



WCMAS

- ☛ 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

WITBANK COALFIELDS MEDICAL AID SCHEME

2015 ANNUAL REPORT

*Providing affordable healthcare funding
to our members for **81** years*

ANNUAL REPORT

WITBANK COALFIELDS MEDICAL AID SCHEME

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31 December 2015

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ANNUAL REPORT

WITBANK COALFIELDS MEDICAL AID SCHEME

31 December 2015

WCMAS

WITBANK COALFIELDS MEDICAL AID SCHEME
WCMAS BUILDING, SECOND FLOOR
C/O OR TAMBO ROAD & SUSANNA STREET
TEL: 013 - 656 1407
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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 81st 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 Wednesday 25 April 2016 at 13h00.

BY ORDER OF THE BOARD OF TRUSTEES

PRINCIPAL OFFICER

29 February 2016

AGENDA OF THE 81st ANNUAL GENERAL MEETING

1. Notice of meeting
2. Minutes - Confirmation of the minutes of the 80th annual general meeting held on 22 April 2015
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 2016 in terms of Rule 25
9. Election of office bearers
10. General

THE BOARD OF TRUSTEES REPORT

The Board of Trustees present their report for the year ended 31 December 2015

Registration Number: 401

81st Annual Report of the Witbank Coalfields Medical Aid Scheme together with the audited financial statements and statistics required by the Medical Schemes Act and the Rules.

1 DESCRIPTION OF THE MEDICAL SCHEME

1.1 Terms of registration

The Witbank Coalfields Medical Aid Scheme is a not for profit restricted membership medical aid scheme registered in terms of the Medical Schemes Act 131 of 1998, as amended.

1.2 Benefit options within the Witbank Coalfields Medical Aid Scheme

The medical scheme offers two options to employers and members. These are:

- Comprehensive option
This option provides comprehensive cover through a risk pool for all major medical expenses and a savings account for day-to-day medical expenses as described in 1.3.
- Yebomed option
This option was implemented during 2007 and provides medical cover through a preferred provider network on a capitation fee basis.

1.3 Saving account trust monies managed on members' behalf (Comprehensive option only)

Personal medical savings accounts constitute trust monies and 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.

Members that belong to the Witbank Coalfields Medical Aid Scheme Comprehensive Option pay 25% of their gross contributions into a savings account, so as to help pay the members' portion of healthcare costs up to a prescribed threshold.

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.

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.

1.4 Risk transfer arrangements (Yebomed option only)

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.

The Yebomed option has been successfully implemented for 8 Years and is functioning well.

BOARD OF TRUSTEES REPORT (Continued)

2 MANAGEMENT AND GOVERNANCE

- 2.1 Registered Office and postal address:
WCMAS
2nd Floor South Wing
WCMAS Building
Cnr. Susanna Street & OR Tambo Road
EMALAHLENI (WITBANK)
P O Box 26
EMALAHLENI (WITBANK)
1035
- 2.2 Medical Scheme Administrator
The scheme is self-administered.
- 2.3 Board of Trustees in office during the year under review:
- | | | |
|---------------------|-----------------------------|----------------------|
| OA Maritz | (Chairperson) | |
| M Dugmore | (Vice Chairperson) | |
| Dr JA Pienaar | (Anglo Coal Appointee) | |
| HG Schoeman | (Xstrata Coal SA Appointee) | |
| O Warschkuhl | (Exxaro Coal Appointee) | Retired 01.04.2015 |
| Ms H Smith | (Exxaro Coal Appointee) | Effective 01.04.2015 |
| Ms CD Logan-Delagey | (Employee Elected) | |
| GC Robbertse | (Employee Elected) | |
| JA de Jager | (Employee Elected) | |
| JC de Carvalho | (Employee Elected) | |
| Ms AP Da Silva | (Employee Elected) | Resigned 01.04.2015 |
| T Masike | (Employee Elected) | |
| A Nienaber | (Co-opted SACMA) | |
| TA Gloss | (Co-opted UASA) | |
| D Phahlane | (Alternate) | Resigned 01.01.2015 |
| JBF Nel | (Alternate UASA) | Resigned 22.04.2015 |
- 2.4 Principal Officer
R Booyens
Address the same as scheme's
- 2.5 Auditors
PricewaterhouseCoopers Incorporated
Registered Chartered Accountants and Auditors
WCMAS Building
Cnr Susanna & OR Tambo
Emalahleni
1041
P O Box 500
River Crescent
1042
- 2.6 Disputes Committee
HA Ackermann
F Kruger
E Wiese
- 2.7 Investment committee
Refer to Note 3 of this report.
- 2.8 Audit and governance committee
Refer to Note 9 of this report.
- 2.9 Remuneration committee
M Dugmore
C Logan-Delagey
T Masike
AD de Jager

BOARD OF TRUSTEES REPORT (Continued)

3 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.

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.

The committee met on four occasions during the course of the year and meetings were attended by all members.

The committee presently comprises: OA Maritz, A Nienaber and NA Dickman, supported by R Booyens (Principal Officer) and C Pretorius (Accountant).

WCMAS appointed Willis Towers Watson as our Investment advisors.

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.

