MEDICAL AID SCHEME
WCMAS BUILDING, SECOND FLOOR
C/O OR TAMBO ROAD & SUSANNA STREET
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P O BOX 26
EMALAHLENI (WITBANK), 1035

ANNUAL GENERAL MEETING
NOTICE TO MEMBERS

In terms of Rule 26.1.2 of the WCMAS Scheme Rules the notice convening the Annual General Meeting, containing the Agenda, Annual Financial Statements, Auditors Report and Board of Trustees Report, must be sent to members at least 21 days before the date of the meeting.

Adhering to the above, notice is hereby given that the 84th annual general meeting of members of the Witbank Coalfields Medical Aid Scheme, will be held in the boardroom of the Scheme, WCMAS Building, cnr OR Tambo Road & Susanna Street, Emalahleni (Witbank), on Tuesday, 28 May 2019 at 14h00.

BY ORDER OF THE BOARD OF TRUSTEES

PRINCIPAL OFFICER

1 April 2019

AGENDA OF THE 84th ANNUAL GENERAL MEETING

1. Notice of meeting
2. Minutes - Confirmation of the minutes of the 83rd annual general meeting held on 23 April 2018
3. Board of Trustees report
4. Approval of trustee remuneration
5. Audited annual financial statements
6. Unit profitability report
7. Approval of auditor's remuneration
8. Appointment of auditors for 2019 in terms of Rule 25
9. Election of office bearers
10. General

The Board of Trustees present their report for the year ended 31 December 2018.

1. DESCRIPTION OF THE MEDICAL SCHEME

WCMAS is a not for profit, restricted membership, self-administered medical aid scheme registered in terms of the Medical Schemes Act 131 of 1998 as amended, and has been servicing its members, associated Employer Groups, and the community for over 80 years. The Scheme was founded in 1935 and originated from the amalgamation of a number of "medical clubs" operated by some of the Coal Mines in the Witbank area.

These "medical clubs" date back to the early 1920's and mainly offered their members hospital benefits in return for a monthly membership fee. In 1935, these "medical clubs" amalgamated and formed the Witbank Coalfields Benefit Society (WCBS), a non-profit organization offering its members medical cover mainly through a panel doctor system. With the development in the Coal Mining Industry the Scheme went from strength to strength and in 1976 it changed from a Benefit Society to a Medical Aid Scheme, offering members a wide range of benefits at service providers of their choice.

WCMAS is a stead-fast and stable scheme built on the following core values:

- a member is not a number;
- the member's health and well-being is of great importance to the scheme;
- the service provided to members, service providers and employers are important;
- the scheme enforces an open-door policy;
- Striving towards healthcare funding at affordable rates while maintaining a financially viable scheme.

2. PRODUCT OFFERING

Comprehensive option	Midmas option	Ntsika option	Yebomed option*
• This option provides comprehensive cover through a risk pool for all major medical expenses and a savings account of 25% for day-to-day medical expenses	• New generation option providing access to hospitalisation in any private hospital and a discretional savings account of 18% for day to day benefits	• Low cost option providing access to a network of service providers including hospitalisation in private hospitals Universal Care	• Provides medical cover through a preferred provider network on a capitation fee basis

*This option is a risk transfer arrangement. A capitation fee is paid to the preferred provider network to provide a full range of benefits to all members in this option. The risk is carried by the network. The scheme does, however, remain liable to its members and suppliers with respect to ceded insurance if any reinsurer (supplier) fails to meet the obligations it assumes.

Saving accounts managed on members' behalf (Comprehensive and Midmas options)

Personal medical savings accounts are managed on the members' behalf in terms of the scheme rules and the Medical Schemes Act / Regulations.

The savings plan was established to meet future day to day healthcare costs not fully covered by the risk pool.

Unexpended savings amounts are accumulated for the long-term benefit of the member and interest is paid on balances based on the effective interest rate method. The liability to the members in respect of the savings plan is reflected as a current liability in the financial statements, repayable in terms of Regulation 10.

In terms of the rules of the scheme, the scheme carries some risk relating to forward allowance of savings account utilisations.

2. PRODUCT OFFERING (continued)

The savings account balance is refundable when a member leaves the scheme. The balance will be transferred to the next scheme or to the member if the new option does not have a savings account option. The money will be transferred within four months of the date of change.

3. MANAGEMENT AND GOVERNANCE

Registered Office and postal address:

Cnr. Susanna Street & OR Tambo Road	
2nd Floor South Wing	P O Box 26
Emalahleni	Emalahleni
WCMAS Building	1035

Principal Officer

R Booyens	Resigned 31.12.2018	Same address as scheme
A Jacobs	Appointed 01.01.2019	

Board of Trustee members

OA Maritz	
M Dugmore	
HG Schoeman	
Ms CD Logan-Delagey	
MH Pearson	
JA de Jager	
JC de Carvalho	
T Masike	
S Viljoen	
R Mofokeng	Appointed: April 2018
TS Lessing	
S Makile	Appointed: June 2018
E Pretorius	
A Nienaber	
MP Barnes	
M Motubatse	Appointed: April 2018
T Lewele	Resigned: April 2018

Audit committee

M Wenum (Chairperson)	AD de Jager
AJ de Klerk (Vice-chairperson)	
Z Hammond	MH Pearson
OA Maritz	A Nienaber

Investment committee

OA Maritz (Chairperson)	AJ Nienaber
NA Dickman	

Disputes Committee

HA Ackermann	F Kruger
E Wiese	

Remuneration committee

M Dugmore	C Logan-Delagey
T Masike	TS Lessing

Auditors

PricewaterhouseCoopers Incorporated	P O Box 500
Registered Chartered Accountants and Auditors	River Crescent
WCMAS Building	1042
Cnr Susanna & OR Tambo	
Emalahleni	

Please refer to the scheme's Corporate Governance report for further information on the scheme's management, governance and meeting attendance statistics.

4. MANAGEMENT OF INSURANCE RISK

The primary insurance activity carried out by the scheme assumes the risk of loss from members and their dependants that are directly subject to the risk related to the health of the scheme members. As such the scheme is exposed to the uncertainty surrounding the timing and severity of claims under the contract.

The scheme manages its insurance risk through appropriate benefit limits, approval procedures for transactions that involve pricing guidelines, pre-authorisation and case management, service provider profiling, centralised management of risk transfer arrangements, and the monitoring of emerging issues.

The scheme uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk measurement models, sensitivity analyses, scenario analyses and stress testing. The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims are greater than expected.

Insurance events are, by nature, random, and the actual number and size of events during any one year may vary from those estimated with established statistical techniques. There are no changes to assumptions used to measure insurance assets and liabilities that have a material effect on the financial statements and there are no terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of the scheme’s cash flow.

5. REVIEW OF THE YEAR'S ACTIVITIES

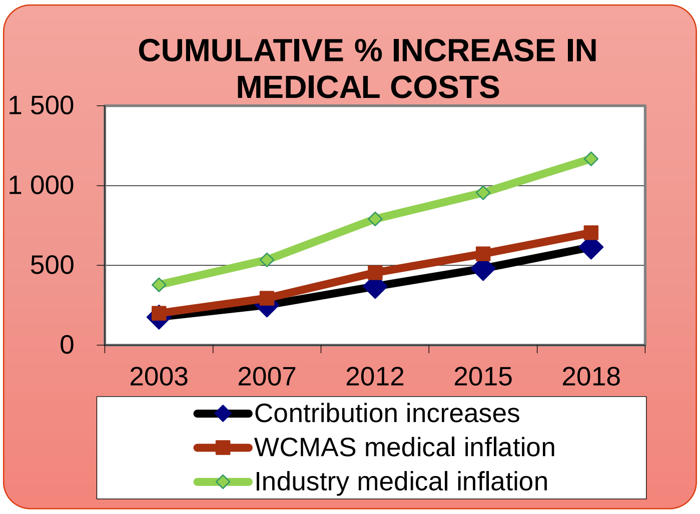
5.1 Operational overview

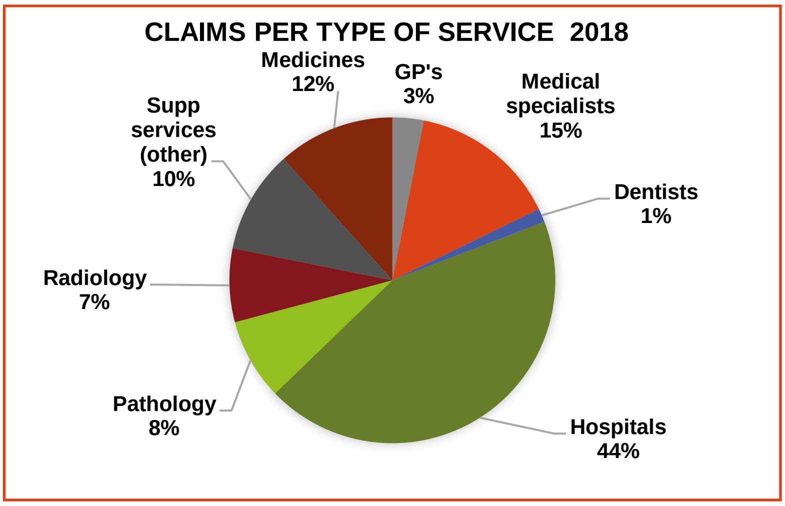
Some high claims were honoured in the year under review, but overall, claims are reasonable and in line with recent trends. There was also an increase in hospital costs which may be attributable to the high cost medical cases.

The Scheme’s two new options, Midmas and Ntsika, effectively started operating from 1 January 2017 and has gained some members with more growth expected in 2019. The scheme is actively pursuing growth within these options.

The operating results of WCMAS are set out in the annual financial statements, and the trustees believe that no further clarification is required.

5.1 Operational overview (continued)





5.2 Solvency ratio

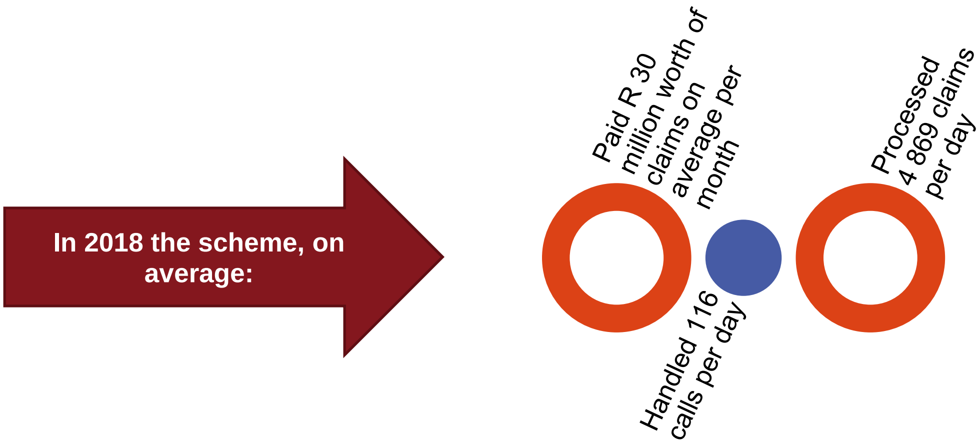
Accumulated funds ratio has decreased by 7.4% for this period mainly as a result increase in members and lower realised surpluses for the year. It is still significantly over the minimum requirement of 25%.

	2018	2017
Total members' fund per statement of financial position	503 151 236	522 446 237
Less: Revaluation reserve	19 156 780	(33 502 390)
Less: cumulative gain on re-measurement to fair value through profit and loss investment	-	-
Accumulated funds per Regulation 29	**522 308 016**	**488 943 847**
Gross contributions (Note 11)	457 304 108	402 132 960
Accumulated funds ratio (= Accumulated funds / Gross annual contributions x 100)	**114.2%**	**121.6%**

5.3 Outstanding claims

The basis of calculation of the outstanding claims provision is discussed in note 8 and this is consistent with the prior year. The provision of R 23 471 000 is sufficient for the medical claims that the scheme expect to pay in 2019 in respect of prior years.

5.4 Operational statistics



5.4 Operational statistics (continued)

		Comprehensive	Yebomed	Midmas	Ntsika
2018	Average number of members during the year*	6 231	2 282	143	319
	Number of members at 31 December	6 306	2 261	146	477
	Average number of beneficiaries during the year*	16 282	6 065	311	455
	Number of beneficiaries at 31 December	16 559	6 039	318	622
	Dependant ratio to members at 31 December	1.63	1.67	1.18	0.30
	Average age of beneficiaries	30.7	26.0	28	30.2
	Pensioner ratio	20.4%	0.0%	0.0%	0.0%
	Percentage of beneficiaries above 65 years of age	7.0%	0.2%	0.0%	0.2%
	Average risk contributions pmpm*	R 4 016	R 1 658	R 2 817	R 1 478
	Average risk contributions pbpm*	R 1 537	R 624	R 1 295	R 1 037
	Average relevant healthcare expenditure pmpm*	R 4 147	R 1 623	R 1 668	R 1 035
	Average relevant healthcare expenditure pbpm*	R 1 587	R 611	R 767	R 726
	Relevant healthcare expenditure as percentage of risk contributions	103.3%	97.9%	59.2%	70.0%
	Average non-health expenses pbpm*	R 116.18	R 38.92	R 60.69	R 89.61
	Non-health expenses as % of risk contributions	7.6%	6.2%	4.7%	8.6%
2017	Average number of members during the year*	6 031	2 343	17	47
	Number of members at 31 December	6 060	2 335	24	52
	Average number of beneficiaries during the year*	15 729	6 189	45	96
	Number of beneficiaries at 31 December	15 821	6 176	59	108
	Dependant ratio to members at 31 December	1.61	1.64	1.46	1.08
	Average age of beneficiaries	30.9	26.1	20.6	27.6
	Pensioner ratio	21.2%	0.0%	0.0%	0.0%
	Percentage of beneficiaries above 65 years of age	7.2%	0.2%	0.0%	0.0%
	Average risk contributions pmpm*	R 3 710	R 1 503	R 2 808	R 2 079
	Average risk contributions pbpm*	R 1 423	R 569	R 1 061	R 1 018
	Average relevant healthcare expenditure pmpm*	R 3 752	R 1 405	R 2 524	R 1 132
	Average relevant healthcare expenditure pbpm*	R 1 439	R 532	R 954	R 554
	Relevant healthcare expenditure as percentage of risk contributions	101.1%	93.5%	89.9%	54.4%
	Average non-health expenses pbpm*	R 117.25	R 36.96	R 63.56	R 66.00
	Non-health expenses as % of risk contributions	8.2%	6.5%	6.0%	6.5%

Legend: pmpm - per member per month pbpm - per beneficiary per month
** Averages are calculated using the sum of the 12 months' actual membership divided by 12*

On average the scheme has R 56 834 (2017: R 57 720) accumulated funds per member and the scheme's average pensioner ratio is 5.0% (2017: 5.2%). The average age of beneficiaries for the scheme as a whole is 29.4 (2017: 29.5).

5. EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

There are no further material events subsequent to the year-end that would require separate mention by the trustees.

6. INVESTMENTS IN AND LOANS TO PARTICIPATING EMPLOYERS OF MEMBERS OF THE MEDICAL SCHEME AND TO OTHER RELATED PARTIES

The scheme holds no direct investments or interest in the participating employers of the scheme.

7. MATTERS OF NON-COMPLIANCE WITH THE MEDICAL SCHEMES ACT

The scheme places high priority to meeting requirements set by the Medical Schemes Act and other legislation and regulations. In this regard, the scheme subjects itself to internal audit as well as independent external audits to ensure compliance. Due to this approach, the scheme does not focus on one area for compliance only, but on all areas that affect the scheme and ensures compliance in this way.

The following are non-compliances with the Medical Schemes Act that arose during the year under review. Even though the scheme did not incur any regulatory penalties, sanctions or fines for any contraventions, the details of each are disclosed here:

7.1 Contributions received later than 3 days after payment became due (Section 26(7))

Contributions are payable by members within 3 days of due date. Occasionally payments are received after the 3rd of the subsequent month for some of the employer groups. While some payments were not always received timeously all commitments were met soon after due dates. The credit control department follows up on outstanding amounts on a regular basis.

7.2 Claims paid in excess of 30 days from receipt S 59(2)

A small percentage of claims were not paid within 30 days as prescribed by the Act. Particularly between December and January the number of days between the receipt of a claim and the payment could amount to 38 days, causing the Scheme not to be fully compliant. The scheme normally performs month end runs on the second last business day of the month.

7.3 A benefit option must be self-supporting S 33(2) (b)

Section 33(2)(b) of the Act requires that each option is self-supporting in terms of membership and financial performance and be financially sound. The Board of Trustees believe that the scheme continues to be adequately priced to meet claims expenditure and benefit obligations. The scheme has excess reserves that provide a layer of protection from large membership risk profile changes.

7.4 Investments in an administrator, holding company of the administrator or any employer group. S 35(8) (a,c & d)

A medical scheme shall not invest in the business of an administrator of a medical scheme or any holding company of an administrator or any related employer group. The scheme has indirect underlying investments in unrelated listed administrators of medical schemes, amounting to 0.1% (2017:0.5%), in unrelated holding companies of administrators of 0.1% (2017: 0.13%) and in related listed employer groups of 0.90% (2017:0.44%) (Anglo American PLC 0.90%) as part of total investments held through Unit Trust portfolios and Linked Fund policies. The Board of Trustees is of the opinion that in principal this non-compliance is not a risk to the Scheme since the Scheme is not related to any of the administrators in which investments are held and no direct influence is exercised by any of the employer groups by investing in these financial instruments. The Council for Medical Schemes has granted WCMAS exemption.

STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES

31 December 2018

The trustees are responsible for the preparation, integrity, and fair presentation of the financial statements of Witbank Coalfields Medical Aid Scheme. The financial statements presented on pages 24 to 60 have been prepared in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Medical Schemes Act and include amounts based on judgements and estimates made by the board of trustees.

The trustees confirm that, in preparing the financial statements, they have applied the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

The trustees are satisfied that the information contained in the financial statements fairly presents the results of operations for the year and the financial position of the scheme at reporting date. The trustees have overseen the preparation of the other information included in the annual report and are responsible for both its accuracy and its consistency with the financial statements.

The trustees are responsible for ensuring that adequate accounting records are maintained. The accounting records should disclose with reasonable accuracy the financial position of the scheme to enable the trustees to ensure that the financial statements comply with the relevant legislation.

The Scheme operates in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures which are designed to provide reasonable, but not absolute assurance that assets are safeguarded and that the risks to the scheme are adequately mitigated.

The financial statements have been prepared on the going concern basis, and the trustees have no reason to believe that the scheme, based on forecasts and available cash resources, will not continue to be a going concern in the foreseeable future.

The scheme's external auditors are responsible for auditing the fair presentation of the financial statements in terms of International Standards on Auditing and their report is presented on page 19.

The Audit Committee functioned effectively throughout the year.

The financial statements were approved by the Board of Trustees on 1 April 2019 and were signed on their behalf by:

OA MARITZ	R BOOYENS	M DUGMORE
CHAIRPERSON	PRINCIPAL OFFICER	VICE-CHAIRPERSON

The Witbank Coalfields Medical Aid Scheme is committed to the principles and practice of fairness, responsibility, transparency and accountability in all dealings with its stakeholders. Where practical, the scheme strives to comply with the King IV Code of Corporate Governance. Reporting in terms of King IV is guided by the Council for Medical Schemes.

In meeting Corporate Governance requirements, the scheme management, Board of Trustees and sub-committees have access to governance experts as and when the need arises. This is deemed to be adequate for appropriately governing the affairs of the scheme.

ETHICS

Ethics, according to the King IV definition, is considering what is good and right for the self and the other and can be expressed in terms of the golden rule, namely, to treat others as you would like to be treated yourself.

Ethics is considered at the highest priority by the scheme's Board, management and staff. We believe that acting honestly and fairly in all situations and circumstances plays a big role in our success over the last 83 years.