WCMAS has unique Equalisation Levy contracts signed with major employer groups. With these contracts, risks relating to a specific group are "ring-fenced" to only impact members of that group. Employer groups have to pay in funds where their members have spent more on claims and administration costs than their contributions paid, averaged over 3 years.

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.

BOARD OF TRUSTEES REPORT (Continued)

5 REVIEW OF THE YEAR'S ACTIVITIES

5.1 Operational Statistics

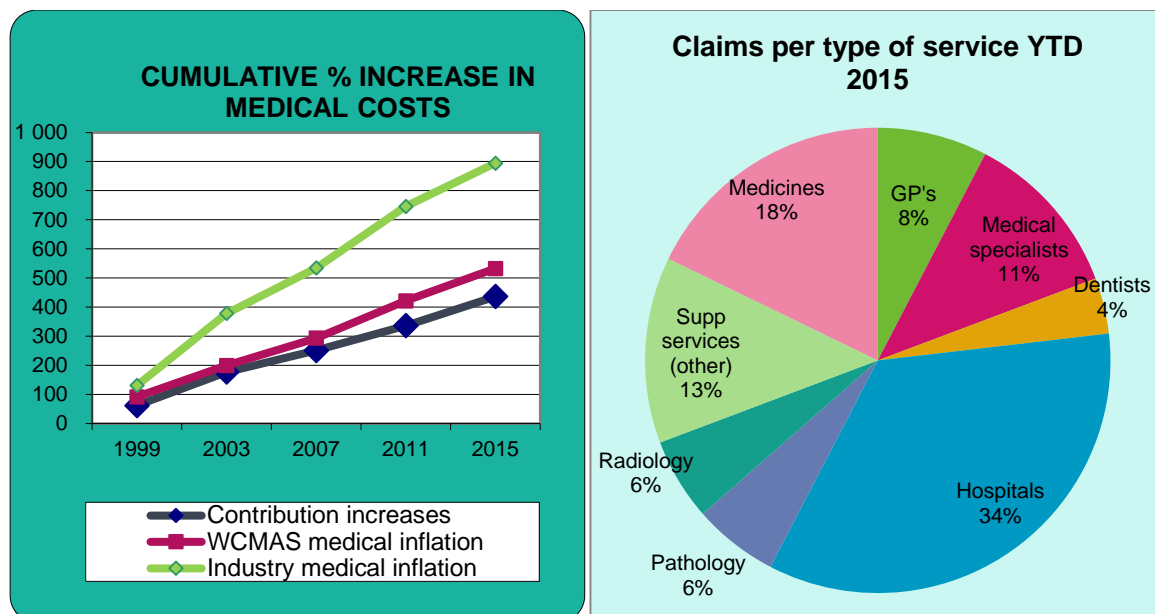
	2015	2014	% Movement
Comprehensive Option			
Average number of members during the year*	7 317	7 472	-2.1%
Number of members at 31 December	7 178	7 318	-1.9%
Average number of beneficiaries during the year*	18 879	19 286	-2.1%
Number of beneficiaries at 31 December	18 584	18 929	-1.8%
Dependant ratio to members at 31 December	1.59	1.59	0.2%
Average age of beneficiaries	30.8	31.1	-1.2%
Pensioner ratio	20.7%	19.3%	7.3%
Percentage of beneficiaries above 65 years of age	6.6%	6.5%	1.5%
Average risk contributions pmpm*	R 3 237	R 3 037	6.6%
Average risk contributions pbpm*	R 1 254	R 1 177	6.6%
Average relevant healthcare expenditure pmpm*	R 3 004	R 2 804	7.1%
Average relevant healthcare expenditure pbpm*	R 1 164	R 1 086	7.2%
Relevant healthcare expenditure as percentage of net contributions	92.8%	92.3%	0.5%
Average non-health expenses pbpm*	R98	R 84	16.1%
Non-health expenses as % of gross contributions	5.9%	5.4%	8.9%
Yebomed Option			
Average number of members during the year*	2 581	2 877	-10.3%
Number of members at 31 December	2 511	2 815	-10.8%
Average number of beneficiaries during the year*	6 577	7 266	-9.5%
Number of beneficiaries at 31 December	6 444	7 135	-9.7%
Dependant ratio to members at 31 December	1.57	1.53	2.1%
Average age of beneficiaries	26.2	26.3	-0.4%
Pensioner ratio	0.0%	0.0%	0.0%
Percentage of beneficiaries above 65 years of age	0.2%	0.2%	0.0%
Average risk contributions pmpm*	R1 307	R 1 234	5.9%
Average risk contributions pbpm*	R 513	R 489	5.0%
Average relevant healthcare expenditure pmpm*	R 1 220	R1 139	7.1%
Average relevant healthcare expenditure pbpm*	R 479	R 451	6.2%
Relevant healthcare expenditure as percentage of net contributions	93.4%	92.4%	1.1%
Average non-health expenses pbpm*	R 34	R 32	3.9%
Non-health expenses as % of gross contributions	6.6%	6.6%	-1.0%
Scheme			
Average accumulated funds per member*	R 47 660	R 42 287	12.7%
Average return on investments as % of investments	5.5%	9.0%	-38.9%

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

BOARD OF TRUSTEES REPORT (Continued)

5.2 Operational overview

This year the scheme has experienced an increase in specialist, dentists and supplementary services with significant costs incurred on pneumonia and lung related disorders as well as oncology and artificial limbs.