The scheme has the following arrangements in place to govern and manage ethics:

- All staff are required to adhere to a code of conduct that instils the Board and management's principles of respect, fairness, honesty, integrity, quality and professionalism;
- Staff are required to declare gifts of any value;
- All staff, Board and sub-committee members are subject to induction and on-the-job training;
- All staff, Board and sub-committee members, managed care organisations, brokers and other third party service providers are required to sign and adhere to confidentiality agreements and to set Service Levels;
- Board and sub-committee members are given an opportunity at every meeting to declare conflicts of interest and gifts;
- All queries and complaints from members are monitored by management to ensure that irregularities are detected on a timely basis;
- The scheme has stringent fraud policies in place and processes to prevent, detect and discipline any fraudulent activities. The Board also approved the pay-out of a reward to whistle blowers.

During the year under review, the scheme focused on updating its fraud policies and enforcing its code of conduct in a bid to keep tabs on ethics and integrity.

The scheme measures adherence to ethics and codes of conduct through:

- Bi-annual staff appraisals that take account not only performance but also conformance to Service Level Agreements;
- Biennial trustee and sub-committee performance reviews;
- Review and monitor of member and service provider complaints.

CORPORATE CITIZENSHIP

In terms of the King IV code on corporate governance, corporate citizenship is defined as the recognition that the scheme is an integral part of the broader society in which it operates, affording the organisation standing as a juristic person in that society with rights but also responsibilities and obligations. It is also the recognition that the broader society is the licensor of the scheme.

The scheme acknowledges its responsibility for being a responsible and ethical corporate citizen, and management and the trustees make decisions with this in mind.

CORPORATE CITIZENSHIP (continued)

Stakeholder engagement

Stakeholder relationships are governed by contracts with the relevant parties where applicable and also by policies put in place to ensure that the scheme staff, management and Board are on par with the highest priority set to good stakeholder relationships. In this regard, the scheme enforces:

- Regular communication with all stakeholder groups;
- Adequate representation by major groups on the scheme's Board of Trustees;
- Queries are routed to the correct person with fast turnaround times and prompt resolution;
- Complaints received, from any stakeholder, is followed up on and escalated to management where necessary.

Responsible business practices

The scheme is committed to responsible business practices to ensure the future success and sustainability of the scheme. The following areas are of importance:

- The scheme employs competent, adequately trained staff to run and manage its day-to-day operations;
- We maintain the highest standards of ethics, honesty and integrity;
- The scheme takes into account the impact of its decisions on all relevant third parties.

During the period under review, the scheme worked extensively on its marketing and sustainability strategies to ensure that it remains relevant and the scheme of choice for existing and potential members.

Due to the scheme placing great value on its stakeholders and its corporate citizenship, extensive quality control procedures are in place along with staff and trustee performance reviews and monitoring of complaints and queries from key stakeholders.

PRINCIPAL OFFICER

The Principal Officer's duties and responsibilities are governed by her Service Level Agreement in addition to the Medical Schemes Act and the Scheme's Rules. She is contractually required to give the scheme 30 days' notice in the event of resigning, but sufficient succession planning is in place to ensure that the position will not be vacant for extended periods of time.

The Principal Officer is employed in an executive capacity and is employed on a full-time basis by the scheme. She does not hold other positions or memberships of other governing bodies outside the scheme.

The Principal Officer, Ms. R Booyens resigned and was replaced by Ms. A Jacobs effective January 2019.

GOVERNING BODY - BOARD OF TRUSTEES

The primary governing body of the scheme is the Board of Trustees. Even though they delegate some of their functions to other committees in an appropriate delegation of authority framework, they remain the primary decision maker and the party where the ultimate responsibility rests for the proper functioning of the scheme.

The Board of Trustees (BOT) has the appropriate balance of knowledge, skills, experience, diversity and independence to adequately manage the affairs of the medical scheme and its members. They are proposed and elected by the members of the scheme and participating employers and are governed by an agreed Terms of Reference. The BOT meet regularly and monitor the performance of the Scheme. They address a range of key issues and ensure that discussion of items of policy, strategy and performance is critical, informed and constructive. All trustees have access to the advice and services of the Principal Officer and, where appropriate, may seek independent professional advice at the expense of the Scheme.

The BOT believes that the delegation of authority framework contributes to the role clarity and the effective exercise of authority and responsibilities of the Board's duties.

Composition, experience and tenure of Board members

BOT member	Age	Professional positions	Highest qualification	Career Experience	Tenure
OA Maritz Chairperson: Anglo Appointee	46	Business Performance manager, Anglo American	CA(SA)	23 years	9 years
M Dugmore Vice-chair: Anglo Appointee	55	HR manager, Anglo American	B.Com, H.Dip.ED, LLB	34 years	9 years
HG Schoeman Glencore Appointee	56	Payroll manager, Glencore Coal	Senior certificate	37 years	16 years
S Viljoen Glencore Appointee	39	Group HR Manager, Glencore Coal	B-Tech degree - Human Resources and Labour relations Management	18 years	2 years
Ms CD Logan-Delagey Member elected	46	HR manager, Anglo American	B.Tech Human Resource Management, MDP	24 years	12 years
MH Pearson Member elected	49	Financial manager, Glencore Coal	B.Com Financial Management	28 years	2 years
JA de Jager Member elected	66	Retired principal officer of WCMAS	Business Administration, and Management	41 years	5 years
JC de Carvalho Member elected	67	Retired UASA sector manager	Telecommunications, Qualified Electrician	42 years	22 years
T Masike Member elected	55	CPO, Seriti Coal	BBA Degree	31 years	6 years
A Nienaber Co-opted: SACMA	56	Finance manager, Anglo American	B.Com Financial management	31 years	4 years
MP Barnes Co-opted: UASA	37	UASA union representative	Qualified Diesel Mechanic	15 years	2 years
TS Lessing Alternate: Glencore	58	HR manager, Glencore Coal	National Diploma in Personnel Management	37 years	2 years
E Pretorius Alternate: Glencore	27	Management accountant, Glencore Coal	B.Com Accounting	6 years	2 years
S Makile Alternate: Seriti	51	HR Manager, Seriti Coal	B.Com Industrial Psycology, Masters Diploma in HRM, MDP	23 years	6 months
R Mofokeng Member elected	50	Training manager, Mafube Coal	Bachelor of Human Resources Development	23 years	8 months
M Motubatse Co-opted: NUM	50	Composite operator, Glencore Coal	BAR ATT TRC	18 years	8 months

Reasons for resignations

One of the Union representatives, Mr. T Lewele, resigned to pursue further opportunities.

Chairperson

The chairperson is one of the Anglo American appointees, but was elected as chairman by the Board of Trustees. His roles and responsibilities are outlined in the Medical Schemes Act and the Rules of the scheme.

Performance evaluations

The Board of Trustees are evaluated through a biennial review process whereby they are required to complete a set of questions pertaining to their functioning and performance. These are reviewed by a review committee who consists of the chairman of each of the scheme's committees (BOT, Audit, Investment and Remuneration) where after feedback and remedial actions, if any, are given to the BOT.

Overall, the Board and sub-committees were found to be fit and proper and functioning within their mandate. There were no remedial actions necessary as all members were found to be acting satisfactorily.

The governing body believes this process to be sufficient and efficient in evaluating its performance and motivating it to improve output.

Remuneration

As from 1 June 2012, Board and sub-committee members are compensated for their time, input and the responsibilities that they bear. To qualify for these fees committee members will need to have completed all the required training and orientation courses defined by the CMS and WCMAS rules. The King IV report on Corporate Governance was taken into account in drafting the policy for remuneration of committee members.

Board of Trustees (voting members only), Audit and Governance committee members, Investment and Remuneration committee members may be paid R 1 692 (2017: R1 604) per meeting fully attended up to a maximum of 12 per annum.

However, no fees will be paid for consulting service performed and not all trustee and committee members exercise their right to remuneration due to alternative arrangements with their employers.

Chairpersons of Committees may be paid R 2 537 (2017: R2 405) per meeting fully attended. This is also applicable to the acting chairman at any particular meeting

Committee members are paid travel costs at the standard AA rate for members who do not qualify for travel allowances through other institutions.

All remuneration paid to trustee and committee members are detailed in note 26 of the financial statements.

Trustee attendance

Member	Meetings	Member	Meetings
OA Maritz	11 of 11	T Masike	7 of 11
M Dugmore	11 of 11	A Nienaber [Co-opt]	10 of 11
HG Schoeman	11 of 11	MP Barnes [Co-opt]	4 of 11
S Viljoen	2 of 11	TS Lessing [A]	3 of 11
Ms CD Logan-Delagey	10 of 11	E Pretorius [A]	0 of 11
MH Pearson	8 of 11	R Mofokeng	4 of 7
JA de Jager	10 of 11	M Motubatse	2 of 7
JC de Carvalho	11 of 11	T Lewele [Co-Opt]	2 of 4
S Makile	4 of 6		

Legend: [R] Resigned members [A] Alternate [Co-opt] Co-opted members

AUDIT AND GOVERNANCE COMMITTEE

An Audit and Governance Committee exists in accordance with the provisions of the Act. The committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties. The committee consists of seven members of which three are members of the Board of Trustees.

In accordance with the provisions of the Act, the primary responsibility of the committee is to assist the board of trustees in carrying out its duties relating to the scheme's accounting policies, internal control systems and financial reporting practices and good corporate governance. The majority of the members, including the chairperson, should not be officers of the scheme. The external auditors report formally to the committee on critical findings arising from audit activities.

The committee met on four occasions during the course of the year. The chairperson of the scheme, the principal officer, the accountant and the external auditors attend all Audit Committee meetings and have unrestricted access to the chairperson of the Audit Committee.

Composition, experience and tenure of committee members

BOT member	Age	Professional positions	Highest qualification	Career Experience	Tenure
M Wenum Chairperson: Anglo	48	Internal audit manager, Anglo American	N.Dip Cost and Management Accounting, MDP	29 years	13 years
AJ de Klerk Vice-chair	67	Retired internal auditor	B.Com MDP	27 years	6 years
AD de Jager WCMAS member	67	Retired payroll manager	Senior certificate	35 years	6 years
Z Hammond WCMAS member	33	Financial controller, Anglo American	B.Com Business management	12 years	1 year
OA Maritz BOT chairperson	46	Business Performance manager, Anglo American	CA(SA)	23 years	4 years
MH Pearson BOT member	49	Financial manager, Glencore Coal	B.Com Financial Management	28 years	12 years
A Nienaber BOT member	56	Finance manager, Anglo American	B.Com Financial management	31 years	4 years

Committee attendance

Member	Meetings	Member	Meetings
M Wenum (Chairperson)	2 of 4	OA Maritz	3 of 4
AJ de Klerk (Vice-chair)	4 of 4	H Pearson	3 of 4
AD de Jager	3 of 4	A Nienaber	4 of 4
Z Hammond	3 of 4		

INVESTMENT COMMITTEE

The investment committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and responsibilities and consists of three members, supported by two senior staff members of the Scheme. Two of the Investment Committee members are members of the Board of Trustees.

WCMAS appointed Willis Towers Watson as their Investment advisors.

Composition, experience and tenure of committee members

BOT member	Age	Professional positions	Highest qualification	Career Experience	Tenure
OA Maritz BOT chairperson	46	Business Performance manager, Anglo American	CA(SA)	23 years	4 years
A Nienaber BOT member	56	Finance manager, Anglo American	B.Com Financial management	31 years	4 years
NA Dickman External expert	52	Private practice	CA(SA)	24 years	6 years

Committee attendance

Member	Meetings	Member	Meetings
OA Maritz	4 of 4	NA Dickman	2 of 4
A Nienaber	3 of 4		

REMUNERATION COMMITTEE

The remuneration committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and responsibilities and consists of four members who do not receive remuneration for attending meetings. Three of the committee members are members of the Board of Trustees.

The committee's primary objective is to develop, manage and monitor all remuneration and remuneration related matters by recommending appropriate remuneration values and strategies to the Board for approval and by so doing to ensure the objectivity and credibility of the remuneration and bonus system (staff only), for the board of trustees, sub-committees, principal officer and other members of management and staff.

Composition, experience and tenure of committee members

BOT member	Age	Professional positions	Qualifications	Career Experience	Tenure
M Dugmore Vice-chair: Anglo Appointee	55	HR manager, Anglo American	B.Com, H.Dip.ED, LLB	34 years	9 years
Ms CD Logan-Delagey Member elected	46	HR manager, Anglo American	B.Tech Human Resource Management, MDP	24 years	12 years
T Masike Member elected	55	CPO, Seriti Coal	BBA Degree	31 years	6 years
TS Lessing Alternate: Glencore	58	HR manager, Glencore Coal	National Diploma in Personnel Management	37 years	2 years

Committee attendance

Member	Meetings	Member	Meetings
M Dugmore	1 of 1	T Masike	0 of 1
Ms CD Logan-Delagey	1 of 1	TS Lessing	1 of 1

DISPUTES COMMITTEE

The disputes committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and responsibilities and consists of three members. The members are not members of the board of trustees and only meet when a dispute arises that necessitates their meeting.

There were no disputes during the year under review that necessitated the committee to meet.

RISK MANAGEMENT

As with any business, the scheme is faced with inherent and business risks that need to be identified, mitigated and / or managed to ensure that the scheme can be sustainable.

The scheme's risk management processes include:

- Management identifying risks on a continual basis;
- Formal strategic planning processes;
- Management being charged with putting appropriate controls in place to mitigate risks;
- Quarterly review of risk assessments done by the Audit and Governance committee;
- Annual review of internal policies and procedures;
- Review of committee terms of reference at least every three years.

The scheme maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to safeguard, verify and maintain accountability for its assets adequately. Such controls are based on established policies and procedures and are implemented by trained personnel with the appropriate segregation of duties.

The scheme monitors the effectiveness of controls and resultant deficiencies (if any):

- Monthly, quarterly, bi-annual and annual quality control processes;
- Internal audit governed by the Audit and Governance committee;
- Monthly BOT meetings where queries and complaints from members are addressed.

No event or occurrence has come to the attention of the Board of Trustees that indicates any material breakdown in the functioning of the key internal controls and systems during the year under review.

INVESTMENT STRATEGY

The scheme's investment objectives are to maximize the return on its investments on a long term basis at minimal risk. The investment strategy takes into consideration the constraints imposed by legislation and the strategies of the Board of Trustees with the following mandate:

- achieve a return that exceeds consumer price inflation (CPI) by 3.0% p.a (net of fees) over a three year period, but with low risk of losing capital over a 12 month period,
- the savings account trust funds are to be ring-fenced and invested separately in liquid funds and net returns on these funds are allocated to savings account balances of members,
- liquidity levels are maintained as required by the scheme,
- investments are only made in highly rated institutions with moderate risk,
- investments are made in compliance with the regulations of the Medical Schemes Act, and
- risk assessments are performed with feedback to the Board of Trustees with recommendations on the risks identified.

INFORMATION TECHNOLOGY

The scheme's information technology is managed in-house through a small dedicated IT department.

Proper system and program change controls exist and the procurement of technology is closely managed through annual budgets and monitoring adherence thereto.

IT staff are screened for adequate qualifications before employment. They are also subjected to vigorous interview processes and testing to ensure that they are suitably qualified to meet the scheme's IT requirements.

During the year under review, the IT function focused on the implementation of the new options and all system requirements in that regard. They also implemented many enhancements to the existing system and are investigating other technological advancements.
The systems of the scheme and its capabilities are continuously monitored by all levels of staff and enhancements or improvements done as and when necessary through a supervisor based approval process.

REPORT FROM THE AUDIT AND GOVERNANCE COMMITTEE

The Audit and Governance Committee oversees the scheme's financial reporting process on behalf of the Board of Trustees (BOT) in terms of a delegation of authority framework.

In fulfilling its oversight responsibilities, the Committee reviewed and discussed the audited financial statements and the related schedules in the Annual Report with scheme's management, including a discussion of the quality, not just the acceptability, of the accounting principles; the reasonableness of significant judgments; and the clarity of disclosures in the financial statements.

The scheme discussed with the internal auditors and independent external auditor the overall scope and plans for their respective audits.

Independent external auditors

The Committee meets with the independent external auditor, with and without management present, to discuss the results of their examinations; their evaluations of the scheme's internal control, including internal control over financial reporting, and the overall quality of the scheme's financial reporting.

The Audit and Governance committee recognises the importance of maintaining the independence of the scheme's independent external auditor, both in fact and appearance. The committee, therefore, remains vigilant of any facts or circumstance that may arise that may cloud the auditor's independence and judgment and takes that into account in recommending re-engagement of the external auditor to the BOT.

Based on the above, the Audit committee has recommended to the BOT that PricewaterhouseCoopers Inc. (PWC) be retained as the auditors of Witbank Coalfields Medical Scheme for the 2018 financial year. The firm and the audit partner has been the scheme's external auditors since the 2013 financial year and the partner will not be rotated unless required by law or legislation due to the specialised nature of the industry that the scheme operates in and the loss of knowledge and experience that this will have to effect.

The members of the Audit and Governance Committee and the BOT believe that, due to PWC's knowledge of the scheme and of the medical scheme industry, it is in the best interests of the scheme to continue retention of the firm to serve as the scheme's Independent External Auditor. This decision has also been ratified by the Annual General Meeting of the scheme held on 23 April 2018.

Any non-audit services that the scheme may require is recommended for approval to the BOT by the committee as and when the need arises. During the year under review, the scheme did not require any non-audit services from the independent external auditors.

Internal audit

The internal audit function is performed by senior management of the scheme and independence is maintained through the review of audit work being performed by a non-executive member of the Audit and Governance committee.

The committee is satisfied with the workings of the internal audit function, with the results from the tests performed and with the member of management charged with the responsibilities of the Chief Audit Executive. The lack of dependence of the function is adequately mitigated through the external review by a non-executive and by the fact that no reliance is placed on the function by the external auditors.

Senior management

There has been no major changes senior management of the scheme since the change in Principal Officers in 2013. Subsequent to year end, there was a change in Principal officers, when Ms. A Jacobs was appointed.

The committee is confident that the Principal Officer and the senior management of the scheme are competent and suitably qualified to perform the duties entrusted to them.

ANNUAL REPORT
WITBANK COALFIELDS MEDICAL AID SCHEME
REPORT FROM THE AUDIT AND GOVERNANCE COMMITTEE
31 December 2018

Annual financial statements

The Committee reviewed and discussed together with management and the independent auditor the scheme's audited financial statements for the year ended 31 December 2018, and the results of management's assessment of the effectiveness of the scheme's internal control over financial reporting and the independent auditor's audit of internal control over financial reporting.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Trustees, and the BOT has approved, that the audited financial statements and related schedules be included in the Annual Report for the year ended 31 December 2018.