The scheme experienced a decline in membership as a result of large scale retrenchments in the area in the employer groups associated with the scheme.

As the quality of medical care is important to the Scheme, the Scheme is implementing enhanced managed care and preventative care initiatives which will result in better health outcomes.

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

Even though the commencement date has not been set for the Protection of Personal Information Act, the Scheme has had to start imposing more stringent security measures to ensure the safety of its members' information.

5.3 Reserve accounts

Movement in the reserves are set out in the Statement of Changes in Funds and Reserves.

5.4 Solvency ratio

	2015 R	2014 R
Total members' funds per statement of financial position	492 191 812	469 517 291
LESS: revaluation reserve	(30 799 538)	(41 024 246)
LESS: cumulative gain on re-measurement to fair value through profit and loss investments	-	(164 005)
Accumulated funds per Regulation 29	461 392 274	428 329 040
Gross contributions (Note 14)	419 399 492	405 727 871
Accumulated funds ratio = Accumulated funds / Gross annual contributions x 100	110.0%	105.57%

Accumulated funds ratio has increased by 4.43% for this period and is still significantly over the minimum requirement of 25%.

BOARD OF TRUSTEES REPORT (Continued)

5.5 Outstanding claims

The basis of calculation of the outstanding claims provision is discussed in note 9 and this is consistent with the prior year. The provision of R 14 930 000 is sufficient for the medical claims that the scheme expect to pay in 2016 in respect of prior years.

6 EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

The Exxaro employer group notified the scheme of their intention to withdraw their membership with effect from 1 January 2017. This has the potential impact of a loss of 977 principal members and their dependants.

7 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.

Mpumalanga Managed Health Care (Pty) Ltd, the wholly owned company of the scheme is still dormant and has no influence on the day to day management and operations.

8 RELATED PARTY TRANSACTIONS

These are disclosed in note 27 to the annual financial statements.

9 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 external auditors report formally to the committee on critical findings arising from audit activities.

The majority of the members, including the chairperson, should not be officers of the scheme. The committee met on four occasions during the course of the year. The following schedule sets out members' meeting attendances:

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

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. The Board of Trustees successfully expanded the number of non-executives on the Audit Committee to ensure enhanced independence.

BOARD OF TRUSTEES REPORT (Continued)

10 TRUSTEE ATTENDANCE AND REMUNERATION

The following schedule sets out Board of Trustees meeting attendances.

Number of Board Meetings for the year: 12

Member	Number	Member	Number	Member	Number
Voting members					
OA Maritz (Chair)	9 of 12	M Dugmore (Vice-chair)	10 of 12	JC de Carvalho	11 of 12
JA de Jager	8 of 12	C Logan Delagey	9 of 12	T Masike	7 of 12
JA Pienaar	10 of 12	GC Robbertse	10 of 12	HGR Schoeman	8 of 12
H Smith	5 of 9				
Resigned members who used to be voting members					
AP da Silva (R)	1 of 3	O Warschkuhl	2 of 3		
Non-voting members					
TA Gloss (Co-opt)	9 of 12	A Nienaber (Co-opt)	10 of 12		
Yebomed representatives					
T Mathavha (Yebo)	0 of 4	L Mashego (Yebo)	0 of 4	J Shakhane (Yebo)	0 of 4

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

With effect 1 June 2012, trustees are remunerated for meeting attendance and travel costs. All remuneration allocated are reported in the related party disclosure in note 27.

11 MATTERS OF NON-COMPLIANCE WITH THE MEDICAL SCHEMES ACT

11.1 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.

11.2 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.

11.3 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 0.25% (2014:0.18%), in unrelated holding companies of administrators of 0.64% (2014: 0.88%) and in related listed employer groups of 0.49% (2014:1.43%) (Anglo American PLC 0.27%; Exxaro Resources 0.16%; Glencore PLC 0.06%) 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.

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

Section 33(2)(b) of the Act requires that each options is self-supporting in terms of membership and financial performance and be financially sound. The 2015 budgets submitted to the Council for Medical Schemes reflected a net healthcare deficit. The net healthcare deficit incurred on the comprehensive option was better than the budget submitted to the Council for Medical Schemes by R19.3 million. The Scheme has sufficient reserves to support this option. The Scheme takes into account Section 33(2)(b) of the Act in designing its benefits.

ANNUAL REPORT

WITBANK COALFIELDS MEDICAL AID SCHEME

ADDITIONAL MEDICAL SCHEME STATISTICS: COMPREHENSIVE OPTION

31 December 2015

Below the Comprehensive option presents some of the statistics and top conditions of its members over the past year.

Top conditions

Condition	Patients for the year	% of scheme population
Hypertension	2 427	13.06%
Hyperlipidaemia	1 486	8.00%
Diabetes type 2	577	3.10%
Hypothyroidism	536	2.88%
Major depression	478	2.57%
Menopause	313	1.68%
HIV	312	1.68%
Asthma	195	1.05%
Cardiac Dysrhythmia	124	0.67%
Epilepsy	108	0.58%

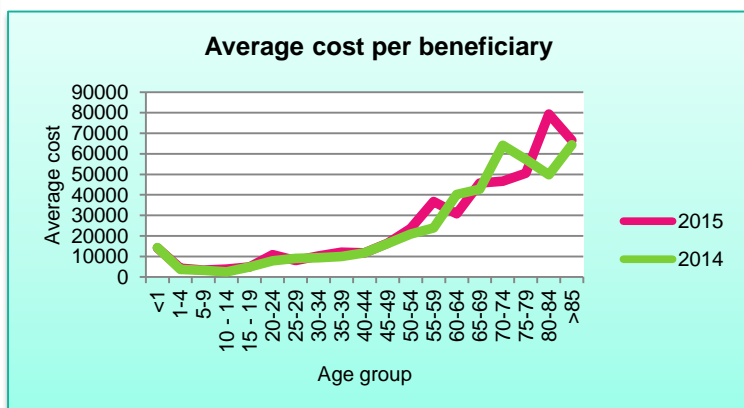
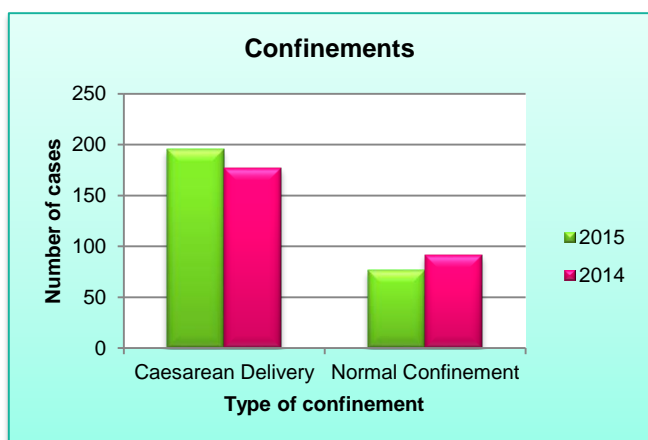
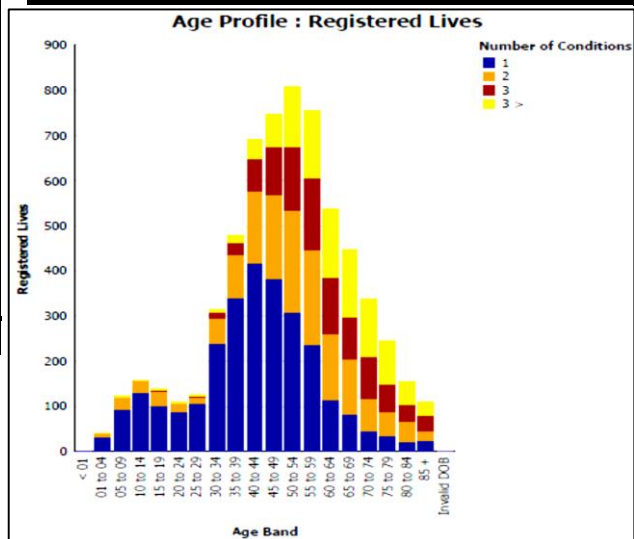
Oncology prevalence for the as at year end

Type of cancer	Number of patients	% of total oncology
Breast	76	32.26%
Prostate	61	25.81%
Haematological (Leukaemia)	15	6.45%
Colon	11	4.84%
Respiratory	11	4.84%
Lymphoid Tissue	10	4.03%
Skin	8	3.23%
Rectal	8	3.23%
Other	8	3.23%
Cervical/ Uterine/ Ovarian / Gestational	6	2.42%
Stomach	6	2.42%
Kidney / Bladder	6	2.42%
Endocrine system	6	2.42%
Brain	4	1.61%
Oesophagus	2	0.81%

Number of deceased members for the year

Age	Natural	Unnatural	Total
Less than 1 year	4	-	4
1 - 4 years	2	-	2
5 - 9 years	1	1	2
10 - 14 years	-	-	-
15 - 19 years	1	1	2
20 - 24 years	1	-	1
25 - 29 years	3	-	3
30 - 34 years	3	2	5
35 - 39 years	3	-	3
40 - 44 years	6	-	6
45 - 49 years	4	1	5
50 - 54 years	6	2	8
55 - 59 years	6	-	6
60 - 64 years	9	-	9
65 - 69 years	7	-	7
70 - 74 years	8	-	8
75 - 79 years	8	-	8
80 - 84 years	11	-	11
85+ years	17	-	17
	100	7	107

The scheme currently has 22 members that has been associated with it for more than 50 years. The oldest member on the scheme as at 31 December 2015 was 100 years of age and has been a member for 44 years.



ANNUAL REPORT
WITBANK COALFIELDS MEDICAL AID SCHEME
STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES
31 December 2015

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 15 to 45 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 13.

The Audit Committee functioned effectively throughout the year.

The financial statements were approved by the Board of Trustees on 29 February 2016 and were signed on their behalf by:



OA MARITZ
CHAIRPERSON



R BOOYENS
PRINCIPAL OFFICER



M DUGMORE
VICE-CHAIRPERSON

ANNUAL REPORT
WITBANK COALFIELDS MEDICAL AID SCHEME
STATEMENT OF CORPORATE GOVERNANCE BY THE BOARD OF TRUSTEES
31 December 2015

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 III Code of Corporate Governance. Reporting in terms of King III is guided by the Council for Medical Schemes.