Signed on behalf of the Audit and Governance committee on 1 April 2019 by:

M WENUM
CHAIRPERSON: AUDIT AND GOVERNANCE COMMITTEE

Independent Auditor's Report

To the Members of Witbank Coalfields Medical Aid Scheme

Report on the financial statements

Opinion

We have audited the financial statements of Witbank Coalfields Medical Aid Scheme (the Scheme), set out on pages 24 to 60, which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in funds and reserves and the statement of changes in cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Scheme as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Medical Schemes Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Scheme in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Outstanding claims provision The outstanding claims provision of R23 471 000 at year-end, as described in Note 8 to the financial statements, is a provision recognised for the estimated cost of healthcare benefits that have been incurred prior to year-end but that were only reported to the Scheme after year-end. The outstanding claims provision is calculated by the Scheme's management which is reviewed by the Audit and Governance Committee and recommended to the Board of Trustees for approval.	We obtained an understanding from the Scheme's management regarding the process to calculate the outstanding claims provision. The actuarial model applied by the Scheme is one that is generally applied within the medical scheme industry. We obtained the actual claims data from the member administration system covering the year ended 31 December 2018.

pwc

Key audit matter	How our audit addressed the key audit matter
The Scheme's management use an actuarial model. This model extrapolates the development of paid and incurred claims, average cost per claim and ultimate claim numbers for each benefit year based upon observed development of earlier years and expected loss ratios. Statistical calculations are used in situations where it takes time after the treatment date until the full extent of the claims to be paid is known. It is assumed that payments will emerge in a similar way in each service month. The proportional increase in the known cumulative payments from one month to the next can then be used to estimate future expenses for future development months. We identified this to be a matter of most significance to the audit because of the uncertainty in the projected claims pattern. A change in the projected claims pattern can cause a material change to the amount of the provision.	For a sample of actual claims received by the Scheme in the 2018 financial year, we tested the accuracy of the service and process dates. No material inconsistencies were noted. We substantively tested a sample of claims against the relevant Scheme rules and assessed completeness of the claims data. The claims data that was included in the Scheme's actuarial model was agreed to the above actual claims data with no material inconsistencies noted. To assess the reasonableness of the Scheme management's estimation process, we compared the actual claim results in the current year to the prior year provision. Based on our assessment, the estimation process was considered reasonable. We obtained the actual claims run-off report up to 31 January 2019 from the Scheme's management. For a sample of claims from the report, we tested the occurrence and accuracy of the claims as well as the accuracy of the related service dates and we identified no material inconsistencies. We enquired from the Scheme's management whether there were delays in processing claims at year-end that could possibly impact the claims run-off pattern subsequent to year-end. Management confirmed that there were no such delays.
Risk Transfer Arrangement Refer to note 14 of the financial statements. The Witbank Coalfields Medical Aid Scheme ("Scheme") entered into a risk transfer arrangement (capitation fee agreement) whereby the parties agreed that the Anglo Coal Highveld Hospital ("ACHH") render services to beneficiaries on the Yebomed medical scheme option. A fixed fee was paid by the Scheme to ACHH per beneficiary. In return, ACHH provides a range of services to members of the Yebomed medical scheme option. The cost the Scheme would have incurred to deliver the specified benefits, had it not entered into the capitation	We evaluated the competence, capabilities, independence and objectivity of management's expert and obtained an understanding of their work by inspection of their company profile and individual credentials and inquiring about their work performed. We evaluated the calculation of recoveries from the risk transfer arrangement and the assumptions used in the calculation by performing the following procedures: • We compared the methodology and the approach used by management's expert to the previous year and found it to be

Key audit matter	How our audit addressed the key audit matter

fee agreement, primarily represents the Scheme's exposure to its members, as the capitation fee agreement cannot absolve the Scheme from its responsibility towards its members. This "cost" is disclosed as part of the risk claims incurred as disclosed in Note 12 to the financial statements, and as recoveries of the risk transfer arrangement as disclosed in Note 14 to the financial statements.
 	
In order to estimate the recoveries from the risk transfer arrangement, management used external actuaries ("management's expert") to determine the claims that Yebomed beneficiaries were expected to make given their demographic profile and the benefits available to them.
 	
The risk transfer arrangement was identified as a matter of most significance to our current year audit due to the assumptions used in the calculation of the recoveries from the risk transfer arrangement and its magnitude. These assumptions include generally lower claiming expectations for a healthy, low-income mining group;mining-specific health demands; and higher primary health costs due to the proximity of facilities and resulting ease of access.
 	
Although the cost does not have any effect on the surplus of the Scheme, disclosure of the net amount of the cost and the contribution received is a requirement of IFRS 4. It demonstrates whether the arrangement is favourable or not, and whether it is in the best interest of the members of the Scheme and is therefore important to the users of the financial statements.
	consistent.
	• We agreed information and assumptions used by management's expert to supporting documentation as outlined below, with immaterial differences:
	  o scheme benefits were agreed to the approved and communicated benefit schedule;
	  o monthly contributions were agreed to the approved and communicated benefit schedule;
	  o health demands were agreed to historical claims for this benefit;
	  o actual claims paid were agreed to bank statements of the Scheme; and
	  o administration fees were agreed to the service level agreement.
	• On a sample basis, we tested membership numbers by inspecting supporting documentation (application and termination forms) for new members as well as member terminations. No exceptions were noted.
	• We tested the mathematical accuracy of the calculation. Immaterial differences were noted.

Other Information

The Scheme's trustees are responsible for the other information. The other information comprises the information included in the Witbank Coalfields Medical Aid Scheme Annual Report for the year ended 31 December 2018. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Scheme's Trustees for the Financial Statements

The Scheme's trustees are responsible for the preparation and fair presentation of the financial statements, in accordance with International Financial Reporting Standards and the requirements of the Medical Schemes Act of South Africa, and for such internal control as the Scheme's trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Scheme's trustees are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Scheme's trustees either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Scheme's trustees.
- Conclude on the appropriateness of the Scheme's trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Scheme's trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Scheme's trustees, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Non-compliance with the Medical Schemes Act of South Africa
As required by the Council for Medical Schemes, we report that there are no material instances of non-compliance with the requirements of the Medical Schemes Act of South Africa that have come to our attention during the course of our audit.

Audit Tenure

As required by the Council for Medical Schemes' Circular 38 of 2018, Audit Tenure, we report that PricewaterhouseCoopers Inc. has been the auditor of Witbank Coalfields Medical Aid Scheme for 6 years.

The engagement partner, Stephan Eicker, has been responsible for Witbank Coalfields Medical Aid Scheme's audit for 6 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Stephan Eicker
Registered Auditor
eMalahleni
1 April 2019

STATEMENT OF FINANCIAL POSITION

31 December 2018

	Notes	2018 R	2017 R
ASSETS			
NON-CURRENT ASSETS		459 162 507	371 135 416
Equipment and other assets	2	1 010 649	1 321 300
Investment properties	3	9 754 675	10 218 722
Investments at fair value through other comprehensive income	4	448 397 183	359 595 394
CURRENT ASSETS		278 191 177	358 750 451
Trade and other receivables	5	17 383 793	1 191 007
Investments at fair value through other comprehensive income	4	227 430 148	315 626 988
Cash and cash equivalents	6	33 377 236	41 932 456
TOTAL ASSETS		737 353 684	729 885 867
FUNDS AND LIABILITIES			
MEMBERS' FUNDS		503 151 236	522 446 237
Accumulated funds	p26	522 308 016	488 943 847
Revaluation reserve - Investments	p26	-	33 502 390
Other reserves	p26	(19 156 780)	-
LONG TERM LIABILITIES		2 940 360	3 399 323
Post retirement medical aid benefit	7	2 940 360	3 399 323
CURRENT LIABILITIES		231 262 088	204 040 307
Post retirement medical aid benefit	7	29 640	27 900
Provision for leave pay		824 000	953 000
Outstanding claims provision	8	23 471 000	16 482 000
Personal medical savings account liability	9	178 696 345	159 736 636
Accounts payable	10	28 241 103	26 840 771
TOTAL FUNDS AND LIABILITIES		737 353 684	729 885 867

ANNUAL REPORT
WITBANK COALFIELDS MEDICAL AID SCHEME
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
31 December 2018

	Notes	2018 R	2017 R
Risk contribution income	11	**356 168 949**	312 508 637
Relevant healthcare expenditure		**(359 473 585)**	(312 205 466)
Net claims incurred		**(361 366 081)**	(317 297 894)
Risk claims incurred	12	**(358 333 996)**	(313 567 755)
Accredited managed care: management services	13	**(5 404 964)**	(4 631 966)
Third party claim recoveries		**2 372 879**	901 827
Net income / (expense) on risk transfer arrangement		**1 892 496**	5 092 428
Risk transfer arrangement fees	14	**(42 560 989)**	(39 501 594)
Recoveries from risk transfer arrangement	14	**44 453 485**	44 594 022
Gross healthcare result		**(3 304 636)**	303 171
Broker fees	15	**(89 553)**	(75 393)
Administration expenditure	16	**(26 116 509)**	(24 912 702)
Credit impairment losses	17	**(42 154)**	2 727
Net healthcare result		**(29 552 852)**	(24 682 197)
Other income		**45 235 987**	55 281 438
Investment income	18	**40 015 843**	49 938 355
Rental income from investment property		**4 544 829**	4 562 963
Sundry income	19	**675 315**	780 120
Other expenditure		**(15 821 356)**	(18 393 469)
Asset management fees		**(3 397 536)**	(3 024 571)
Direct operating expenses incurred in the rental of investment property		**(2 980 941)**	(3 492 408)
Interest paid on savings accounts	20	**(9 442 879)**	(11 876 490)
Net (loss) / surplus for the year		**(138 221)**	12 205 772
Other comprehensive income	p26	**(19 156 780)**	2 237 249
Realised gain/ (loss) on disposal of fair value investments		**7 482 064**	(9 013 642)
Unrealised (loss) / gain on revaluation of investments		**(26 638 844)**	11 250 891
Total comprehensive surplus / (deficit) for the year		**(19 295 001)**	14 443 021

ANNUAL REPORT
WITBANK COALFIELDS MEDICAL AID SCHEME
STATEMENT OF CHANGES IN FUNDS AND RESERVES
31 December 2018

	REVALUATION RESERVE INVESTMENTS R	OTHER RESERVES R	ACCUMULATED FUNDS R	MEMBERS' FUNDS R
BALANCE AT 31 DECEMBER 2016	**31 265 141**	**-**	**476 738 075**	**508 003 216**
Net surplus for the year	-	-	12 205 772	12 205 772
Other comprehensive income	2 237 249	-	-	2 237 249
BALANCE AT 31 DECEMBER 2017	**33 502 390**	**-**	**488 943 847**	**522 446 237**
Changes on initial application of IFRS 9	(33 502 390)	-	33 502 390	-
RESTATED BALANCE AT 1 JANUARY 2018	**-**	**-**	**522 446 237**	**522 446 237**
Net surplus for the year	-	-	(138 221)	(138 221)
Other comprehensive income	-	(19 156 780)	-	(19 156 780)
BALANCE AT 31 December 2018	**-**	**(19 156 780)**	**522 308 016**	**503 151 236**

BALANCE AT 31 December 2018				
Consisting of:				
Comprehensive option	-	(19 233 739)	503 538 369	484 304 630
Midmas option	-	-	1 828 737	1 828 737
Ntsika option	-	-	1 719 900	1 719 900
Yebomed option	-	76 959	15 221 010	15 297 969
	-	(19 156 780)	522 308 016	503 151 236

STATEMENT OF CHANGES IN CASH FLOW

31 December 2018

	Notes	2018 R	2017 R
OPERATING ACTIVITIES			
Cash flows from operations before working capital changes	21	(27 537 175)	(22 247 389)
Working capital changes:			
Movement in trade and other receivables		(16 128 157)	19 301 157
Movement in impairment losses		(64 629)	(140 779)
Movement in savings plan liability		18 959 709	4 540 437
Movement in provision for outstanding claims		6 989 000	82 000
Movement in provision for post retirement benefit		(457 223)	696 223
Movement in other payables		1 271 332	(3 978 865)
Cash generated from operations		(16 967 143)	(1 747 216)
Interest paid on savings balances		(9 442 879)	(11 876 490)
Net cash flow effect of operating activities		(26 410 022)	(13 623 706)
INVESTING ACTIVITIES			
Additions to investment properties		(107 544)	(907 683)
Additions to equipment and other assets		(460 559)	(479 848)
Proceeds on disposal of equipment		5 120	4 841
Increase in investments at fair value through OCI		(19 761 729)	(12 370 652)
Proceeds on disposal of investments at fair value through OCI		-	9 013 642
Interest received on investments at fair value through OCI		31 885 811	35 267 281
Dividends received		8 127 351	5 652 698
Investment managers' fees		(3 397 536)	(3 024 571)
Net rentals received		1 563 888	1 070 555
Net cash flow effect of investing activities		17 854 802	34 226 263
MOVEMENT IN CASH AND CASH EQUIVALENTS		(8 555 220)	20 602 557
Cash and cash equivalents at beginning of year		41 932 456	21 329 899
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	33 377 236	41 932 456
Cash and cash equivalents comprise of:			
Scheme	6	33 377 236	41 932 456
		33 377 236	41 932 456

1 PRINCIPAL ACCOUNTING POLICIES

The financial statements of the scheme comprise the scheme.

Changes in accounting policies

The Scheme has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. The Scheme did not early adopt any of IFRS 9 in previous periods.

As permitted by the transitional provisions of IFRS 9, the Scheme elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves for the current period.

Consequently, for note disclosures, the consequential amendments to IFRS 7 disclosures have also only been applied to the current period. The comparative period notes disclosures repeat those disclosures made in the prior year.

The adoption of IFRS 9 has resulted in changes in our accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7: Financial Instruments Disclosures

Set out below are disclosures relating to the impact of the adoption of IFRS 9 on the Scheme. Further details of the specific IFRS 9 accounting policies applied in the current period (as well as the previous IAS39 accounting policies applied in the comparative period) are described in more detail in the section below.

(a) Classification and measurement of financial instruments

The measurement category and the carrying amount of financial assets and liabilities in accordance with IAS39 and IFRS 9 at 1 January 2018 are compared as follows:

	IAS39		IFRS 9	
Financial assets	**Measurement category**	**Carrying amount**	**Measurement category**	**Carrying amount**
		R'000		**R'000**
Non-current investments	FVOCI (Available for sale)	359 595	FVOCI	359 595
Trade and other receivables	Amortised cost	1 191	Amortised cost	1 191
Current investments	FVOCI (Money Market)	315 627	FVOCI (Money Market)	315 627
Cash and cash equivalents	Amortised cost	41 932	Amortised cost	41 932

There were no changes to the classification and measurement of financial liabilities.

(b) Reconciliation of statement of financial position balances from IAS39 to IFRS 9

The scheme performed a detailed analysis of its business models for managing financial assets and analysis of their cash flow characteristics. The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with IAS39 to their new measurement categories upon transition to IFRS 9 on 1 January 2018.

	IAS39 carrying amount 31-Dec-17	**Reclassifications**	**Remeasurements**	**IFRS 9 carrying amount 01-Jan-18**
Amortised cost	**R'000**	**R'000**	**R'000**	**R'000**
Trade and other receivables	1 191	-	-	1 191
Cash and cash equivalents	41 932	-	-	41 932
FVOCI				
Non-current investments	359 595	-	-	359 595
Current investments	315 627	-	-	315 627

Designation of equity instruments at FVOCI

The Scheme elected to irrevocably designate investments, previously classified as Available for Sale, at Fair Value through Other Comprehensive Income. This supports the scheme's business model to hold financial assets and liabilities until maturity for the preservation of the scheme's solvency and to enhance its ability to honour claims commitments for the foreseeable future. The changes in fair value of these investments will no longer be reclassified to profit or loss when they are disposed of.

1 PRINCIPAL ACCOUNTING POLICIES

(c) Reconciliation of impairment allowance balance from IAS39 to IFRS 9

The following table reconciles the prior period's closing impairment allowance measured in accordance with the IAS39 incurred loss model to the new impairment allowance measured in accordance with the IFRS 9 expected loss model at 1 January 2018.

	Loan loss allowance under IAS 39 R'000	Reclassifications R'000	Remeasurements R'000	Loan loss allowance under IFRS 9 R'000
Trade and other receivables	189	-	-	189
Cash and cash equivalents	-	-	-	-
Non-current investments: debt components	-	-	-	-
	189	-	-	189

Accounting standards and guidance

At the date of authorisation of these financial statements, the following Standards and Interpretations are applicable:

Standards and interpretations effective for the first time

* IFRS 4	These amendments introduce two approaches: an overlay approach and a deferral approach	Effective 1 January 2018
* IFRS 9	New standard on financial instruments to replace IAS39	Effective 1 January 2018
* IFRS 15	Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer. Amendments were also made to the standard to clarify the guidance.	Effective 1 January 2018
* IAS40	These amendments clarify that to transfer to, or from, investment properties there must be a change in use	Effective 1 January 2018
* IFRS 1	Regarding the deletion of short-term exemptions for first-time adopters regarding IFRS 7, IAS 19, and IFRS 10 effective 1 January 2018.	Effective 1 January 2018

Standards and Interpretations that is not applicable to the scheme and is effective

* IFRS 2	Addresses the accounting for cash-settled share-based payments and equity-settled awards that include a net settlement feature in respect of withholding taxes.	Effective 1 January 2018
* IFRIC 22	Addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency.	Effective 1 January 2018
* IAS28	Regarding measuring an associate or joint venture at fair	Effective 1 January 2018

Standards and Interpretations that may be applicable to the scheme but are not yet effective and not adopted

* IAS19	Amendments to update the assumptions to determine current service cost	Effective 1 January 2019
* IFRS9	Amendment regarding pre-payable financial assets and clarifies how to account for the modification of a financial liability	Effective 1 January 2019
* IFRS 16	Lessees should be required to recognise assets and liabilities arising from all leases.	Effective 1 January 2019
* IAS1	Amendments to clarify the use of materiality	Effective 1 January 2020
* IFRS 17	IFRS 17 defines clear and consistent rules for insurance contracts that will significantly increase the comparability of financial statements	Effective 1 January 2021

Standards and Interpretations that is not applicable to the scheme are not yet effective

* IFRIC23	Provides a framework to consider, recognise and measure the accounting impact of tax uncertainties	Effective 1 January 2019
* IAS12	Clarifies the income tax consequences of dividends on financial instruments	Effective 1 January 2019
* IAS23	Clarifies the treatment of borrowing costs	Effective 1 January 2019

1 PRINCIPAL ACCOUNTING POLICIES

* IAS28	Clarifies that IFRS 9 be used to account for long term interests in associates or joint ventures	Effective 1 January 2019
* IFRS3	Clarifies when interest in a joint operation is measured	Effective 1 January 2019
* IFRS11	Clarifies when interest in a joint operation is measured	Effective 1 January 2019
* IFRS3	Amendment to revise the definition of a business	Effective 1 January 2020

Management is still considering the impact that the applicable standards amendments will have on the scheme.

Statement of compliance
The financial statements are prepared on the going concern basis, in accordance with International Financial Reporting Standards (IFRS) and interpretations of those Standards, as adopted by the International Accounting Standards Board (IASB) and the requirements of the Medical Schemes Act.

Basis of preparation
The financial statements are prepared in accordance with International Financial Reporting Standards on the historical cost basis, except for investments which are reflected at fair value.

The accounting policies are consistent with the prior year with the exception of the implementation of IFRS 9.

Basis of consolidation
Subsidiaries are entities controlled by the scheme. Control exists when the scheme is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The scheme had control over two dormant entities: Mpumalanga Managed Healthcare (Pty) Ltd and Witbank Coalfields Investments (Pty) Ltd. The balances contained in these subsidiaries were considered to be immaterial and were therefore not consolidated. Since they have been dormant for more than five years, these two entities were deregistered during the year under review.

Recognition of assets and liabilities
Assets are only recognised if it is probable that future economic benefits associated with the asset will flow to the entity and the cost or fair value can be measured reliably. Liabilities are only recognised if it is probable that future economic benefits associated with the liability will flow from the entity and the cost or fair value can be measured reliably.

Unless specifically permitted by an Accounting Standard, assets and liabilities are not offset.

Equipment and other assets
Equipment and other assets are reflected at historical cost less accumulated depreciation and accumulated impairments. Depreciation is charged on the straight-line basis over the estimated useful lives of the assets after taking into consideration the assets' residual values. The following annual depreciation rates are used:

* Computer equipment	33.3%
* Motor vehicles	20.0%
* Office equipment	25.0%
* Mailroom equipment	20.0%
* Generator	10.0%

Management annually reassesses the useful life and residual value of equipment and other assets.

Maintenance and repairs, which neither materially add to the value of assets, nor appreciably prolong their useful lives, are charged against profit or loss.

Surpluses and deficits on the disposal of property, plant and equipment are charged to profit or loss.

Assets are reviewed annually for indications of impairment. An impairment loss is recognised in the statement of comprehensive income immediately when it arises.

Investment properties
Investment properties are held to earn rental income and for capital appreciation.

The investment properties are valued at historical cost, less accumulated depreciation and accumulated impairment. Depreciation is charged on the straight-line basis over the estimated useful life of the assets after taking into consideration the asset's residual value. The values of properties are reviewed annually for impairment. An impairment loss is recognised in the statement of comprehensive income if it exists.

1 PRINCIPAL ACCOUNTING POLICIES

Assets are depreciated as follows:

* Air conditioners	15.0%
* Developed buildings	0.0%
* Land	0.0%
* Lifts	6.7%
* Partitioning & electrical	10.0%

Depreciation on developed buildings was seized from the 2010 financial year due to the management believing that the building's value is not decreasing.

The residual values and useful lives of the assets are reviewed on an annual basis.

Register of investment properties and all investments
A register of all investment properties and investments, is available for inspection at the registered office of the Scheme.

Financial assets and liabilities
Measurement methods
Amortised cost and effective interest rate
The amortised cost is the amount at which the financial asset or liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or - liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transactions costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the scheme revises the estimates of future cash flows, the carrying amount of the respective financial assets or - liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets except for financial assets that have subsequently become credit-impaired for which interest revenue is calculated by applying the effective interest rate to its amortised cost.

Initial recognition and measurement
Financial assets and - liabilities are recognised when the scheme becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the scheme commits to purchase or sell the asset. At initial recognition, financial assets or - liabilities are measured at fair value plus or minus transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or - liability, such as fees and commissions. These instruments are subsequently measured at amortised cost, using the effective interest method. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investment in debt instruments measured at FVOCI which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

If the fair vale of the financial assets and - liabilities differ from the transaction price on initial recognition, the scheme recognises the difference as follows:
(a) If the fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

<u>Financial assets</u>
(i) Classification and subsequent measurement
From 1 January 2018, the Scheme has applied IFRS 9 and classifies its financial assets in the following measurement categories:
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost

1 PRINCIPAL ACCOUNTING POLICIES

The classification requirements for debt and equity instruments are described below.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients.

Classification and subsequent measurement of debt instruments depend on:
(i) the scheme's business model for managing the assets; and
(ii) the cash flow characteristics of the asset.

Based on these factors, the scheme classified its debt instruments into one of the following two measurement
• Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowances recognised and measured. Interest income from these financial assets is included in interest income using the effective interest rate method.
• Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in investment income. Interest income from these financial assets is included in interest income using the effective interest rate method.

Business model: The scheme's business model reflects how the scheme manages the assets in order to generate cash flows. The scheme's business model is to hold financial assets and liabilities until maturity for the preservation of the scheme's solvency and to enhance its ability to honour claims commitments for the foreseeable future. Factors considered by the scheme in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

The scheme reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The scheme's policy is to designate equity investments at FVOCI due to the scheme's primary objective being long term preservation of the scheme's solvency and not merely to generate investment returns. Fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses and reversal of impairment losses are not reported separately from other changes in fair value. Dividends continue to be recognised in profit or loss as other income when the scheme becomes entitled to receive payment, as it represents a return on investments.

(ii) Impairment

The scheme assesses on a forward-looking basis, the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The scheme recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:
• An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
• The time value of money; and
• Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(iii) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the scheme transfers substantially all the risks and rewards of ownership, or (ii) the scheme neither transfers nor retains substantially all the risks and rewards of ownership and the scheme has not retained control.

1 PRINCIPAL ACCOUNTING POLICIES

Financial liabilities

(i) Classification and subsequent measurement

In both the current and prior period, all financial liabilities are classified as subsequently measured at amortised

(ii) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Derivatives

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Impairment of non-financial assets

A non-financial asset is impaired if its carrying amount is greater than its recoverable amount. The recoverable amount of all assets, excluding investments, is the greater of the selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (a) restricted activities; (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors; (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Scheme has certain of its investments in other funds (investee funds), which are investments in unconsolidated structured entities. The Scheme invests in investee funds whose objectives range from achieving medium- to long-term capital growth. The investee funds are managed by unrelated asset managers and apply various investment strategies to accomplish their respective investment objectives.

Personal medical savings accounts

The personal medical savings accounts, represent savings contributions (deposit component of the insurance contracts), and accrued interest thereon, net of any savings claims paid on behalf of members in terms of the scheme's registered rules.

The deposit component of the insurance contracts has been unbundled, since the scheme can measure the deposit component separately. The deposit component is recognised in accordance with IAS 39 and is initially measured at fair value and subsequently at amortised cost using the effective interest rate method. The insurance component is measured in accordance with IFRS 4.

Unspent savings at year end are carried forward to meet future expenses for which the members are responsible. In terms of the Medical Schemes Act 131 of 1998, as amended, balances standing to the credit of members are refundable only in terms of Regulation 10 of the Act.

Advances on savings contributions are funded from the scheme's funds and the scheme will assess the advances for impairment.

The personal medical savings accounts are invested in money market instruments and deposits held at call with banks in terms of the rules of the scheme. These monies are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Insurance contracts

These are contracts under which the scheme accepts significant insurance risk from another party (the member), by agreeing to compensate the member or beneficiary for costs incurred if a specified uncertain event (the insured event) adversely affects the member or beneficiary. The contracts issued insures the scheme's members against healthcare expenses incurred.

1 PRINCIPAL ACCOUNTING POLICIES

Provisions

Provisions are recognised when the scheme has a present legal or constructive obligation as a result of past events, from which it is probable that an outflow of economic benefits will be required to settle the obligation, and it can be reliably estimated.

Outstanding risk claims provision

Outstanding risk claims comprise provisions for the scheme's estimate of the ultimate cost of settling all claims incurred but not yet reported at the reporting date. Outstanding risk claims are determined as accurately as possible on the basis of a number of factors, which include previous experience in claims patterns, historical run-off triangles, changes in the number of members according to their gender and age, trends in claims frequency, changes in the claims processing cycle, and variations in the nature and average cost incurred per claim.

The outstanding claims provision is reduced by the estimated recoveries from savings plan accounts. The scheme does not discount its provision for outstanding claims since the effect of the time value of money is not considered to be material. It is of such short term nature that the effect of discounting may be insignificant.

Liabilities and related assets under liability adequacy test

The liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of any related assets (i.e. the value of the business acquired).

Where a shortfall is identified, an additional provision is made and the scheme recognises the deficiency in the surplus / deficit for the year.

Post retirement medical aid benefits of WCMAS employees

On retirement the staff employed by the scheme as at 31 January 2011, will receive a medical aid subsidy equal to 50% of their contribution for the remainder of their lives. Surviving spouses of employees entitled to the subsidy will continue to receive the benefit. The benefit will cease upon the death of the surviving spouse. Payments in terms of this liability has been effective from 1 January 2012.

The post retirement medical aid contribution benefit liability is measured at the present value of the amount payable for the remaining lives of the beneficiaries and their surviving spouses. Employees become eligible at retirement age of 60. The liability is regularly valued by a recognised actuary.

An actuarial valuation is performed every second year to determine the value of the liability and the liability is unfunded. For the year ended 31 December 2018 the Projected Unit Credit discounted cash flow method was used.

Risk contribution income

Contributions on member insurance contracts are accounted for monthly when their collection in terms of the insurance contract is reasonably certain. Risk contributions represent the gross contributions per the registered rules after the unbundling of savings contributions. The earned portion of risk contributions received is recognised as revenue. Risk contributions are earned from the date of attachment of risk, over the indemnity period on a straight-line basis. Risk contributions are shown before the deduction of broker services, fees and other acquisition costs.

Relevant healthcare expenditure

Road Accident Fund (RAF)

The scheme grants assistance to its members in defraying expenditure incurred in connection with the rendering of any relevant health service. Such expenditure may be in connection with a claim that is also made to the RAF by the member, in terms of the Road Accident Fund Amendment Act, 2001. If the member is reimbursed by the RAF, they are obliged contractually to cede that payment to the scheme to the extent of healthcare expenses incurred by the Scheme on behalf of the member. The amount of submitted claims to the Road Accident fund amounted to R 13 752 124 (2017: R 13 915 338).

Due to the uncertainty around the confirmation and measurability of the Road Accident Fund amounts, the Scheme accounts for these amounts on a cash basis and recognises them as a reduction of net claims incurred.

Risk claims incurred

Risk claims incurred comprise the total estimated cost of all claims arising from healthcare events that have occurred in the year and for which the scheme is responsible, whether or not reported by the end of the year.

1 PRINCIPAL ACCOUNTING POLICIES

Relevant healthcare expenditure (continued)

Net risk claims incurred represent claims incurred net of discounts received, recoveries from members for co-payments and personal medical savings accounts. Net risk claims incurred represent risk claims incurred after taking into account recoveries from third parties.

Accredited managed care: management services comprise amounts paid or payable to third parties for managing the utilisation, cost and quality of healthcare services of the fund and is deemed to be part of the relevant healthcare expenditure.

Relevant healthcare expenditure

Relevant healthcare expenditure consists of net claims incurred and net income or expense from risk transfer arrangements.

Risk transfer arrangements

Contracts entered into by the scheme with third party service providers under which the scheme is compensated for losses/claims (through the provision of services to members) on one or more contracts issued by the scheme and that meet the classification requirements of insurance contracts are classified as risk transfer arrangements (reinsurance contracts). Only contracts that give rise to a significant transfer of insurance risk are accounted for as risk transfer arrangements. Risk transfer premiums/fees are recognised as an expense over the indemnity period on a straight-line basis. Where applicable, a portion of risk transfer premiums/fees is treated as pre-payments.

Risk transfer claims and benefits reimbursed are presented in the statement of comprehensive income and statement of financial position on a gross basis.

Assets relating to risk transfer arrangements include balances due under risk transfer arrangements for outstanding risk claims provisions and claims reported not yet paid. Amounts recoverable under risk transfer arrangements are estimated in a manner consistent with the risk claims provisions, claims reported not yet paid, and settled claims associated with the risk transfer arrangement taking into account the terms of the contract. The amounts recoverable under such contracts are recognised in the same year as the related claim.

Amounts recoverable under risk transfer arrangements are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the scheme may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the scheme will receive under the risk transfer arrangement.

Allocation of income and expenditure to benefit options

The following items are directly allocated to benefit options: risk contributions, risk claims incurred, net income/(expenses) on risk transfer arrangements, managed care: management services, administration fees, broker fees, investment income and other income and expenditure.

Investment income

Interest income is recognised on the effective interest rate method, taking into account the principal amount outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the scheme.

Dividend income is recognised when the right to receive payment is established.

Rental income from investment properties is recognised in the statement of comprehensive income on a contractual basis over the lease term. All leases with tenants are linked to the Consumer Price Index (CPI) and straight lining is therefore not possible.

Retirement benefits of WCMAS employees

Employees all belong to a defined contribution pension fund. The contributions to the fund are recognised in the statement of comprehensive income in the year in which they are incurred.

Medical benefits of WCMAS employees

Most employees belong to the scheme. WCMAS subsidises 50% of these premiums until resignation or retirement from the employment of the Scheme.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement. The Scheme leases certain property, plant and equipment.

1 PRINCIPAL ACCOUNTING POLICIES

Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the scheme's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgment or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgments are included in the related notes together with information about the basis of calculation for each effected line item in the financial statements.

Outstanding claims provision

There are certain estimation uncertainties inherent in the estimation of the fair value of the liability arising from claims made under insurance contracts. Estimates are made according to the latest available information on reported claims and derived as the claims process develops. Refer to note 8.

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 29, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

• Determining criteria for significant increase in credit risk;

• Choosing appropriate models and assumptions for the measurement of ECL;

• Establishing the number and relative weightings of forward-looking scenarios for each type of product / market and the associated ECL;

Detailed information about the judgments and estimates made by the scheme in the above areas is set out in note

2 EQUIPMENT AND OTHER ASSETS

	Generator R	Computer equipment R	Office equipment R	Motor vehicles R	Total R
Year ended 31 December 2018					
Cost	758 238	3 439 922	1 610 292	138 161	5 946 613
At beginning of year	758 238	3 489 502	1 564 349	138 161	5 950 250
Additions	-	408 176	52 383	-	460 559
Disposals	-	(457 756)	(6 440)	-	(464 196)
Accumulated depreciation	(630 350)	(2 925 148)	(1 290 886)	(89 580)	(4 935 964)
At beginning of year	(627 578)	(2 885 574)	(1 026 518)	(89 280)	(4 628 950)
Depreciation charges	(2 772)	(495 279)	(270 420)	(300)	(768 771)
Accumulated depreciation on disposals	-	455 705	6 052	-	461 757
Carrying amount at end of year	**127 888**	**514 774**	**319 406**	**48 581**	**1 010 649**
Year ended 31 December 2017					
Cost	758 238	3 489 502	1 564 349	138 161	5 950 250
At beginning of year	758 238	3 317 755	1 526 713	138 161	5 740 867
Additions	-	438 240	41 608	-	479 848
Disposals	-	(266 493)	(3 972)	-	(270 465)
Accumulated depreciation	(627 578)	(2 885 574)	(1 026 518)	(89 280)	(4 628 950)
At beginning of year	(570 847)	(2 480 273)	(751 292)	(88 980)	(3 891 392)
Depreciation charges	(56 731)	(671 687)	(279 198)	(300)	(1 007 916)
Accumulated depreciation on disposals	-	266 386	3 972	-	270 358
Carrying amount at end of year	130 660	603 928	537 831	48 881	1 321 300

3 INVESTMENT PROPERTIES

	Land & Buildings R	Partitioning, electrical & fittings R	Lift R	Aircondi-tioners R	Total R
Year ended 31 December 2018					
Cost	9 239 230	2 229 692	1 486 448	3 639 434	16 594 804
At beginning of year	9 239 230	2 122 148	1 486 448	3 639 434	16 487 260
Additions	-	107 544	-	-	107 544
Disposals	-	-	-	-	-
Accumulated depreciation	(1 647 474)	(2 065 747)	(359 227)	(2 767 681)	(6 840 129)
At beginning of year	(1 647 474)	(2 004 598)	(260 130)	(2 356 336)	(6 268 538)
Depreciation charges	-	(61 149)	(99 097)	(411 345)	(571 591)
Accumulated depreciation on disposals	-	-	-	-	-
Carrying amount at end of year	**7 591 756**	**163 945**	**1 127 221**	**871 753**	**9 754 675**
Year ended 31 December 2017					
Cost	9 239 230	2 122 148	1 486 448	3 639 434	16 487 260
At beginning of year	9 189 663	2 122 148	1 486 448	3 079 128	15 877 387
Additions	49 567	-	-	858 116	907 683
Disposals	-	-	-	(297 810)	(297 810)
Accumulated depreciation	(1 647 474)	(2 004 598)	(260 130)	(2 356 336)	(6 268 538)
At beginning of year	(1 647 474)	(1 944 676)	(161 033)	(2 166 393)	(5 919 576)
Depreciation charges	-	(59 922)	(99 097)	(487 753)	(646 772)
Accumulated depreciation on disposals	-	-	-	297 810	297 810
Carrying amount at end of year	7 591 756	117 550	1 226 318	1 283 098	10 218 722

3 INVESTMENT PROPERTIES (continued)

Investment properties comprise the land and buildings on the corner of OR Tambo Road and Susanna Street, erf 5091 and erf 286, Emalahleni (Witbank) and the vacant land in Susanna Street, erf 5090. The fair value of the properties as valued by the Board of Trustees is R 50 million (2017: R50 million). The Board of Trustees has assessed that the residual value of the building is greater than the current carrying value and therefore no depreciation has been processed.

Direct operating expenses arising from the property that generated rental income amount to R2 938 590 (2017: R 3 624 991) and which did not generate rental income amount to R 42 352 (2017:R 38 657).

4 INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2018 R	2017 R
Fair value at the beginning of the year	675 222 382	505 418 282
Additions and interest capitalised	149 761 633	167 566 851
Disposals at cost	(130 000 000)	-
Realised gain on disposal of investments	7 482 164	(9 013 642)
Unrealised (loss) / gain on revaluation of investments transferred directly to reserves	(26 638 848)	11 250 891
Fair value at the end of the year	675 827 331	675 222 382
Non-current	448 397 183	359 595 394
Current	227 430 148	315 626 988
Fair value at the end of the year	675 827 331	675 222 382
Investments at fair value through other comprehensive income comprise of the following:		
Segregated Multi Class Portfolio	162 681 057	164 059 793
Linked fund policies	285 716 126	195 535 501
Unlisted equities	-	100
Money market instruments	227 430 148	315 626 988
	675 827 331	675 222 382
These underlying investments are as follows:		
Cash	306 606 692	379 821 846
Interest bearing investments and investments in property	25 078 949	26 083 804
Interest bearing investments, including bonds	192 424 972	130 550 390
Listed equities	151 716 718	138 766 342
	675 827 331	675 222 382

MATTERS OF NON-COMPLIANCE WITH THE MEDICAL SCHEMES ACT

Investments in an administrator, holding company of the administrator or any employer group. S35(8)(a,c&d)

A medical scheme shall not invest in the business of an administrator of a medical scheme or any holding company of an administrator or any related employer group. The scheme has indirect underlying investments in unrelated listed administrators of medical schemes, amounting to 0.1% (2017:0.5%), in unrelated holding companies of administrators of 0.1% (2017: 0.13%) and in related listed employer groups of 0.90% (2017:0.44%) (Anglo American PLC 0.90%) as part of total investments held through Unit Trust portfolios and Linked Fund policies. The Board of Trustees is of the opinion that in principal this non-compliance is not a risk to the Scheme since the Scheme is not related to any of the administrators in which investments are held and no direct influence is exercised by any of the employer groups by investing in these financial instruments. The Council for Medical Schemes has granted WCMAS exemption.

	2018 R	2017 R
5 TRADE AND OTHER RECEIVABLES		
Insurance receivables		
Contributions outstanding	16 854 261	460 899
Recoveries from members	13 982	7 609
	16 868 243	468 508
Less: provision for impairment losses	(21 584)	(8 337)
Carrying amount beginning of the period	(8 337)	(24 144)
Reversal of provision	(13 247)	15 807
Service provider balances	76 751	123 589
	16 923 410	583 760
Non-insurance receivables		
Savings account advances (Note 9)	-	94 401
Saving plan recoveries	291 781	249 848
Less: provision for impairment losses	(102 881)	(180 757)
Carrying amount beginning of the period	(180 757)	(305 729)
Reversal of provision	77 876	124 972
Accounts paid in advance	94 620	134 506
Balances due by tenants	77 197	209 583
Electricity deposit	99 666	99 666
	460 383	607 247
Total insurance and other receivables	17 383 793	1 191 007

The carrying amounts of accounts receivable approximate their fair values due to the short-term maturities of these assets.

	2018 R	2017 R
6 CASH AND CASH EQUIVALENTS		
Scheme current accounts with bankers	18 011 632	31 648 143
Scheme call accounts with bankers	15 365 604	10 284 313
Total as per cash flow statement	33 377 236	41 932 456

The carrying amounts of cash and cash equivalents approximate their fair values due to the short-term maturities of these balances.

The effective interest rate on the bank account was 1% (2017: 1%).

7 POST RETIREMENT MEDICAL AID BENEFIT

On retirement the staff employed by the scheme as at 31 January 2011, will receive a medical aid subsidy equal to 50% of their contribution per month for the remainder of their lives. Surviving spouses of employees entitled to the subsidy will continue to receive the benefit. The benefit will cease upon the death of the surviving spouse. The actuarial valuation to determine the liability is performed every second year and the liability is unfunded.

The post retirement medical aid contribution benefit liability is measured at the present value of the amount payable for the remaining lives of the beneficiaries and their surviving spouses. Employees become eligible for the medical aid contribution subsidy on normal retirement at any age after 60.

Movements in the post-retirement medical aid benefit liability are as follows:

	2018 R	2017 R
Balance at the beginning of the year	3 427 223	2 731 000
Expenses in respect of the current year	(457 223)	696 223
Benefits paid	(27 900)	(25 728)
Service cost	180 000	162 000
Interest cost	355 000	306 000
Remeasurements	(964 323)	253 951
Closing post retirement medical aid benefit	2 970 000	3 427 223
Non-current liabilities	2 940 360	3 399 323
Current liabilities	29 640	27 900
Balance at end of year	2 970 000	3 427 223

-R 429 323 (2017: R 721 951) has been included in Employment costs in the Statement of Comprehensive Income.

If the assumed future rate of medical inflation was 1% higher, the liability would have been R 324 945 higher.

The five year summary of the post-employment healthcare benefits liability as at 31 December 2017 is as follows:

	2018 R	2017 R	2016 R	2015 R	2014 R
Present value of liability	2 970 000	3 427 223	2 731 000	2 749 887	2 056 000
Actuarial loss / (gain)	(964 323)	253 951	(365 041)	(136)	20 936

Key assumptions used

Below we have outlined the significant assumptions used in the valuation. An actuarial valuation was performed by independent valuators, 3One Actuaries (Pty) Ltd for the year ended 31 December 2018 using the Projected Unit Credit discounted cashflow method. The projections contained in the valuation was used for 2018.