BOARD OF TRUSTEES

The trustees are proposed and elected by the members of the scheme and participating employers and are governed by an agreed Terms of Reference.

The trustees 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.

INTERNAL CONTROL

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.

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.

An Audit and Governance committee is established in accordance with the Act and it is functioning effectively.



OA MARITZ
CHAIRPERSON



R BOOYENS
PRINCIPAL OFFICER



M DUGMORE
VICE-CHAIRPERSON



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WITBANK COALFIELDS MEDICAL AID SCHEME

We have audited the financial statements of Witbank Coalfields Medical Aid Scheme set out on pages 15 to 45, which comprise the statement of financial position as at 31 December 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The scheme's trustees are responsible for the preparation and fair presentation of these 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

*PricewaterhouseCoopers Inc., WCMAS Building, Cnr Susanna & OR Tambo, Emalahleni 1039, Mpumalanga
P O Box 500, River Crescent 1042
T: (013) 813 0600, F: (013) 813 0700, www.pwc.co.za*



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Witbank Coalfields Medical Aid Scheme as at 31 December 2015, and its financial performance and its 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.

Report on other Legal and Regulatory Requirements

As required by the Council for Medical Schemes, we report that there are no instances of material 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.

Supplementary Information

The supplementary schedules set out on pages 46 to 50, do not form part of the annual financial statements unless specifically referred to in the notes to the financial statements and are presented as additional information. We have not audited these schedules unless specifically noted, and accordingly we do not express an opinion on them.


PricewaterhouseCoopers Inc.

Director: Stephan Eicker

Registered Auditor

eMalahleni

16 March 2016

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ANNUAL REPORT
WITBANK COALFIELDS MEDICAL AID SCHEME
STATEMENT OF FINANCIAL POSITION
31 December 2015

	Notes	2015 R	2014 R
ASSETS			
NON-CURRENT ASSETS			
		440 618 255	415 522 741
Equipment and other assets	2	1 621 464	1 648 769
Investment properties	3	10 502 432	9 780 740
Available for sale investments	4	428 494 359	404 093 232
CURRENT ASSETS			
		238 443 677	223 423 059
Trade and other receivables	5	19 701 019	7 046 701
Investments		184 447 034	166 771 460
Investment of PMSA trust monies managed by the scheme on behalf of its members	6	141 911 435	127 033 050
Available for sale investments	4	42 535 599	39 738 410
Cash and cash equivalents	7	34 295 624	49 604 898
Investment of PMSA trust monies managed by the scheme on behalf of its members		22 918	1 901 341
Scheme		34 272 706	47 703 557
TOTAL ASSETS		679 061 932	638 945 800
FUNDS AND LIABILITIES			
MEMBERS' FUNDS			
		492 191 812	469 517 291
Accumulated funds	p17	461 392 274	428 493 045
Revaluation Reserve - Investments	p17	30 799 538	41 024 246
LONG TERM LIABILITIES			
		2 726 055	2 032 816
Post retirement medical aid benefit	8	2 726 055	2 032 816
CURRENT LIABILITIES			
		184 144 065	167 395 693
Post retirement medical aid benefit	8	23 832	23 184
Provision for leave pay		659 000	572 000
Outstanding claims provision	9	14 930 000	14 930 000
PMSA trust monies managed by the scheme on behalf of its members	10	141 934 353	128 934 391
Accounts payable	11	26 596 880	22 936 118
TOTAL FUNDS AND LIABILITIES		679 061 932	638 945 800

ANNUAL REPORT
WITBANK COALFIELDS MEDICAL AID SCHEME
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
31 December 2015

	Notes	2015 R	Restated 2014 R
Risk contribution income	12	324 667 416	314 944 420
Relevant healthcare expenditure		(304 621 548)	(293 688 639)
Net claims incurred		(304 621 548)	(293 688 639)
Risk claims incurred	13	(303 391 901)	(290 922 497)
Accredited managed care: management services	16	(3 062 871)	(2 948 064)
Third party claim recoveries		1 833 224	181 922
Net income / (expense) on risk transfer arrangement		-	-
Risk transfer arrangement fees	14	(37 797 204)	(39 336 991)
Recoveries from risk transfer arrangement	14	37 797 204	39 336 991
Gross healthcare result		20 045 868	21 255 781
Broker fees	15	(81 290)	(79 036)
Administration expenditure	17	(22 045 839)	(19 280 147)
Net impairment losses on healthcare receivables	18	(60 082)	(54 971)
Net healthcare result		(2 141 343)	1 841 627
Other income		50 818 368	39 359 945
Investment income	19	45 276 997	33 760 905
Scheme		36 414 718	26 558 712
Return on PMSA trust monies invested		8 862 279	7 202 193
Rental income from investment property		4 012 740	3 765 676
Sundry income	20	1 528 631	1 833 364
Other expenditure		(15 777 796)	(12 032 412)
Asset management fees		(3 802 675)	(3 479 308)
Scheme		(3 620 011)	(2 918 052)
PMSA trust monies invested		(182 664)	(561 256)
Direct operating expenses incurred in the rental of investment property		(3 295 506)	(1 912 167)
Interest paid on savings accounts	21	(8 679 615)	(6 640 937)
Net surplus for the year		32 899 229	29 169 160
Other comprehensive income	p17	(10 224 708)	14 459 693
Realised gain on disposal of available for sale investments		(10 465 360)	(5 365 718)
Fair value adjustment on available for sale investments		240 652	19 825 411
Total comprehensive surplus / (deficit) for the year		22 674 521	43 628 853