Members included
It is assumed that 100% of in-service members will continue medical aid scheme membership of their current medical scheme option on retirement. It was assumed that 75% of in service members will remain married while actual marital statistics were used for pensioners. (Unchanged from 2011).

Long-term price inflation rate
A long-term future inflation rate of 7.64% per annum has been assumed (2017: 9%).

Salary inflation
A salary inflation rate of 9.14% per annum has been assumed for 2018 (2017: 10.5%).

Health care cost inflation:
It has been assumed that health care cost inflation will take place at a rate of 1.5% per annum (2017: 1.5%) in excess of price inflation, i.e 9.14% per annum (2017: 10.5%).

Discount rate
A rate of 11.3% per annum has been assumed (2017: 11.2%). The discount rate is based on rates applicable to long term government bonds.

Retirement ages
The normal retirement age of active employees is age 63 and it is assumed that all employees will retire at this age if they are still employed.

Mortality rates
Pre-retirement : SA85-90 (Light) with a 3 year age reduction for females.
Post retirement : PA (90).

	Not covered by risk transfer arrangement R	Total R
8 OUTSTANDING CLAIMS PROVISION		
2018		
Provision for outstanding claims	23 471 000	23 471 000
Analysis of movements in outstanding claims		
Balance at beginning of year	16 482 000	16 482 000
Payments in respect of prior year	(16 751 547)	(16 751 547)
(Under) /over provision in respect of prior year	(269 547)	(269 547)
Adjustment for current year	23 740 547	23 740 547
Provision at end of year	23 471 000	23 471 000
Analysis of outstanding claims provision		
Estimated gross claims	28 499 269	28 499 269
Less: estimated savings plan claims	(5 028 269)	(5 028 269)
Balance at end of year	23 471 000	23 471 000
2017		
Provision for outstanding claims	16 482 000	16 482 000
Analysis of movements in outstanding claims		
Balance at beginning of year	16 400 000	16 400 000
Payments in respect of prior year	(16 207 394)	(16 207 394)
(Under) /over provision in respect of prior year	192 606	192 606
Adjustment for current year	16 289 394	16 289 394
Provision at end of year	16 482 000	16 482 000
Analysis of outstanding claims provision		
Estimated gross claims	20 730 325	20 730 325
Less: estimated savings plan claims	(4 248 325)	(4 248 325)
Balance at end of year	16 482 000	16 482 000

The scheme does not carry any risk in terms of the capitation fee agreement, and hence did not make a provision for those claims under the IBNR provision.

Process used to determine the assumptions

The process used to determine the assumptions is intended to result in neutral estimates of the most likely expected outcome. The sources of data used as inputs for the assumptions are internal, using detailed studies that are carried out annually. There is more emphasis on current trends and actual claims paid in January and February 2019.

Certain high claims are assessed on a case by case basis with due regard to the claim circumstances, and historical evidence of the size of similar claims. The provision is based on information currently available. However, the ultimate liabilities may vary as a result of subsequent developments. The impact of components affecting the ultimate costs of the loss is difficult to estimate. The provision estimation components also differ by category of claims (i.e. in-hospital, chronic and above threshold benefits), claim complexity, the volume of claims, the individual severity of claims, determining the occurrence date of the claim, and reporting lags. The cost of outstanding claims is estimated using a range of statistical methods.

The methods extrapolate the development of paid and incurred claims, average cost per claim and ultimate claim numbers for each benefit year based upon observed development of earlier years and expected loss ratios. Statistical calculations are used in situations where it takes time after the treatment date until the full extent of the claims to be paid is known. It is assumed that payments will emerge in a similar way in each service month. The proportional increase in the known cumulative payments from one month to the next can then be used to estimate future expenses for future development months.

The actual method or combination of methods used varies by benefit year being considered, categories of claims and observed historical claims development. To the extent that these methods use historical claims development information they assume that the historical claims development pattern will occur again in the future. There are reasons why this may not be the case, which insofar as they can be identified, have been allowed for by modifying the methods. Such reasons include (1) economic, legal, political and social trends (resulting in different than expected levels of inflation and /or minimum medical benefits to be provided); (2) changes in composition of members and their dependants; and (3) random fluctuations, including the impact of large losses.

8 OUTSTANDING CLAIMS PROVISION (continued)

Assumptions

The assumptions that have the greatest effect on the measurement of the outstanding claims provision are the expected claims ratios for the most recent benefit years. This is the portion of claims paid in the current year relating to the prior year. These are used for assessing the outstanding claims provisions for the last three years. The expected claims ratio assumed for the 2018 benefit year is 5.96% for Comprehensive option, 5.82% for Midmas option and 5.1% for Ntsika option (2017: 5.51% for Comprehensive option, 5.77% for Midmas option and 4.50% for Ntsika option).

Changes in assumptions and sensitivities to changes in key variables

The assumptions used in the estimation process are influenced by the actual claims paid in January and February after year end in respect of prior years. History of claims processing indicate that the bulk of prior year claims are paid before end of February of the following year.

Where variables are considered to be immaterial, no impact has been assessed for insignificant changes to these variables. Particular variables may not be considered material at present. However, should the materiality levels of an individual variable change, assessment of changes to that variable in the future may be required.

An analysis of sensitivity around various scenario's for the general medical insurance business provides an indication of the adequacy of the scheme's estimation process. The trustees believe that the liability for claims reported in the balance sheet is adequate. However, it recognises that the process of estimation is based upon certain variables and assumptions which could differ when claims arise. Impact on surplus reported caused by a 1% reasonable change in the key variable "expected claims ratio", may increase the liability with R 3 076 530 (2017: R 2 693 899).

9 PERSONAL MEDICAL SAVINGS ACCOUNT LIABILITY

	2018 R	2017 R
Balance of PMSA liability at the beginning of the year	159 642 235	155 101 022
Add:		
Savings account contributions received	101 135 159	89 624 323
Transfers from other schemes in terms of Regulation 10(4)	758 924	624 641
Interest and other income earned on trust monies invested	9 442 879	11 876 490
Advances on savings account balances (Note 5)	-	94 401
Less:		
Transfers to other schemes in terms of Regulation 10(4)	(382 696)	(15 581 518)
Contributions payable to trust	-	3 963 419
Investment management fees incurred	-	-
Savings claims paid on behalf of members	(84 362 598)	(77 125 535)
Refunds on death or resignation in terms of Regulation 10(5)	(7 537 558)	(8 840 607)
Balance due to members on savings account balances in trust	178 696 345	159 736 636

The personal medical savings account (PMSA) trust liability contains a demand feature in terms of regulation 10 of the Medical Schemes Act that any credit balance on a member's savings account must be taken as a cash benefit when the member terminates his/her membership of the scheme and then enrols in another medical scheme without a personal medical savings account or does not enrol in another medical scheme.

Interest is paid in terms of the rules of the scheme on the personal medical savings account on a monthly basis, based on the effective interest method.

It is estimated that claims to be paid out of members' savings accounts in respect of claims incurred in 2018, not recorded, will amount to R 5 028 269 (Note 8).

Advances on personal medical savings accounts are funded by the scheme and are included in trade and other receivables (Note 5). The scheme does not charge interest on advances on PMSAs.

A constitutional court judgment on 6 June 2017 found that Personal Medical Savings Account (PMSA) funds enter the scheme's bank account without being impressed by a trust or fiduciary relationship. Once paid into the scheme's bank account, it becomes assets of the scheme, regardless of whether a proportion is later allocated by the scheme to a PMSA. Consequently, there is no distinction between scheme and PMSA assets and all assets must be invested in accordance with the Medical Schemes Act and Regulations. There is no statutory requirement for assets arising from any unspent PMSA allocation to be invested separately. The judgment found that as PMSAs are not trust assets that medical schemes may keep interest accruing from PMSAs in its bank account.

	2018 R	2017 R

9 PERSONAL MEDICAL SAVINGS ACCOUNT LIABILITY (continued)

The effect of the judgment on the annual financial statements is that the word "trust" is no longer required when referring to PMSA assets and liabilities and that as there is no longer a legal requirement to separately invest PMSA assets, no separate disclosure is required on the face of the Statement of Financial Position.

Accordingly, PMSA assets are now included in investments, note 4 and interest will be allocated to members with positive PMSA balances in accordance with the Rules of the scheme.

10 ACCOUNTS PAYABLE

	2018 R	2017 R
Insurance payables		
Reported claims not yet paid	23 103 849	21 005 153
Contributions in advance	1 676 439	2 947 841
Stale cheques	695 938	692 101
	25 476 226	24 645 095
Other payables		
Auditors' fees	610 907	336 343
Staff bonuses	417 000	392 000
Accruals	1 692 723	1 307 428
Accounts received in advance	5 013	-
Contributions payable to savings account balances in trust	-	114 488
SARS - VAT	39 234	45 417
	2 764 877	2 195 676
Total insurance and other payables	28 241 103	26 840 771

The carrying amounts of accounts payable approximate their fair values due to the short-term nature of these liabilities.

11 RISK CONTRIBUTION INCOME

	2018 R	2017 R
Gross contributions per registered rules	457 304 108	402 132 960
Less: Savings contributions received	(101 135 159)	(89 624 323)
Risk contribution income per statement of comprehensive income	356 168 949	312 508 637

The savings contributions are received by the scheme in terms of Regulation 10(1) and the scheme's registered rules and held in trust on behalf of its members. Refer to note 10 for more detail on how these monies were utilised.

MATTERS OF NON-COMPLIANCE WITH THE MEDICAL SCHEMES ACT

Contributions received later than 3 days after payment became due (Section 26(7))

Contributions are payable by members within 3 days of due date. Occasionally payments are received after the 3rd of the subsequent month for some of the employer groups. While some payments were not always received timeously all commitments were met soon after due dates. The credit control department follows up on outstanding amounts on a regular basis.

12 RELEVANT HEALTHCARE EXPENDITURE

	2018 R	2017 R
Claims incurred excluding risk transfer arrangements claims		
Current year claims per registered rules	391 845 209	346 586 278
Movement in provision for outstanding claims	6 989 000	82 000
(Over) / Under provision in prior year	269 547	(192 606)
Adjustment for current year	6 719 453	274 606
Claims paid from personal medical savings accounts (Note 10)*	(84 362 598)	(77 125 535)
Discounts received	(591 100)	(569 010)
	313 880 511	268 973 733
Claims incurred in respect of risk transfer arrangements	44 453 485	44 594 022
Risk claims incurred	358 333 996	313 567 755

* Claims are paid on behalf of the members from their personal medical savings accounts in terms of Regulation 10(3) and the scheme's registered benefits. Refer to note 9 for a breakdown of the movement in these balances.

	2018 R	2017 R

12 RELEVANT HEALTHCARE EXPENDITURE (continued)

MATTERS OF NON-COMPLIANCE WITH THE MEDICAL SCHEMES ACT

Claims paid in excess of 30 days from receipt (Section 59(2))

A small percentage of claims were not paid within 30 days as prescribed by the Act. Particularly between December and January the number of days between the receipt of a claim and the payment could amount to 38 days, causing the Scheme not to be fully compliant. The Scheme normally performs month end runs on the second last business day of the month.

13 ACCREDITED MANAGED CARE: MANAGEMENT SERVICES

	2018 R	2017 R
Specialist, hospital referrals and pre-authorisation	2 237 820	1 946 525
Pharmacy benefit management	783 983	706 721
Disease management	1 877 107	1 536 152
Oncology benefit management	506 054	442 568
	5 404 964	4 631 966

14 RISK TRANSFER ARRANGEMENT

	2018 R	2017 R
Risk transfer arrangement fees	(42 560 989)	(39 501 594)
Recoveries from risk transfer arrangement	44 453 485	44 594 022
Net income / expense on risk transfer arrangement	1 892 496	5 092 428

A risk transfer arrangement is defined by IFRS 4 as an insurance contract issued by one insurer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant. The cost the scheme would have incurred to deliver the specified benefits had it not entered into the capitation agreement primarily represents the scheme's exposure to its members, as the capitation agreement cannot absolve the scheme from its responsibility towards its members. This "cost" is disclosed as claims incurred (Note 12).

The scheme would have incurred this cost (had it not entered into the capitation agreement) to deliver the specified benefits and as such it represents the scheme's recovery in kind from the managed healthcare provider. This recovery in kind, of cost incurred, is disclosed as recoveries from risk transfer arrangements.

The scheme entered into a risk transfer arrangement (capitation contract) whereby the parties agreed that the Anglo Coal Highveld Hospital (ACHH) render services to beneficiaries on the Yebomed option. A fixed fee was paid monthly to ACHH per beneficiary. The following services were rendered to beneficiaries:1) GP consultations, 2) acute and chronic medication, 3) pathology as required, 4) radiology as required, 5) conservative dentistry, 6) optometry and 7) hospitalisation as required.

The methodologies used to determine the claims covered by this arrangement is set out below:
The Yebomed option is fully capitated through a comprehensive Health Maintenance Organisation providing a full range of health services as well as health care. The scheme contracted actuaries to perform a valuation on capitation fee arrangement to determine whether it is in the members' best interest or not. To this end, they determined the claims that Yebomed beneficiaries were expected to make in a fee for service environment given their demographic profile and the benefits available to them. The following assumptions were used in determining the recovery from the arrangement:
- Generally lower claiming expectations for a healthy, low-income mining group
- Mining-specific health demands
- Higher primary health costs due to proximity of facilities and resulting ease of access

15 BROKER SERVICE FEES

	2018 R	2017 R
Brokers' fees	89 553	75 393
	89 553	75 393

	2018 R	2017 R
16 ADMINISTRATION EXPENDITURE		
Association fees	39 974	99 496
Auditors' remuneration	678 785	634 532
Audit services	678 785	611 632
Prior year under /(over) provision	-	22 800
Other	-	100
BOT remuneration and considerations (note 26)	129 922	108 574
Consulting fees	407 747	52 104
Depreciation of property, plant and equipment	768 771	1 007 916
Employment costs	14 872 578	15 273 551
Fidelity insurance	28 434	28 434
Medikredit administration fee	1 156 357	1 040 822
Other expenses (page 60)	5 132 111	4 282 134
Principal officer's conference and travel costs	35 549	35 803
Principal officer's remuneration	2 299 330	1 991 764
Professional indemnity insurance	44 487	42 000
Registrar's levies	308 203	285 950
Universal healthcare: administration costs	214 261	29 622
	26 116 509	24 912 702
17 NET IMPAIRMENT LOSSES		
Insurance receivables		
Contributions that are not collectable	(5 922)	(1 526)
Movement in provision (Note 5)	(5 922)	(3 955)
Recognised directly in profit or loss	-	2 429
Members' and service providers' portions not recoverable	19 170	585
Movement in provision (Note 5)	19 170	(11 852)
Recognised directly in profit or loss	-	12 437
Non-insurance receivables		
Advances to saving plan accounts that are not recoverable	(41 966)	4 685
Movement in provision (Note 5)	(77 875)	(124 975)
Recognised directly in profit or loss	35 909	129 660
Previously impairment losses recovered	(5 962)	(6 471)
Irrecoverable tenant income	76 834	-
	42 154	(2 727)
18 INVESTMENT INCOME		
Scheme		
Fair value through OCI investments - dividend income	8 127 351	5 652 698
Fair value through OCI investments - interest income	30 687 567	34 052 704
Cash and cash equivalents - interest income	1 198 244	1 214 577
(Loss) / Profit on sale of asset	2 681	4 734
Net gains on investments in available for sale assets reclassified to profit or loss on disposal	-	9 013 642
	40 015 843	49 938 355
19 SUNDRY INCOME		
Over utilisation levy	675 315	780 120

	2018 R	2017 R
20 INTEREST PAID ON SAVINGS ACCOUNTS (Note 9)		
Interest paid	9 442 879	11 876 490
	9 442 879	11 876 490

Interest paid on credit balances based on the effective interest rate method.

	2018 R	2017 R
21 RECONCILIATION OF SURPLUS TO CASH GENERATED FROM OPERATIONS		
Surplus for the year	(138 221)	12 205 772
Adjustments for:		
Depreciation	1 340 362	1 654 688
Net investment income	(38 182 195)	(47 984 339)
Net finance costs	9 442 879	11 876 490
Cash from operations before working capital changes	(27 537 175)	(22 247 389)

22 ADMINISTRATION COSTS

The overall net cost of administration and benefit management is calculated as follows:

	2018 R	2017 R
Broker fees (refer to note 15)	89 553	75 393
Administration expenses (refer note 16)	26 116 509	24 912 702
	26 206 062	24 988 095
Administration cost per member per month (members as at year end)	243.34	246.82
Administration cost as a % of gross contribution income	5.73%	6.21%

23 COMMITMENTS

	2018 R	2017 R
1. Capital expenditure budgeted but not committed	3 740 545	824 000
2. Operating lease :		
The future minimum lease payments under a non-cancellable contract:	365 250	438 426
The following 12 months	205 332	153 900
Greater than 1 year and less than 5 years	159 918	284 526

3. There are no known other material contingencies or commitments that have not been disclosed in other areas of these financial statements.

24 FIDELITY COVER

In accordance with the Rules of the Scheme, the fidelity cover at 31 December 2018 amounted to R 800 000. The cover is provided under a group Fidelity Policy covering the scheme.

25 SURPLUS PER BENEFIT OPTION

The scheme offers four benefit options, the results of each as set out below. The principal features of each option are set out in the BOT report.

	Comp 2018 R	Midmas 2018 R	Ntsika 2018 R	Yebomed 2018 R	SCHEME 2018 R	Comp 2017 R	Midmas 2017 R	Ntsika 2017 R	Yebomed 2017 R	SCHEME 2017 R
Risk contribution income	300 281 750	4 834 245	5 659 359	45 393 595	356 168 949	268 517 030	572 749	1 172 408	42 246 450	312 508 637
Relevant healthcare expenditure	(310 086 814)	(2 862 773)	(3 963 009)	(42 560 989)	(359 473 585)	(271 550 572)	(514 941)	(638 359)	(39 501 594)	(312 205 466)
Net claims incurred	(310 086 814)	(2 862 773)	(3 963 009)	(44 453 485)	(361 366 081)	(271 550 572)	(514 941)	(638 359)	(44 594 022)	(317 297 894)
Risk claims incurred	(307 423 376)	(2 778 050)	(3 679 085)	(44 453 485)	(358 333 996)	(267 868 969)	(505 701)	(599 063)	(44 594 022)	(313 567 755)
Managed care: management services	(5 036 317)	(84 723)	(283 924)	-	(5 404 964)	(4 583 430)	(9 240)	(39 296)	-	(4 631 966)
Third party claim recoveries	2 372 879	-	-	-	2 372 879	901 827	-	-	-	901 827
Net income on risk transfer arrangement	-	-	-	1 892 496	1 892 496	-	-	-	5 092 428	5 092 428
Risk transfer arrangement premiums paid	-	-	-	(42 560 989)	(42 560 989)	-	-	-	(39 501 594)	(39 501 594)
Recoveries from risk transfer arrangements	-	-	-	44 453 485	44 453 485	-	-	-	44 594 022	44 594 022
Gross healthcare result	(9 805 064)	1 971 472	1 696 350	2 832 606	(3 304 636)	(3 033 542)	57 808	534 049	2 744 856	303 171
Broker fees	(82 381)	(2 269)	(4 903)	-	(89 553)	(74 466)	(236)	(691)	-	(75 393)
Administration expenses	(22 577 536)	(222 002)	(484 365)	(2 832 606)	(26 116 509)	(22 058 417)	(34 085)	(75 344)	(2 744 856)	(24 912 702)
Net impairment losses: Healthcare receivables	(39 937)	(2 217)	-	-	(42 154)	2 727	-	-	-	2 727
Net healthcare result	(32 504 918)	1 744 984	1 207 082	-	(29 552 852)	(25 163 698)	23 487	458 014	-	(24 682 197)
Other income	44 504 716	52 372	46 054	632 845	45 235 987	54 351 863	1 025	8 750	919 800	55 281 438
Investment income	39 284 572	52 372	46 054	632 845	40 015 843	49 008 780	1 025	8 750	919 800	49 938 355
Income from use of own facilities by external parties	4 544 829	-	-	-	4 544 829	4 562 963	-	-	-	4 562 963
Sundry income	675 315	-	-	-	675 315	780 120	-	-	-	780 120
Other expenditure	(15 829 012)	7 656	-	-	(15 821 356)	(18 392 681)	(788)	-	-	(18 393 469)
Asset management fees	(3 397 536)	-	-	-	(3 397 536)	(3 024 571)	-	-	-	(3 024 571)
Cost incurred in provision of own facilities to external parties	(2 980 941)	-	-	-	(2 980 941)	(3 492 408)	-	-	-	(3 492 408)
Net interest paid on savings accounts	(9 450 535)	7 656	-	-	(9 442 879)	(11 875 702)	(788)	-	-	(11 876 490)
Net surplus / (deficit) for the year	(3 829 214)	1 805 012	1 253 136	632 845	(138 221)	10 795 484	23 724	466 764	919 800	12 205 772
Other comprehensive income	(19 233 739)	-	-	76 959	(19 156 780)	2 237 249	-	-	-	2 237 249
Realised gain on disposal of fair value investments	6 869 219	-	-	612 845	7 482 064	(9 013 642)	-	-	-	(9 013 642)
Unrealised (loss) / gain on revaluation of investments	(26 102 958)	-	-	(535 886)	(26 638 844)	11 250 891	-	-	-	11 250 891
Total comprehensive surplus/(deficit) for the year	(23 062 953)	1 805 012	1 253 136	709 804	(19 295 001)	13 032 733	23 724	466 764	919 800	14 443 021
Number of members at year end	6 306	146	477	2 261	9 190	6 060	24	52	2 335	8 471

MATTERS OF NON-COMPLIANCE WITH THE MEDICAL SCHEMES ACT

A benefit option must be self-supporting S 33(2) (b)

Section 33(2)(b) of the Act requires that each option is self-supporting in terms of membership and financial performance and be financially sound. The Board of Trustees believe that the scheme continues to be adequately priced to meet claims expenditure and benefit obligations. The scheme has excess reserves that provide a layer of protection from large membership risk profile changes.

26 TRUSTEE AND SUB-COMMITTEES' REMUNERATION AND CONSIDERATIONS

	Meeting attendance	External experts	Meeting travel fees	Training travel and accommodation	Total direct remuneration	Training course costs	Total indirect remuneration	Total direct and indirect remuneration
2018								
Board of Trustees								
Barnes, MP					**-**		**-**	**-**
De Carvalho, JC	20 128	-	-	-	**20 128**	1 358	**1 358**	**21 486**
De Jager, JA	20 128	-	475	-	**20 603**	1 359	**1 359**	**21 962**
Dugmore, M (A)	-	-	-	11 146	**11 146**	16 009	**16 009**	**27 155**
Lessing, TS	-	-	-	-	**-**	1 358	**1 358**	**1 358**
Lewele, T	-	-	-	-	**-**	-	**-**	**-**
Logan-Delagey, CD	-	-	-	-	**-**	1 359	**1 359**	**1 359**
Makile, S	-	-	-	-	**-**	1 359	**1 359**	**1 359**
Maritz, OA	-	-	-	11 146	**11 146**	14 650	**14 650**	**25 796**
Masike, T	-	-	-	-	**-**	1 359	**1 359**	**1 359**
Mofokeng, R	-	-	-	-	**-**	1 359	**1 359**	**1 359**
Motubatse, M	-	-	-	-	**-**	-	**-**	**-**
Nienaber, A	-	-	-	-	**-**	1 359	**1 359**	**1 359**
Pearson, MH	-	-	-	-	**-**	1 359	**1 359**	**1 359**
Pretorius, E	-	-	-	-	**-**	-	**-**	**-**
Schoeman, HG	-	-	-	-	**-**	1 359	**1 359**	**1 359**
Viljoen, S	-	-	-	-	**-**	-	**-**	**-**
	40 256	-	475	22 292	**63 023**	44 247	**44 247**	**107 270**
Audit & Governance								
De Jager, AD	4 988	-	108	-	**5 096**	-	**-**	**5 096**
De Klerk, AJ	11 754	-	3 132	-	**14 886**	-	**-**	**14 886**
Hammond, Z	-	-	-	-	**-**	-	**-**	**-**
Maritz, OA	-	-	-	-	**-**	-	**-**	**-**
Nienaber, A	-	-	-	-	**-**	-	**-**	**-**
Pearson, MH	-	-	-	-	**-**	-	**-**	**-**
Wenum, M	-	-	-	-	**-**	-	**-**	**-**
	16 742	-	3 240	-	**19 982**	-	**-**	**19 982**
Investment committee								
Dickman, N	2 670	-	-	-	**2 670**	-	**-**	**2 670**
Maritz, OA			-	-	**-**	-	**-**	**-**
Nienaber, A			-	-	**-**	-	**-**	**-**
	2 670	-	-	-	**2 670**	-	**-**	**2 670**
Total	**59 668**	**-**	**3 715**	**22 292**	**85 675**	**44 247**	**44 247**	**129 922**

26 TRUSTEE AND SUB-COMMITTEES' REMUNERATION AND CONSIDERATIONS

	Meeting attendance	External experts	Meeting travel fees	Training travel and accommodation	Total direct remuneration	Training course costs	Total indirect remuneration	Total direct and indirect remuneration
2017								
Board of Trustees								
Barnes, MP	-	-	-	-	**-**	1 167	**1 167**	**1 167**
De Carvalho, JC	17 546	-	-	-	**17 546**	1 167	**1 167**	**18 713**
De Jager, JA	19 052	-	462	-	**19 514**	1 167	**1 167**	**20 681**
Dugmore, M (A)	-	-	-	-	**-**	1 167	**1 167**	**1 167**
Lessing, TS	-	-	-	-	**-**	1 167	**1 167**	**1 167**
Lewele, T	-	-	-	-	**-**	-	**-**	**-**
Logan-Delagey, CD	-	-	-	-	**-**	1 167	**1 167**	**1 167**
Maritz, OA	-	-	-	11 023	**11 023**	11 162	**11 162**	**22 185**
Masike, T	-	-	-	-	**-**	1 167	**1 167**	**1 167**
Nienaber, A	-	-	-	-	**-**	1 167	**1 167**	**1 167**
Pearson, MH	-	-	-	-	**-**	1 167	**1 167**	**1 167**
Pretorius, E	-	-	-	-	**-**	-	**-**	**-**
Robbertse, GC	-	-	-	-	**-**	-	**-**	**-**
Schoeman, HG	-	-	-	-	**-**	1 167	**1 167**	**1 167**
Van der Merwe, C	-	-	-	-	**-**	-	**-**	**-**
Viljoen, S	-	-	-	-	**-**	1 167	**1 167**	**1 167**
	36 598	-	462	11 023	**48 083**	23 999	**23 999**	**72 082**
Audit & Governance								
De Jager, AD	6 318	-	139	-	**6 457**	1 167	**1 167**	**7 624**
De Klerk, AJ	9 526	-	3 886	-	**13 412**	1 166	**1 166**	**14 578**
Robbertse, GC	6 318	-	131	-	**6 449**	-	**-**	**6 449**
Maritz, OA	-	-	-	-	**-**	-	**-**	**-**
Nienaber, A	-	-	-	-	**-**	-	**-**	**-**
Pearson, MH	-	-	-	-	**-**	-	**-**	**-**
Wenum, M	-	-	-	-	**-**	1 166	**1 166**	**1 166**
	22 162	-	4 156	-	**26 318**	3 499	**3 499**	**29 817**
Investment committee								
Maritz, OA			-	-	**-**	-	**-**	**-**
Nienaber, A			-	-	**-**	-	**-**	**-**
Dickman, N	-	6 675	-	-	**6 675**	-	**-**	**6 675**
Total	**58 760**	**6 675**	**4 618**	**11 023**	**81 076**	**27 498**	**27 498**	**108 574**

27 RELATED PARTIES

Wholly owned subsidiaries (dormant)

Te wholly owned subsidiaries, Witbank Coalfields Investments (Pty) Ltd and Mpumalanga Managed Health Care (Pty) Ltd (MMHC) were deregistered during the course of the year as they were dormant. No transactions took place between the scheme and its subsidiaries during the current and previous financial year.

Key management personnel and their close family members

Key management include the Board of Trustees, the Principal Officer and members of the Executive Committees.

All transactions and balances are at the same terms as applicable to third parties.	2018 R	2017 R
Transactions and balances of these members:		
Gross contributions received	1 069 202	767 328
Claims incurred from the PMSA	248 296	193 801
Claims incurred by the scheme	710 899	598 383
Principal officer remuneration	2 299 330	1 991 764
Principal Officer: Travel, accommodation and conferences	35 549	35 803
BOT Meeting and travel fees (note 26)	129 922	108 574
Purchases at arms' length: BM Booyens t/a Surebrick (BOT approved)	-	423 470
Savings account balances	313 719	122 421
Post retirement liability attributable to Principal Officer	-	200 952

Employer groups

Detail of all employer groups are disclosed on pages 61 to 68.

All lease agreements with related parties are negotiated at arm's length prices.

28 INSURANCE RISK MANAGEMENT

Risk management objectives and policies for mitigating insurance risk

The primary insurance activity carried out by the scheme assumes the risk of loss from members and their dependants that are directly exposed to the risk. These risks relate to the health of the scheme members. As such the scheme is exposed to the uncertainty surrounding the timing and severity of claims under the contract. The scheme also has exposure to market risk through its insurance and investment activities.

The scheme manages its insurance risk through benefit limits and sub-limits, approval procedures for transactions that involve pricing guidelines, pre-authorisation, case management, service provider profiling and monitoring of emerging issues.

The Board of Trustees have delegated the oversight of the operational duties and management of insurance risk to which the Scheme is exposed, to the Audit Committee. The Audit Committee reviews the insurance risks to which the Scheme is exposed at each meeting. The Board of Trustees ensures that the benefit options provided to members are structured to fall within the acceptable insurance risk levels specified.

The scheme uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk measurement models, sensitivity analyses, scenario analyses and stress testing. The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims is greater than expected.

Insurance events are, by nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

The following table summarises the concentration of insurance risk, with reference to the carrying amounts of the insurance claims incurred, excluding capitation fee, by age group in relation to the type of risk covered / benefits provided. Where appropriate prescribed minimum benefits (PMB) and non-PMB claims have been split.

28 INSURANCE RISK MANAGEMENT (continued)

Concentration of insurance risk (All options excluding Yebomed)

Age group	No of memb	In-hospital PMB	In-hospital Non-PMB	Chronic PMB	Chronic Non-PMB	Day to day PMB	Day to day Non-PMB	Total
2018								
<24	**194**	**18 979 038**	**8 214 472**	**5 515 598**	**1 042 140**	**9 751 059**	**10 622 076**	**54 124 382**
25-34	**1 730**	**11 158 378**	**3 553 527**	**697 022**	**719 013**	**7 042 299**	**6 608 414**	**29 778 653**
35-49	**2 673**	**18 572 996**	**9 006 423**	**4 399 728**	**3 191 219**	**14 713 579**	**15 916 991**	**65 800 937**
50-64	**1 489**	**25 843 399**	**9 121 389**	**7 291 376**	**3 028 426**	**19 112 700**	**16 161 302**	**80 558 593**
65>	**843**	**31 508 889**	**4 536 443**	**5 458 694**	**2 737 587**	**17 854 926**	**15 092 590**	**77 189 130**
Total	**6 929**	**106 062 700**	**34 432 254**	**23 362 418**	**10 718 386**	**68 474 563**	**64 401 373**	**307 451 694**
2017								
<24	154	11 920 365	7 536 628	1 041 020	790 214	7 248 009	8 682 185	37 218 421
25-34	1 462	11 186 559	3 229 915	786 143	752 023	6 782 837	6 683 235	29 420 712
35-49	2 296	15 531 367	7 586 613	4 311 965	2 097 004	12 731 704	13 378 275	55 636 929
50-64	1 399	25 120 056	10 838 795	6 938 476	2 890 008	17 451 980	15 445 636	78 684 951
65>	825	21 910 681	8 795 530	5 375 133	2 364 035	15 689 640	14 293 859	68 428 879
Total	**6 136**	**85 669 028**	**37 987 482**	**18 452 737**	**8 893 284**	**59 904 170**	**58 483 190**	**269 389 891**

The scheme's strategy seeks diversity to ensure a balanced portfolio and is based on a large portfolio of similar risks over a number of years and, as such, it is believed that this reduces the volatility of the outcome. The strategy is set out in the annual business plan, which specifies the benefits to be provided, the preferred target market and demographic split thereof.

In-hospital benefits cover all cost incurred by members, whilst they are in hospital to receive pre-authorised treatment for certain medical conditions.

Chronic benefits cover the cost of certain prescribed medicines consumed by members for chronic conditions/diseases, such as high blood pressure, cholesterol and asthma.

Day-to-day benefits cover the cost (up to 100% of the Scheme tariff) of all out of hospital medical attention, such as visits to general practitioners and dentists as well as prescribed non-chronic medicines. Savings account claims are excluded. All the contracts are annual in nature and the scheme has the right to change the terms and conditions of the contract at renewal. Management information, including contribution income, claims ratios and demographic split, is reviewed monthly.

Risk transfer arrangements

The scheme reinsures a portion of the risks it underwrites so that it can limit its exposures to losses and protect capital resources. The scheme has entered into a capitation agreement with Anglo Coal Highveld Hospital in respect of the Yebomed option.

Risk in terms of risk transfer arrangements

The risk transfer arrangement spreads the risk and minimises the effect of losses. According to the terms of the capitation agreement, the Anglo Coal Highveld Hospital Network provides certain benefits to all Yebomed members, as and when required by the members. The scheme does, however, remain liable to its members and suppliers with respect to ceded insurance obligations if any reinsurer (supplier) fails to meet the obligations it assumes.

Claims development

Claims development tables are not presented, as the uncertainty regarding the amount and timing of claim payments is typically resolved within one year.

29 FINANCIAL RISK MANAGEMENT

The scheme's activities expose it to a variety of financial risks, including the effects of changes in the equity market, foreign currency exchange rates and interest rates. The scheme's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potentially adverse effects on the financial performance of the investments, which the scheme holds to meet its obligations to its members. Risk management and investment decisions are carried out by the investment committee, under the guidance and policies approved by the Board of Trustees.

The Investment Committee identifies and evaluates financial risks associated with the scheme's investment portfolio. The investment committee provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and policies around the investment of excess funds. The Board of Trustees approves all of these written policies.

28 FINANCIAL RISK MANAGEMENT (continued)

The following section discusses the scheme's risk management policies. The measurement of ECL under IFRS 9 uses the information and approaches that the scheme uses to manage risk, though certain adjustments are made in order to comply with the requirements of IFRS 9. The approach taken for IFRS 9 measurement purposes is discussed separately below.

Capital risk management

The Scheme's objectives when managing capital are to maintain the capital requirements of the Medical Schemes Act 131 of 1998, as amended, and to safeguard the Scheme's ability to continue as a going concern in order to provide benefits for its stakeholders. It does this by maximising accumulated funds by obtaining the highest return on investments; minimising investment risk and; ensuring sufficient liquid cash reserves at all times.

The risk is that there could be insufficient reserves to provide for adverse variations on actual and future experience. The Medical Schemes Act 131 of 1998, as amended, requires a minimum ratio of accumulated funds expressed as a percentage of gross premiums to be 25%. The scheme's solvency ratio comfortably exceeds the required 25% as set out in the Board of Trustees Report and is actively monitored by management, the Board of Trustees and the auditors.

Even though these measures are considered to be non-GAAP measures, they are relevant when considering the requirements of the Medical Schemes Act with regards to the solvency of a medical scheme and hence will add to the understanding of the Scheme's business.

Gearing ratio

The Board of Trustees ensures that all savings account liabilities are covered by liquid cash resources. Debt is usually limited and of a short term nature.

	2018		2017	
	Risk pool	MSA pool	Risk pool	MSA pool
Cash and cash equivalents	33 377 236	178 696 345	41 932 456	159 736 636
Less: Current liabilities	(52 565 743)	(178 696 345)	(44 303 671)	(159 736 636)
Net cash and cash equivalents	(19 188 507)	-	(2 371 215)	-
Members' Funds	522 308 016		488 943 947	
Net cash and cash equivalents to members' funds	-3.7%		-0.5%	

Categories of financial instruments		2018	2017
Financial assets		726 588 360	718 345 845
Investments at fair value through OCI	(Note 4)	675 827 331	675 222 382
Insurance receivables	(Note 5)	16 923 410	583 760
Non-insurance receivables	(Note 5)	460 383	607 247
Cash and cash equivalents	(Note 6)	33 377 236	41 932 456
Financial liabilities		230 408 448	203 059 407
Outstanding claims provision	(Note 8)	23 471 000	16 482 000
Savings plan liability	(Note 9)	178 696 345	159 736 636
Trade and other payables	(Note 10)	2 764 877	2 195 676
Insurance liabilities	(Note 10)	25 476 226	24 645 095

The carrying amount reflected above represents the Scheme's maximum exposure to credit risk financial assets.

Analyses of carrying amounts of financial assets and liabilities per category

As at 31 December 2018	Available for sale R'000	Loans and receivables R'000	Financial liabilities at amortised cost R'000	Insurance receivables and payables R'000	Total carrying amount R'000
Investments at fair value through OCI	448 397	-	-	-	448 397
Money market instruments	227 430	-	-	-	227 430
Cash and cash equivalents	-	33 377	-	-	33 377
Trade and other receivables	-	460	-	16 923	17 384
Trade and other payables	-	-	(2 765)	(25 476)	(28 241)
Savings plan liability	-	-	(178 696)	-	(178 696)
	675 827	33 838	(181 461)	(8 553)	519 651

28 FINANCIAL RISK MANAGEMENT (continued)

	Available for sale	Loans and receivables	Financial liabilities at amortised cost	Insurance receivables and payables	Total carrying amount
As at 31 December 2017					
Investments at fair value through OCI	359 595	-	-	-	359 595
Money market instruments	315 627	-	-	-	315 627
Cash and cash equivalents	-	41 932	-	-	41 932
Trade and other receivables	-	607	-	584	1 191
Trade and other payables	-	-	(2 196)	(24 645)	(26 841)
Savings plan liability	-	-	(159 737)	-	(159 737)
	675 222	42 540	(161 932)	(24 061)	531 768

Market risk

Interest rate risk

The table below summarises the scheme's exposure to interest rate risk. Included in the table are the scheme's investments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

As at 31 December 2018	Up to 1 month R'000	1-3 months R'000	3-12 months R'000	1-5 years R'000	Non-interest bearing R'000	Total R'000
Accounts receivable	-	-	-	-	17 384	17 384
Investments at fair value through OCI	-	675 827	-	-		675 827
Cash and cash equivalents	33 377	-	-	-	-	33 377
TOTAL	33 377	675 827	-	-	17 384	726 588
As at 31 December 2017	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Accounts receivable	-	-	-	-	1 191	1 191
Investments at fair value through OCI	-	675 222	-	-		675 222
Cash and cash equivalents	41 932	-	-	-	-	41 932
TOTAL	41 932	675 222	-	-	1 191	718 346

Interest rate sensitivity analyses

The sensitivity analyses below was performed on the value of interest bearing investments and have been determined assuming the amount of assets and liabilities as at statement of financial position date were the balances for the full year. If the interest rates had decreased by a further 1% and all other variables were held constant, the scheme's :

- surplus for the year would decrease by R 7.1 million (2017: R 7.1 million): mainly due to the high exposure to interest bearing instruments including interest bearing instruments within the available for sale investments.
- all reserves would decrease by R 7.1 million (2017: R7.1 million): mainly as a result in reduction of capitalised interest and fair value of available for sale instruments.

Currency risk

The scheme operates in South Africa and therefore its cash flows are denominated in South African Rand (ZAR). In the year under review and the previous year, the scheme had minimal exposure to international investments.

Market risk

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date on investments. The analyses assumes that all other variables remain constant. The method remained consistent with the prior period. If the equity indexes had been 3% lower, the scheme's:

- surplus and accumulated funds for the year would have been unaffected as the equity investments are classified as investments at fair value through OCI.
- the revaluation reserve would reduce by R 20 million (2017: R20 million) as a result of the change in the market value of instruments.
- The instruments have a variable interest rate only. Any gains or losses will be recognised through Other Reserves in terms of IFRS 9.