ANNUAL REPORT
WITBANK COALFIELDS MEDICAL AID SCHEME
STATEMENT OF CHANGES IN FUNDS AND RESERVES
31 December 2015

	REVALUATION RESERVE INVESTMENTS R	ACCUMULATED FUNDS R	MEMBERS' FUNDS R
BALANCE AT 31 DECEMBER 2013	26 564 553	399 323 885	425 888 438
Net surplus for the year	-	29 169 160	29 169 160
Other comprehensive income	14 459 693	-	14 459 693
BALANCE AT 31 DECEMBER 2014	41 024 246	428 493 045	469 517 291
Net surplus for the year	-	32 899 229	32 899 229
Other comprehensive income	(10 224 708)	-	(10 224 708)
BALANCE AT 31 DECEMBER 2015	30 799 538	461 392 274	492 191 812
 BALANCE AT 31 DECEMBER 2015			
Consisting of:			
Comprehensive option	30 799 538	448 495 224	479 294 762
Yebomed option	-	12 897 050	12 897 050
	30 799 538	461 392 274	492 191 812

ANNUAL REPORT
WITBANK COALFIELDS MEDICAL AID SCHEME
STATEMENT OF CHANGES IN CASH FLOW
31 December 2015

	Notes	2015 R	2014 R
OPERATING ACTIVITIES			
Cash generated from operations before working capital changes	22	585 367	4 537 164
Working capital changes:			
Movement in trade and other receivables		(12 666 639)	(5 515 030)
Movement in impairment losses		12 321	3 684
Movement in savings plan liability		12 999 962	15 311 910
Movement in provision for outstanding claims		-	673 000
Movement in provision for post retirement benefit		693 887	296 000
Movement in other payables		3 747 762	6 114 038
Cash generated from operations		5 372 660	21 420 766
Interest received on PMSA trust monies		8 862 279	7 202 193
Interest on savings balances		(8 679 615)	(6 640 937)
Net cash flow effect of operating activities		5 555 324	21 982 022
INVESTING ACTIVITIES			
Additions to investment properties		(1 309 967)	(849 029)
Additions to equipment and other assets		(677 719)	(1 216 357)
Proceeds on disposal of equipment		989	37 086
Increase in investments		(52 301 409)	(55 226 911)
Proceeds on disposal of available for sale investments		10 528 251	5 029 766
Interest received on Scheme funds		19 945 728	16 062 378
Dividends received		6 034 970	5 612 965
Investment managers' fees		(3 802 675)	(3 479 308)
Net rentals received		717 234	1 853 509
Net cash flow effect of investing activities		(20 864 598)	(32 175 901)
MOVEMENT IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		49 604 898	59 798 777
CASH AND CASH EQUIVALENTS AT END OF YEAR	7	34 295 624	49 604 898
Cash and cash equivalents comprise of:			
Investment of PMSA trust monies managed by the scheme on behalf of its members	7	22 918	1 901 341
Scheme	7	34 272 706	47 703 557
		34 295 624	49 604 898

ANNUAL REPORT

WITBANK COALFIELDS MEDICAL AID SCHEME

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

31 December 2015

1 PRINCIPAL ACCOUNTING POLICIES

The financial statements of the scheme comprise the scheme.

Standards and interpretations in issue, but not yet adopted

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

Standards and Interpretations that are effective and adopted

* IAS 19	Amendments to defined benefit plan requirements	Effective 1 July 2014
* IAS 16	To clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model	Effective 1 July 2014
* IAS 24	Amendment to the definition of a related party	Effective 1 July 2014
* IAS 40	Clarification on classification requirements	Effective 1 July 2014
* IFRS 1	First-time adopter can use either the old or the new version of a standard	Effective 1 July 2014
* IFRS 2	Clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'	Effective 1 July 2014
* IFRS 3	To clarify that an obligation to pay contingent consideration	Effective 1 July 2014
* IFRS 8	Disclosure required of the judgements made by management in aggregating operating segments	Effective 1 July 2014
* IFRS 13	Disclosure requirements on short term instruments	Effective 1 July 2014

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

* IAS 1	Amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies	Effective 1 January 2016
* IAS 7	Introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities	Effective 1 January 2017
* IAS 12	To clarify the requirements for recognising deferred tax assets on unrealised losses	Effective 1 January 2017
* IAS 16	Amendments to clarify basis for calculating depreciation and amortisation	Effective 1 January 2016
* IAS 27	Amendment to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements	Effective 1 January 2016
* IFRS 7	Applicability of the offsetting disclosures to condensed interim financial statements	Effective 1 January 2016
* IAS 19	Clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated	Effective 1 January 2016
* IFRS 15	Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer	Effective 1 January 2018
* IFRS 16	There will be a change to key financial ratios derived from a lessee's assets and liabilities	Effective 1 January 2019
* IFRS 9	New standard on financial instruments to replace IAS39	Effective 1 January 2018