28 FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk of financial loss to the Scheme, if a counterparty to a financial instrument fails to meet its contractual obligations. The Scheme's principal financial assets are cash and cash equivalents, accounts receivable and investments. The Scheme's credit risk is primarily attributable to its trade and other receivables. The credit risk on liquid funds is limited because the counter-parties are banks with high credit ratings assigned by international credit rating agencies.

The scheme actively manages this risk by actively pursuing all contributions not received after three days of becoming due and by involving debt collectors where internal attempts are unsuccessful.

There is no significant concentration of credit risk with respect to receivables as the Scheme has a large number of members who are nationally dispersed.

Trade and other receivables

The Scheme's trade and other receivables are set out in note 5 of this report.

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring and of the associated loss ratio. The scheme measures credit risk using Probability of Default (PD) and Exposure at Default (EAD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9.

Exposure to credit risk

	Total	Fully Performing	Past due not impaired	Impaired
2018				
Insurance receivables				
Contributions outstanding	16 854 261	16 820 741	33 520	-
Recoveries from members	13 982	8 823	1 878	3 281
Service provider balances	76 751	30 102	27 063	19 586
Provision for impairment losses	(21 584)	-	-	(21 584)
	16 923 410	16 859 666	62 461	1 283
Non-insurance receivables				
MSA recoveries (members)	291 781	9 399	179 501	102 881
Provision for impairment losses	(102 881)	-	-	(102 881)
Accounts paid in advance	94 620	94 620	-	-
Balances due by tenants	77 197	46 313	30 884	-
Electricity deposit	99 666	99 666	-	-
	460 383	249 998	210 385	-

2018				
Ageing of Past due receivables	30 Days	60 Days	90 Days	120+ Days
Insurance receivables				
Contributions outstanding	24 401	3 744	5 206	169
Recoveries from members	1 878	-	-	-
Service provider balances	15 915	4 264	6 884	-
	42 194	8 008	12 090	169
Non-insurance receivables				
MSA recoveries (members)	18 577	16 978	17 893	126 053
Balances due by tenants	30 792	92	-	-
	49 369	17 070	17 893	126 053

28 FINANCIAL RISK MANAGEMENT (continued)

	Total	Fully Performing	Past due not impaired	Impaired
2017				
Insurance receivables				
Contributions outstanding	460 899	450 234	10 665	-
Recoveries from members	7 609	3 567	(4 295)	8 337
Service provider balances	123 589	122 386	1 203	-
Provision for impairment losses	(8 337)	-	-	(8 337)
	583 760	576 187	7 573	-
Non-insurance receivables				
MSA recoveries (members)	249 848	2 719	66 372	180 757
Provision for impairment losses	(180 757)	-	-	(180 757)
Accounts paid in advance	134 506	134 506	-	-
Balances due by tenants	209 583	209 583	-	-
Savings account advances	94 401	37 401	57 000	-
Electricity deposit	99 666	99 666	-	-
	607 247	483 875	123 372	-

Ageing of Past due receivables	**30 Days**	**60 Days**	**90 Days**	**120+ Days**
Insurance receivables				
Contributions outstanding	9 459	1 017	109	80
Recoveries from members	(4 295)	-	-	-
Service provider balances	311	307	-	585
	5 475	1 324	109	665
Non-insurance receivables				
MSA recoveries (members)	17 772	1 581	24 363	22 656
Balances due by tenants	-	-	-	-
Savings account advances	4 928	23 554	28 518	-
	22 700	25 135	52 881	22 656

The fully performing contracts are receivable from high credit quality employer groups and from members and service providers that we consider will meet all their debts soon.

Provision for impairment

The Scheme establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The provision is based on the difference between the carrying amount and the amount recoverable from the counterparty.

Expected credit loss measurement

IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition as summarised below:

• A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored by the scheme. Financial instruments in stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from a default event possible within the next 12 months.

• If a significant increase in credit risk (SICR) since initial recognition is identified, the financial instrument is moved to Stage 2, but is not yet deemed to be credit-impaired.
• If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3.

Instruments in stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

Significant increase in credit risk

The scheme considers a financial instrument to have experienced a significant increase in credit risk when the remaining Lifetime Probability of Default (PD) at the reporting date has increased, compared to the residual Lifetime PD expected at the reporting date when the exposure was first recognised.

28 FINANCIAL RISK MANAGEMENT (continued)

Definition of default and credit-impaired assets

The scheme defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:
i) The borrower is more than 90 days past due on its contractual payments;
ii) The borrower is unlikely to pay, i.e. when the borrower is deceased, insolvent or becoming bankrupt, or when an active market for the financial asset has disappeared because of financial difficulties.

Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL is the discounted product of the Probability of Default (PD) and the Exposure of Default (EAD) defined as follows:
• The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD) or over the remaining Lifetime (Lifetime PD) of the obligation.
• EAD is based on the amounts the scheme expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

The ECL is determined by projecting the PD and EAD for each future period and each collective segment. The components are then multiplied together and adjusted for the likelihood of survival. This effectively calculates the ECL for the period.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the debt. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by debt segment.

Forward-looking information incorporated in the ECL models

The scheme has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

Grouping of instruments for losses measured on a collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:
• Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" between 12 month and Lifetime ECL;
• Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
• Impact on the measurement of ECL due to changes in PDS and EADs in the period, arising from regular refreshing of inputs to models;
• Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

The following table explains the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

28 FINANCIAL RISK MANAGEMENT (continued)

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
Member subscription and members' portion debtors					
Loss allowance as at 1 January 2018	8 337	-	-	-	8 337
Movements with P&L impact					
Transfers	-	-	-	-	-
Transfers from Stage 1 to Stage 2	-	-	-	-	-
Transfers from Stage 1 to Stage 3	-	-	-	-	-
Transfers from Stage 2 to Stage 1	-	-	-	-	-
New financial assets originated	867	-	-	-	867
Unused amounts reversed	(5 922)	-	-	-	(5 922)
Changes in PDs/EADs	-	-	-	-	-
Net P&L charge during the period	3 282	-	-	-	3 282
Movements with no P&L impact					
Transfers					
Transfers from Stage 2 to Stage 3	-	-	-	-	-
Transfers from Stage 3 to Stage 2	-	-	-	-	-
Financial assets derecognised	-	-	-	-	-
Write-offs	-	-	-	-	-
Loss allowance as at 31 December 2018	3 282	-	-	-	3 282
Member MSA debtors					
Loss allowance as at 1 January 2018	180 757	-	-	-	180 757
Movements with P&L impact					
Transfers					
Transfers from Stage 1 to Stage 2	-	-	-	-	-
Transfers from Stage 1 to Stage 3	-	-	-	-	-
Transfers from Stage 2 to Stage 1	-	-	-	-	-
New financial assets originated	2 215	-	-	-	2 215
Unused amounts reversed	(80 092)	-	-	-	(80 092)
Changes in PDs/EADs	-	-	-	-	-
Net P&L charge during the period	102 880	-	-	-	102 880
Movements with no P&L impact					
Transfers					
Transfers from Stage 2 to Stage 3	-	-	-	-	-
Transfers from Stage 3 to Stage 2	-	-	-	-	-
Financial assets derecognised	-	-	-	-	-
Write-offs	-	-	-	-	-
Loss allowance as at 31 December 2018	102 880	-	-	-	102 880

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
Service provider debtors					
Loss allowance as at 1 January 2018	-				-
Movements with P&L impact					
Transfers	-	-	-	-	-
Transfers from Stage 1 to Stage 2	-	-	-	-	-
Transfers from Stage 1 to Stage 3	-	-	-	-	-
Transfers from Stage 2 to Stage 1	-	-	-	-	-
New financial assets originated	18 303	-	-	-	18 303
Changes in PDs/EADs	-	-	-	-	-
Net P&L charge during the period	18 303	-	-	-	18 303
Movements with no P&L impact					
Transfers					
Transfers from Stage 2 to Stage 3	-	-	-	-	-
Transfers from Stage 3 to Stage 2	-	-	-	-	-
Financial assets derecognised	-	-	-	-	-
Write-offs	-	-	-	-	-
Loss allowance as at 31 December 2018	18 303	-	-	-	18 303

28 FINANCIAL RISK MANAGEMENT (continued)

Write off policy

The scheme writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity.

Credit quality

The credit quality of trade and other receivables that are neither past due nor impaired can be assessed with reference to historical information about counterparty default. It can further be based on the fact that the scheme is a closed scheme and active members' subscriptions being guaranteed by participating employers. The trustees therefore believe that the credit quality is high.

Top 6 Financial Institutions	2018		2017	
	Amount	% of total	Amount	% of total
Current accounts				
Nedbank Ltd	33 377 236	100.0%	41 932 456	100.0%
Money Market Available for Sale investments				
ABSA Bank Ltd	49 115 340	23.5%	61 408 712	19.7%
Firstrand Bank	46 363 032	22.1%	62 789 497	20.2%
Investec Bank Ltd	17 306 489	8.3%	17 515 691	5.6%
Nedbank Ltd	46 935 971	22.4%	93 235 699	30.0%
Other	-	0.0%	-	0.0%
Standard Bank of SA Ltd	49 714 386	23.7%	76 062 449	24.5%
	209 435 218	100.0%	311 012 048	100.0%
Cash included in non-current Available for sale investments	97 171 474		68 809 798	
	339 983 928		421 754 302	

Cash investments are limited to high credit quality financial institutions. The scheme has a policy of limiting the amount of credit exposure to any one financial institution.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Trustees, which has built an appropriate liquidity risk management framework for the management of the scheme's short, medium and long-term funding and liquidity management requirements.

The bank balance is monitored by management on an on-going basis. An adequate minimum balance is maintained in the bank account at all times. An appropriate and sufficient amount of funds is kept in liquid funds as determined by the Board of Trustees. This amount is sufficient to cover the full savings account liability, all other liabilities, as well as any unforeseen major claims or events.

Contractual cash outflow:	TOTAL R	< 1 month R	2 - 3 months R	3 - 9 months R	9 - 12 months R	>1 year R
2018						
Financial liabilities						
Members' savings accounts	178 696 345	175 669 482	2 069 809	957 054	-	-
Trade & other payables	29 065 103	28 122 305	161 228	781 570	-	-
Outstanding claims provision	23 471 000	19 472 000	2 647 391	1 101 996	249 613	-
	231 232 448	223 263 787	4 878 428	2 840 620	249 613	-
2017						
Financial liabilities						
Members' savings accounts	159 736 635	157 922 183	495 109	1 319 343	-	-
Trade & other payables	27 793 771	26 922 411	178 164	115 951	95 152	482 093
Outstanding claims provision	16 482 000	13 720 892	1 941 246	618 249	201 613	-
	204 012 406	198 565 486	2 614 519	2 053 543	296 765	482 093

28 FINANCIAL RISK MANAGEMENT (continued)

Fair value estimation

Investments in equity instruments designated at FVOCI

The fair value of publicly traded financial instruments is based on quoted market prices at the statement of financial position date.

In assessing the fair value of other financial instruments, the scheme uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date.

The face values, less any estimated credit adjustments, of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the scheme for similar financial instruments.

Fair values of financial assets by hierarchy level

2018	Level 1	Level 2	Level 3
Available for sale financial assets			
- Segregated Multi Asset class	162 555 262	125 795	-
- Linked Fund Policies	285 501 762	214 364	-
- Money Market	227 430 148	-	-
Unlisted equity	-	-	-
Fair value at the end of the year	675 487 172	340 159	-
2017			
Available for sale financial assets			
- Segregated Multi Asset class	163 977 863	82 030	-
- Linked Fund	194 965 545	569 856	-
- Money Market	315 626 988	-	-
Unlisted equity investments	-	-	100
Fair value at the end of the year	674 570 396	651 886	100

Fair value hierarchy may have the following levels:
Level 1: Inputs are determined directly by reference to published price quotations in an active market for identical assets or liabilities.
Level 2: Inputs are observable for the asset, either directly (i.e. prices) or indirectly (i.e. derived from prices).
Level 3: The fair values are determined based on assumptions that are not supported by observable market data. There were no changes in the level 3 instruments from the previous year.

The Scheme has designated FVOCI investments in the following portfolios of equity securities. This representation was chosen, because the investments were made for strategic purposes rather than with a view to profit on a subsequent sale:

- Aluwani Capital: Money market portfolio
- Coronation: Medical Aid Fund
- Investec: Opportunity Fund
- Prudential: Medical Scheme Fund

Investment property

The fair value of investment property disclosed in note 3 is deemed to be a level 2 fair value estimation valued at R 50 million (2017: R 50 million). Level 2 fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

Structured entities

The Scheme's investments in investee funds are subject to the terms and conditions of the respective investee fund's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those investee funds. The investment manager makes investment decisions after extensive due diligence of the underlying fund, its strategy and the overall quality of the underlying fund's manager. All of the investee funds in the investment portfolio are managed by portfolio managers who are compensated by the respective investee funds for their services. Such compensation generally consists of an asset-based fee and a performance-based incentive fee and is reflected in the valuation of the fund's investment in each of the investee funds. These investments are included in financial assets at fair value as in the Statement of Financial Position.

The exposure of the investments in investee funds at fair value is disclosed in the following table:

Investee fund	Net asset value in investee fund	Fair value of scheme's share of net assets of investee fund	% of Scheme's share of investee fund's net assets
Coronation Medical Scheme	679 499 822	145 944 161	21.48%
Investec Stable Money Market	1 325 394 521	57 082 202	4.31%
Prudential Medical Scheme Policy	1 400 700 355	139 771 965	9.98%

28 FINANCIAL RISK MANAGEMENT (continued)

The strategy of the investee funds is to protect the capital of investors in an absolute sense, whilst providing income in excess of short-term bank deposit rates. The Scheme is not exposed to any further risks of financial loss beyond the fair value of its share in the investee funds as outlined in the preceding table.

OTHER ADMINISTRATION EXPENSES	2018 R	2017 R
Annual general meeting and committee meetings	31 669	29 931
Bank charges	236 556	228 514
Computer expenses	989 260	821 805
Debt collection fees	34 165	33 639
Insurance	121 184	113 560
Marketing costs	2 533 422	2 111 020
MVA collection costs	285 544	185 043
Operating leases - office equipment	176 614	126 018
Other levies	23 119	20 832
Repairs and maintenance	56 142	75 647
Stationery and printing	253 256	251 716
Telephone, postage and fax	325 297	256 808
Travel, accommodation & conferences	65 883	27 601
	5 132 111	4 282 134

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COMPREHENSIVE OPTION
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COMPREHENSIVE OPTION	NO OF MEM	ORDINARY MEMBERS CONTRIBUTIONS	MEDICAL EXPENDITURE	SURPLUS (DEFICIT)	% USED	PER MEMBER PER MONTH CONTRI-BUTIONS	EXPENDITURE	SURPLUS (DEFICIT)
ANGLO COAL								
ANGLO COAL SHARED SERV	377	19 308 408	13 919 513	5 388 895	72%	4 268	3 077	1 191
GOEDEHOOP	580	28 989 318	21 232 214	7 757 104	73%	4 165	3 051	1 115
GREENSIDE	268	13 387 619	13 117 304	270 315	98%	4 163	4 079	84
ISIBONELO	225	11 195 145	8 985 726	2 209 419	80%	4 146	3 328	818
NEW DENMARK ¤	0	3 210 993	2 051 925	1 159 068	64%	-	-	-
NEW VAAL ¤	0	3 179 450	2 626 714	552 736	83%	-	-	-
KHWEZELA	391	20 149 695	16 171 418	3 978 277	80%	4 294	3 447	848
MBS	0	-	-	-	0%	-	-	-
TOTAL	**1841**	**99 420 628**	**78 104 814**	**21 315 814**	**79%**	**4 500**	**3 535**	**965**
BUFFALO COAL	22	1 045 467	777 692	267 775	74%	3 960	2 946	1 014
GLENCORE OPERATIONS SA								
ARTHUR TAYLOR	308	15 010 235	12 899 021	2 111 214	86%	4 061	3 490	571
GOEDGEVONDEN	274	13 593 024	11 575 456	2 017 568	85%	4 134	3 521	614
GRASPAN	24	921 271	3 203 625	(2 282 354)	348%	3 199	11 124	(7 925)
IZIMBIWA	19	566 588	1 014 185	(447 597)	179%	2 485	4 448	(1 963)
PHOENIX	0	-	-	-	0%	-	-	-
SHANDUKA COLLIERY ¤	0	329 048	267 485	61 563	81%	-	-	-
SPITZKOP COLLIERY	0	-	-	-	0%	-	-	-
HEAD OFFICE	154	7 828 712	5 645 968	2 182 744	72%	4 236	3 055	1 181
TAVISTOCK	0	-	-	-	0%	-	-	-
TCS	123	5 550 208	3 015 731	2 534 477	54%	3 760	2 043	1 717
TWEEFONTEIN COLLIERY	395	19 166 874	11 537 372	7 629 502	60%	4 044	2 434	1 610
WONDERFONTEIN	12	474 428	330 904	143 524	70%	3 295	2 298	997
TOTAL	**1309**	**63 440 388**	**49 489 747**	**13 950 641**	**78%**	**4 039**	**3 151**	**888**
INYOSI COAL								
KRIEL ¤	0	2 573 928	2 202 117	371 811	86%	-	-	-
ZIBULU	353	17 111 947	19 447 079	(2 335 132)	114%	4 040	4 591	(551)
TOTAL	**353**	**19 685 875**	**21 649 196**	**(1 963 321)**	**110%**	**4 647**	**5 111**	**(463)**
KOORNFONTEIN	2	121 860	109 505	12 355	90%	5 078	4 563	515
MAFUBE	119	5 934 631	2 966 454	2 968 177	50%	4 156	2 077	2 079
MANTELLA TRADING	20	861 382	653 540	207 842	76%	3 589	2 723	866
MSOBO COAL								
MSOBO	59	2 924 827	2 634 552	290 275	90%	4 131	3 721	410
ESTRAPADE	17	166 593	27 590	139 003	17%	817	135	681
TOTAL	**76**	**3 091 420**	**2 662 142**	**429 278**	**86%**	**3 390**	**2 919**	**471**
OPTIMUM	1	56 700	15 321	41 379	27%	4 725	1 277	3 448
WITBANK CHAMBER	18	978 120	675 432	302 688	69%	4 528	3 127	1 401
SERITI COAL								
KRIEL	380	15 813 304	10 471 237	5 342 067	66%	-	-	-
NEW DENMARK	443	17 152 232	10 565 032	6 587 200	62%	3 227	1 987	1 239
NEW VAAL	416	17 596 492	13 189 312	4 407 180	75%	3 525	2 642	883
TOTAL	**1239**	**50 562 028**	**34 225 581**	**16 336 447**	**68%**	**3 401**	**2 302**	**1 099**
STAFF	22	1 087 776	711 383	376 393	65%	4 120	2 695	1 426
TOTAL	**5022**	**246 286 275 ***	**192 040 807 ***	**54 245 468**	**78%**	**4 087**	**3 187**	**900**

All figures annotated with "*" have been verified by the auditors

¤ - The unit had no members at year end but there were members in this unit during the course of the year

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UNIT PROFITABILITY REPORT - RISK POOL
COMPREHENSIVE OPTION
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	CAWM MEMBERS				PER MEMBER PER MONTH			COMBINED PER MEMBER PER MONTH		
NO OF MEM	CONTRI-BUTIONS	MEDICAL EXPENDITURE	SURPLUS (DEFICIT)	% USED	CONTRI-BUTIONS	EXPENDI TURE	SUR / (DEF)	CONTRI-BUTIONS	EXPENDI TURE	SUR / (DEF)
168	7 717 034	12 148 256	(4 431 222)	157%	3 828	6 026	(2 198)	4 132	3 986	146
172	7 383 797	14 955 481	(7 571 684)	203%	3 577	7 246	(3 668)	4 031	4 010	21
96	3 806 821	7 446 655	(3 639 834)	196%	3 305	6 464	(3 160)	3 936	4 708	(771)
14	659 479	1 653 085	(993 606)	251%	3 925	9 840	(5 914)	4 133	3 709	424
0	615 193	1 188 207	(573 014)	193%	-	-	-	-	-	-
0	679 929	1 695 604	(1 015 675)	249%	-	-	-	-	-	-
203	8 602 933	20 681 127	(12 078 194)	240%	3 532	8 490	(4 958)	4 034	5 170	(1 136)
8	257 527	2 035 918	(1 778 391)	791%	2 683	21 207	(18 525)	2 683	21 207	(18 525)
661	**29 722 713**	**61 804 333**	**(32 081 620)**	**208%**	**3 747**	**7 792**	**(4 045)**	**4 301**	**4 660**	**(359)**
0	-	-	-	0%	-	-	-	3 960	2 946	1 014
21	846 385	1 428 260	(581 875)	169%	3 359	5 668	(2 309)	4 016	3 629	387
2	75 600	61 483	14 117	81%	3 150	2 562	588	4 127	3 514	613
0	-	-	-	0%	-	-	-	3 199	11 124	(7 925)
1	37 800	2 681	35 119	7%	3 150	223	2 927	2 518	4 237	(1 719)
8	346 635	762 324	(415 689)	220%	3 611	7 941	(4 330)	3 611	7 941	(4 330)
0	9 450	3 673	5 777	39%	-	-	-	-	-	-
47	1 778 628	3 192 891	(1 414 263)	180%	3 154	5 661	(2 508)	3 154	5 661	(2 508)
38	1 853 850	3 233 906	(1 380 056)	174%	4 065	7 092	(3 026)	4 203	3 854	348
29	1 205 609	2 889 407	(1 683 798)	240%	3 464	8 303	(4 839)	3 464	8 303	(4 839)
32	1 146 476	2 496 573	(1 350 097)	218%	2 986	6 501	(3 516)	3 600	2 964	637
102	3 978 954	6 654 597	(2 675 643)	167%	3 251	5 437	(2 186)	3 881	3 050	831
1	47 250	21 111	26 139	45%	3 938	1 759	2 178	3 344	2 257	1 088
281	**11 326 637**	**20 746 906**	**(9 420 269)**	**183%**	**3 359**	**6 153**	**(2 794)**	**3 919**	**3 681**	**237**
0	649 230	1 987 547	(1 338 317)	306%	-	-	-	-	-	-
7	324 657	901 866	(577 209)	278%	3 865	10 737	(6 872)	4 036	4 710	(674)
7	**973 887**	**2 889 413**	**(1 915 526)**	**297%**	**11 594**	**34 398**	**(22 804)**	**4 782**	**5 680**	**(898)**
0	-	-	-	0%	-	-	-	5 078	4 563	515
0	-	-	-	0%	-	-	-	4 156	2 077	2 079
1	28 350	94 548	(66 198)	334%	2 363	7 879	(5 517)	3 531	2 969	562
8	340 200	1 119 769	(779 569)	329%	3 544	11 664	(8 121)	4 061	4 670	(609)
0	-	-	-	0%	-	-	-	817	135	681
8	**340 200**	**1 119 769**	**(779 569)**	**329%**	**3 544**	**11 664**	**(8 121)**	**3 404**	**3 752**	**(348)**
0	-	-	-	0%	-	-	-	4 725	1 277	3 448
50	1 703 862	4 396 855	(2 692 993)	258%	2 840	7 328	(4 488)	3 287	6 216	(2 929)
93	3 142 771	5 990 131	(2 847 360)	191%	2 816	5 368	(2 551)	3 340	2 900	440
85	3 194 122	5 362 764	(2 168 642)	168%	3 131	5 258	(2 126)	3 211	2 514	697
95	3 464 383	6 904 881	(3 440 498)	199%	3 039	6 057	(3 018)	3 435	3 277	158
273	**9 801 276**	**18 257 776**	**(8 456 500)**	**186%**	**2 992**	**5 573**	**(2 581)**	**3 327**	**2 893**	**434**
3	98 550	435 957	(337 407)	442%	2 738	12 110	(9 372)	3 954	3 824	130
1284	**53 995 475 ***	**109 745 557**	**(55 750 082)**	**203%**	**3 504**	**7 123**	**(3 618)**	**3 968**	**3 988**	**(20)**

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UNIT PROFITABILITY REPORT - SAVINGS PLAN
COMPREHENSIVE OPTION
31 December 2018

		ORDINARY MEMBERS				PER MEMBER PER MONTH		
COMPREHENSIVE OPTION	NO OF MEM	CONTRIBUTIONS	MEDICAL EXPENDITURE	SURPLUS (DEFICIT)	% USED	CONTRI-BUTIONS	EXPENDI TURE	SUR / (DEF)
ANGLO COAL								
ANGLO COAL SHARED SERV	377	6 434 364	5 782 298	652 066	90%	1 422	1 278	144
GOEDEHOOP	580	9 660 389	7 776 177	1 884 212	80%	1 388	1 117	271
GREENSIDE	268	4 462 146	3 994 069	468 077	90%	1 387	1 242	146
ISIBONELO	225	3 731 715	2 967 280	764 435	80%	1 382	1 099	283
NEW DENMARK ¤	0	1 070 331	980 024	90 307	92%	-	-	-
NEW VAAL ¤	0	1 059 029	932 838	126 191	88%	-	-	-
KHWEZELA	391	6 715 726	5 540 349	1 175 377	82%	1 431	1 181	251
MBS	0	-	-	-	0%	-	-	-
TOTAL	**1841**	**33 133 700**	**27 973 035**	**5 160 665**	**84%**	**1 500**	**1 266**	**234**
BUFFALO COAL	22	348 489	252 444	96 045	72%	1 320	956	364
GLENCORE OPERATIONS SA								
ARTHUR TAYLOR	308	5 002 939	4 163 516	839 423	83%	1 354	1 126	227
GOEDGEVONDEN	274	4 531 008	3 465 313	1 065 695	76%	1 378	1 054	324
GRASPAN	24	306 697	250 842	55 855	82%	1 065	871	194
IZIMBIWA	19	188 863	177 723	11 140	94%	828	779	49
PHOENIX	0	-	-	-	0%	-	-	-
SHANDUKA COLLIERY ¤	0	109 683	100 410	9 273	92%	-	-	-
SPITZKOP COLLIERY	0	-	-	-	0%	-	-	-
HEAD OFFICE	154	2 609 571	2 267 970	341 601	87%	1 412	1 227	185
TAVISTOCK	0	-	-	-	0%	-	-	-
TCS	123	1 849 006	1 534 790	314 216	83%	1 253	1 040	213
TWEEFONTEIN COLLIERY	395	6 387 462	5 015 582	1 371 880	79%	1 348	1 058	289
WONDERFONTEIN	12	158 143	113 791	44 352	72%	1 098	790	308
TOTAL	**1309**	**21 143 372**	**17 089 937**	**4 053 435**	**81%**	**1 346**	**1 088**	**258**
INYOSI COAL								
KRIEL ¤	0	857 582	781 890	75 692	91%	-	-	-
ZIBULU	353	5 703 982	4 492 934	1 211 048	79%	1 347	1 061	286
TOTAL	**353**	**6 561 564**	**5 274 824**	**1 286 740**	**80%**	**1 549**	**1 245**	**304**
KOORNFONTEIN	2	40 620	30 650	9 970	75%	1 693	1 277	415
MAFUBE	119	1 978 210	1 420 618	557 592	72%	1 385	995	390
MANTELLA TRADING	20	287 127	240 153	46 974	84%	1 196	1 001	196
MSOBO COAL								
MSOBO	59	974 942	691 657	283 285	71%	1 377	977	400
ESTRAPADE	17	55 531	11 834	43 697	21%	272	58	214
TOTAL	**76**	**1 030 473**	**703 491**	**326 982**	**68%**	**1 130**	**771**	**359**
OPTIMUM	1	18 900	9 189	9 711	49%	1 575	766	809
WITBANK CHAMBER	18	326 040	286 446	39 594	88%	1 509	1 326	183
SERITI COAL								
KRIEL	380	5 269 133	4 300 158	968 975	82%	-	-	-
NEW DENMARK	443	5 714 851	4 393 830	1 321 021	77%	1 075	827	248
NEW VAAL	416	5 860 576	4 820 317	1 040 259	82%	1 174	966	208
TOTAL	**1239**	**16 844 560**	**13 514 305**	**3 330 255**	**80%**	**1 133**	**909**	**224**
STAFF	22	362 595	391 242	(28 647)	108%	1 373	1 482	(109)
TOTAL	**5022**	**82 075 650 ***	**67 186 334 ***	**14 889 316**	**82%**	**1 362**	**1 115**	**247**

All figures annotated with "*" have been verified by the auditors

¤ - The unit had no members at year end but there were members in this unit during the course of the year

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COMPREHENSIVE OPTION
31 December 2018

	CAWM MEMBERS				PER MEMBER PER MONTH			COMBINED PER MEMBER PER MONTH		
NO OF MEM	CONTRI-BUTIONS	MEDICAL EXPENDITURE	SURPLUS (DEFICIT)	% USED	CONTRI-BUTIONS	EXPENDITURE	SUR / (DEF)	CONTRI-BUTIONS	EXPENDITURE	SUR / (DEF)
168	2 572 345	2 418 895	153 450	94%	1 276	1 200	76	1 377	1 254	123
172	2 461 111	2 187 917	273 194	89%	1 192	1 060	132	1 343	1 104	239
96	1 268 940	1 120 801	148 139	88%	1 102	973	129	1 312	1 171	141
14	219 826	185 973	33 853	85%	1 308	1 107	202	1 378	1 099	278
0	205 064	236 529	(31 465)	115%	-	-	-	-	-	-
0	226 643	238 403	(11 760)	105%	-	-	-	-	-	-
203	2 867 644	2 636 764	230 880	92%	1 177	1 082	95	1 344	1 147	197
8	85 842	81 769	4 073	95%	894	852	42	894	852	42
661	**9 907 415**	**9 107 051**	**800 364**	**92%**	**1 249**	**1 148**	**101**	**1 434**	**1 235**	**199**
0	-	-	-	0%	-	-	-	1 320	956	364
21	282 128	255 600	26 528	91%	1 120	1 014	105	1 339	1 119	219
2	25 200	12 277	12 923	49%	1 050	512	538	1 376	1 050	326
0	-	-	-	0%	-	-	-	1 065	871	194
1	12 600	4 337	8 263	34%	1 050	361	689	839	759	81
8	115 545	119 689	(4 144)	104%	1 204	1 247	(43)	1 204	1 247	(43)
0	3 150	1 113	2 037	35%	-	-	-	-	-	-
47	592 876	596 135	(3 259)	101%	1 051	1 057	(6)	1 051	1 057	(6)
38	617 950	576 403	41 547	93%	1 355	1 264	91	1 401	1 235	166
29	401 870	444 047	(42 177)	110%	1 155	1 276	(121)	1 155	1 276	(121)
32	382 159	325 220	56 939	85%	995	847	148	1 200	1 000	200
102	1 326 318	1 176 816	149 502	89%	1 084	961	122	1 293	1 038	255
1	15 750	19 749	(3 999)	125%	1 313	1 646	(333)	1 115	856	259
281	**3 775 546**	**3 531 386**	**244 160**	**94%**	**1 120**	**1 047**	**72**	**1 306**	**1 081**	**225**
0	216 410	223 208	(6 798)	103%	-	-	-	-	-	-
7	108 219	97 734	10 485	90%	1 288	1 164	125	1 345	1 063	283
7	**324 629**	**320 942**	**3 687**	**99%**	**3 865**	**3 821**	**44**	**1 594**	**1 295**	**299**
0	-	-	-	0%	-	-	-	1 693	1 277	415
0	-	-	-	0%	-	-	-	1 385	995	390
1	9 450	7 107	2 343	75%	788	592	195	1 177	981	196
8	113 400	80 239	33 161	71%	1 181	836	345	1 354	960	394
0	-	-	-	0%	-	-	-	272	58	214
8	**113 400**	**80 239**	**33 161**	**71%**	**1 181**	**836**	**345**	**1 135**	**778**	**357**
0	-	-	-	0%	-	-	-	1 575	766	809
50	567 954	527 410	40 544	93%	947	879	68	1 096	997	98
93	1 047 590	877 866	169 724	84%	939	787	152	1 113	912	201
85	1 064 707	890 746	173 961	84%	1 044	873	171	1 070	834	236
95	1 154 794	926 657	228 137	80%	1 013	813	200	1 144	937	207
273	**3 267 091**	**2 695 269**	**571 822**	**82%**	**997**	**823**	**175**	**1 108**	**893**	**215**
3	32 850	40 222	(7 372)	122%	913	1 117	(205)	1 318	1 438	(120)
1284	**17 998 335 ***	**16 309 626**	**1 688 709**	**91%**	**1 168**	**1 059**	**110**	**1 322**	**1 103**	**219**

ANNUAL REPORT
WITBANK COALFIELDS MEDICAL AID SCHEME
UNIT PROFITABILITY REPORT - RISK POOL
MIDMAS OPTION
31 December 2018

		ORDINARY MEMBERS				PER MEMBER PER MONTH		
COMPREHENSIVE OPTION	NO OF MEM	CONTRIBUTIONS	MEDICAL EXPENDITURE	SURPLUS (DEFICIT)	% USED	CONTRI-BUTIONS	EXPENDI TURE	SUR / (DEF)
GLENCORE OPERATIONS SA								
ARTHUR TAYLOR	13	501 143	135 611	365 532	27%	3 212	869	2 343
GOEDGEVONDEN	27	973 134	473 660	499 474	49%	3 004	1 462	1 542
SHANDUKA COLLIERY ¤	0	40 820	949	39 871	2%	-	-	-
SOUTH WITBANK COAL	2	81 623	152 113	(70 490)	186%	3 401	6 338	(2 937)
TAVISTOCK CENTRAL SERVICES	6	127 576	6 934	120 642	5%	1 772	96	1 676
TWEEFONTEIN COLLIERY	13	456 227	128 379	327 848	28%	2 925	823	2 102
WONDERFONTEIN	8	238 128	83 853	154 275	35%	2 481	873	1 607
TOTAL	**69**	**2 418 651**	**981 499**	**1 437 152**	**41%**	**2 921**	**1 185**	**1 736**
BUFFALO COAL	13	408 442	192 731	215 711	47%	2 618	1 235	1 383
MANTELLA TRADING	64	2 007 152	977 013	1 030 139	49%	2 613	1 272	1 341
TOTAL	**146**	**4 834 245 ***	**2 151 243 ***	**2 683 002**	**45%**	**2 759**	**1 228**	**1 531**

All figures annotated with "*" have been verified by the auditors

¤ - The unit had no members at year end but there were members in this unit during the course of the year

ANNUAL REPORT
WITBANK COALFIELDS MEDICAL AID SCHEME
UNIT PROFITABILITY REPORT - SAVINGS PLAN
MIDMAS OPTION
31 December 2018

		ORDINARY MEMBERS				PER MEMBER PER MONTH		
COMPREHENSIVE OPTION	**NO OF MEM**	**CONTRIBUTIONS**	**MEDICAL EXPENDITURE**	**SURPLUS (DEFICIT)**	**% USED**	**CONTRI-BUTIONS**	**EXPENDI TURE**	**SUR / (DEF)**
GLENCORE OPERATIONS SA								
ARTHUR TAYLOR	13	110 007	106 333	3 674	97%	705	682	24
GOEDGEVONDEN	27	213 615	178 564	35 051	84%	659	551	108
SHANDUKA COLLIERY ¤	0	8 960	3 515	5 445	39%	-	-	-
SOUTH WITBANK COAL	2	17 917	17 704	213	99%	747	738	9
TAVISTOCK CENTRAL SERVICES	6	28 004	19 100	8 904	68%	389	265	124
TWEEFONTEIN COLLIERY	13	100 147	74 785	25 362	75%	642	479	163
WONDERFONTEIN	8	52 272	49 604	2 668	95%	545	517	28
TOTAL	**69**	**530 922**	**449 605**	**81 317**	**85%**	**641**	**543**	**98**
BUFFALO COAL	13	89 658	57 273	32 385	64%	575	367	208
MANTELLA TRADING	64	440 594	359 760	80 834	82%	574	468	105
TOTAL	**146**	**1 061 174 ***	**866 638 ***	**194 536**	**82%**	**606**	**495**	**111**

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ANNUAL REPORT
WITBANK COALFIELDS MEDICAL AID SCHEME
UNIT PROFITABILITY REPORT - RISK POOL
NTSIKA OPTION
31 December 2018

		ORDINARY MEMBERS				PER MEMBER PER MONTH		
COMPREHENSIVE OPTION	NO OF MEM	CONTRIBUTIONS	MEDICAL EXPENDITURE	SURPLUS (DEFICIT)	% USED	CONTRI-BUTIONS	EXPENDI TURE	SUR / (DEF)
GLENCORE OPERATIONS SA								
ARTHUR TAYLOR	19	669 927	435 479	234 448	65%	2 938	1 910	1 028
GOEDGEVONDEN	22	645 204	346 889	298 315	54%	2 444	1 314	1 130
TCS	1	30 096	27 627	2 469	92%	2 508	2 302	206
TWEEFONTEIN	22	771 346	460 405	310 941	60%	2 922	1 744	1 178
WONDERFONTEIN	4	53 131	50 867	2 264	96%	1 107	1 060	47
TOTAL	**68**	**2 169 704**	**1 321 267**	**848 437**	**61%**	**2 659**	**1 619**	**1 040**
BUFFALO COAL	29	347 532	86 924	260 608	25%	999	250	749
MANTELLA TRADING	380	3 142 123	2 105 894	1 036 229	67%	689	462	227
TOTAL	**477**	**5 659 359 ***	**3 514 085 ***	**2 145 274**	**62%**	**989**	**614**	**375**

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ANNUAL REPORT
WITBANK COALFIELDS MEDICAL AID SCHEME
UNIT PROFITABILITY REPORT - RISK POOL
YEBOMED OPTION
31 December 2018

		ORDINARY MEMBERS				PER MEMBER PER MONTH		
YEBOMED OPTION	NO OF MEM	CONTRIBUTIONS	MEDICAL EXPENDITURE	SURPLUS (DEFICIT)	% USED	CONTRI-BUTIONS	EXPENDITURE	SUR / (DEF)
ANGLO COAL								
ACIMS	76	1 770 538	1 665 142	105 396	94%	1 941	1 826	116
GOEDEHOOP	186	3 931 655	3 663 306	268 349	93%	1 761	1 641	120
GREENSIDE	129	2 590 093	2 428 398	161 695	94%	1 673	1 569	104
ISIBONELO COLL	48	977 525	916 563	60 962	94%	1 697	1 591	106
KLEINKOPJE ¤	0	932 223	879 409	52 814	94%	-	-	-
LANDAU ¤	0	690 401	651 773	38 628	94%	-	-	-
KHWEZELA	466	8 194 160	7 726 324	467 836	94%	1 465	1 382	84
NEW DENMARK ¤	0	805 329	753 028	52 301	94%	-	-	-
NEW VAAL ¤	0	1 838 477	1 726 902	111 575	94%	-	-	-
TOTAL	**905**	**21 730 401**	**20 410 845**	**1 319 556**	**94%**	**2 001**	**1 879**	**122**
INYOSI COAL								
KRIEL ¤	0	254 662	237 568	17 094	93%	-	-	-
ZIBULU	260	5 129 161	4 797 486	331 675	94%	1 644	1 538	106
TOTAL	**260**	**5 383 823**	**5 035 054**	**348 769**	**94%**	**1 726**	**1 614**	**112**
MAFUBE	183	3 624 419	3 395 090	229 329	94%	1 650	1 546	104
SERITI COAL								
KRIEL	93	1 366 887	1 272 444	94 443	93%	1 225	1 140	85
NEW DENMARK COLLIERY	284	4 029 099	3 760 523	268 576	93%	1 182	1 103	79
NEW VAAL COLLIERY	536	9 249 688	8 678 171	571 517	94%	1 438	1 349	89
SERITI ¤	0	9 278	8 862	416	96%	-	-	-
TOTAL	**913**	**14 654 952**	**13 720 000**	**934 952**	**94%**	**1 338**	**1 252**	**85**
TOTAL	**2261**	**45 393 595 ***	**42 560 989 ***	**2 832 606**	**94%**	**1 673**	**1 569**	**104**

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