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

* IFRS 10	Gives an exception to entities that meet an 'investment entity' definition	Effective 1 January 2016
* IFRS 14	Interim standard on the accounting for certain balances that arise from rate-regulated activities	Effective 1 January 2016
* IFRS 11	Adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business.	Effective 1 January 2016
* IFRS 5	Clarifies that changing from one of the disposal methods to the other should not be considered to be a new plan of disposal	Effective 1 January 2016
* IAS 34	Interim disclosures must either be in the interim financial statements or cross-referenced between the interim financial statements	Effective 1 January 2016

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

ANNUAL REPORT

WITBANK COALFIELDS MEDICAL AID SCHEME

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

31 December 2015

1 PRINCIPAL ACCOUNTING POLICIES

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 available-for-sale investments and investments at fair value through profit or loss which are reflected at fair value.

The accounting policies are consistent to prior year.

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. These balances contained in these subsidiaries are considered to be immaterial and are therefore not consolidated.

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.

Assets are depreciated as follows:

* Air conditioners	15.0%
* Developed buildings	2.0%
* Land	0.0%
* Lifts	6.7%
* Partitioning & electrical	10.0%

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

ANNUAL REPORT

WITBANK COALFIELDS MEDICAL AID SCHEME

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

31 December 2015

1 PRINCIPAL ACCOUNTING POLICIES

Register of investment properties and all investments

A register of all investment properties and investments, with maturity dates and interest rates, is available for inspection at the registered office of the Scheme.

Financial instruments

Offsetting financial instruments

This applies where a legally enforceable right to set off exists for recognised financial assets and financial liabilities, and there is an intention to realise the asset and settle the liability simultaneously or to settle on a net basis.

The Scheme will disclose the net asset or liability in the Statement of Financial Position or accompanying notes if the above conditions are met.

Derecognition of financial assets and liabilities

The Scheme derecognises a financial asset or part of a financial asset when:

- The contractual right to the cash flows from the asset expires;
- The Scheme retains the contractual right to receive cash flows of the asset, but assumes the obligation to pay one or more third parties the cash flow without material delay;
- The Scheme transfers the asset, while transferring substantially all the risks and rewards of ownership;
- The Scheme neither transfers the financial asset nor retains significant risk and reward of ownership, but has transferred control of the financial asset.

The Scheme derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from a third party on substantially different terms or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the surplus or deficit section of the Statement of comprehensive Income.

The Scheme will disclose the net asset or liability in the Statement of Financial Position or accompanying notes if the above conditions are met.

Initial recognition and measurement

All financial instruments are initially recognised at fair value, which represents the consideration receivable or given. The direct transaction costs are expensed. Regular purchases and sales of financial instruments are recognised on trade date, which is the date on which the Scheme commits to purchase or sell the instruments. Subsequent to initial recognition, financial instruments are measured as set out in the paragraphs below.

Investments

All purchases and sales of investments are recognised on the trade date, which is the date when the commitment is made to purchase or sell the investment. Cost of purchase includes transaction costs. Available for sale investments are subsequently measured at fair value. Unrealised gains and losses from changes in the fair value of available for sale financial instruments are included in the revaluation reserve and are reclassified to other comprehensive income. When they are disposed of, the realised fair value gain or loss on the available for sale financial instruments is included in the Statement of Comprehensive Income as Investment income.

Trade and other receivables

Trade and other receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost, using the effective interest method. An allowance for estimated irrecoverable amounts is recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired. The allowance is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses recognised in the statement of comprehensive income when they occur.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances, cash on call and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents are initially measured at fair value and subsequently measured at amortized cost.

Financial liabilities

Financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

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WITBANK COALFIELDS MEDICAL AID SCHEME

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

31 December 2015

1 PRINCIPAL ACCOUNTING POLICIES

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: trust monies managed by the scheme on behalf of its members

The personal medical savings accounts, which are managed by the scheme on behalf of its members, 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.

Credit balances 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 risk of impairment is carried by the scheme.

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.

The personal medical savings accounts are invested on behalf of members in deposits held at call with banks, money market funds and fixed deposits with banks. These monies are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Provisions

Provisions are recognised when the fund 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.

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.

Outstanding claims provision

A provision is made for the estimated cost of healthcare benefits that have occurred before year-end, but that have not been reported to the Scheme by that date. The provision is determined based on 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.

ANNUAL REPORT

WITBANK COALFIELDS MEDICAL AID SCHEME

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

31 December 2015

1 PRINCIPAL ACCOUNTING POLICIES

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

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

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.

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.

Reimbursement from the 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 13 238 608 (2014: R 11 604 110).

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.

Third party recoveries

Recoveries from third parties are recognised only when the recoveries can be measured reliably, the scheme becomes entitled to them and it is probable that future economic benefit will flow to the Scheme.

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.

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WITBANK COALFIELDS MEDICAL AID SCHEME

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

31 December 2015

1 PRINCIPAL ACCOUNTING POLICIES

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, investment income and other income and expenditure. The administration expenditure is apportioned based on the estimated utilisation by option.

Liabilities and related assets under liability adequacy test

The liabilities 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.

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.

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 2015 the Projected Unit Credit discounted cash flow method was used.

Impairment of financial assets

The carrying amounts of the scheme's assets are reviewed at reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

A financial asset is impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (loss event) and that loss event has an adverse impact on the estimated cash flows from the asset that can be reliably measured.

An financial asset is impaired if its carrying amount is greater than its recoverable amount. The recoverable amount of all assets, excluding available-for-sale 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.

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WITBANK COALFIELDS MEDICAL AID SCHEME

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

31 December 2015

1 PRINCIPAL ACCOUNTING POLICIES

Impairment of financial assets (continued)

Impairment of available-for-sale financial assets

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as objective evidence that the financial asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from reserves and recognised in the Statement of Comprehensive Income.

Impairment of receivables and other financial assets carried at amortised cost

Objective evidence that a financial asset (or group of financial assets) carried at amortised cost is impaired includes observable data that comes to the attention of the Scheme regarding the following loss events:

- Significant difficulty of service provider or member debtors;
- Breach of contract, such as non-payment of member contributions when due and if these remain unpaid for extended periods;
- Default or delinquency in payments due by service providers and other debtors;
- The absence of an active market for that financial asset due to financial difficulties;
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from other Scheme assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Scheme;
- Adverse changes in the payment status of members of the Scheme; or
- National or local economic conditions that correlate with non-payment of debtor contributions.

If there is objective evidence that an impairment loss on receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the carrying amount and the present value of estimated cash flows, discounted at the asset's effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income within Net impairment losses on receivables.

Reversals of impairment losses

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

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 available-for-sale 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.

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.

Critical accounting judgements and areas of key sources of estimation uncertainty

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 9.

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2 EQUIPMENT AND OTHER ASSETS

	Generator	Computer equipment	Office equipment	Motor vehicles	Total
	R	R	R	R	R
Year ended 31 December 2015					
<i>Cost</i>	758 238	2 938 579	1 336 296	138 161	5 171 274
At beginning of year	758 238	2 414 523	1 242 130	136 661	4 551 552
Additions	-	571 577	104 642	1 500	677 719
Disposals	-	(47 521)	(10 476)	-	(57 997)
<i>Accumulated depreciation</i>	(511 506)	(2 143 798)	(814 664)	(79 842)	(3 549 810)
At beginning of year	(452 165)	(1 744 306)	(644 446)	(61 866)	(2 902 783)
Depreciation charges	(59 341)	(445 658)	(180 694)	(17 976)	(703 669)
Accumulated depreciation on disposals	-	46 166	10 476	-	56 642
Carrying amount at end of year	246 732	794 781	521 632	58 319	1 621 464
Year ended 31 December 2014					
<i>Cost</i>	758 238	2 414 523	1 242 130	136 661	4 551 552
At beginning of year	747 360	2 205 628	894 092	136 661	3 983 741
Additions	10 878	666 580	538 899	-	1 216 357
Disposals	-	(457 685)	(190 861)	-	(648 546)
<i>Accumulated depreciation</i>	(452 165)	(1 744 306)	(644 446)	(61 866)	(2 902 783)
At beginning of year	(393 821)	(1 952 853)	(699 077)	(44 190)	(3 089 941)
Depreciation charges	(58 344)	(240 386)	(125 504)	(17 676)	(441 910)
Accumulated depreciation on disposals	-	448 933	180 135	-	629 068
Carrying amount at end of year	306 073	670 217	597 684	74 795	1 648 769

3 INVESTMENT PROPERTIES

	Land & Buildings	Partitioning, electrical & fittings	Lift	Airconditioners	Total
	R	R	R	R	R
Year ended 31 December 2015					
<i>Cost</i>	9 189 663	2 122 148	1 486 448	3 086 862	15 885 121
At beginning of year	9 123 096	1 961 533	1 361 962	2 650 996	15 097 587
Additions	66 567	160 615	646 919	435 866	1 309 967
Disposals	-	-	(522 433)	-	(522 433)
<i>Accumulated depreciation</i>	(1 647 474)	(1 881 537)	(61 936)	(1 791 742)	(5 382 689)
At beginning of year	(1 647 474)	(1 847 351)	(419 861)	(1 402 161)	(5 316 847)
Depreciation charges	-	(34 186)	(70 643)	(389 581)	(494 410)
Accumulated depreciation on disposals	-	-	428 568	-	428 568
Carrying amount at end of year	7 542 189	240 611	1 424 512	1 295 120	10 502 432
Year ended 31 December 2014					
<i>Cost</i>	9 123 096	1 961 533	1 361 962	2 650 996	15 097 587
At beginning of year	9 123 096	1 952 033	522 433	2 650 996	14 248 558
Additions	-	9 500	839 529	-	849 029
<i>Accumulated depreciation</i>	(1 647 474)	(1 847 351)	(419 861)	(1 402 161)	(5 316 847)
At beginning of year	(1 647 474)	(1 816 651)	(385 032)	(1 047 427)	(4 896 584)
Depreciation charges	-	(30 700)	(34 829)	(354 734)	(420 263)
Carrying amount at end of year	7 475 622	114 182	942 101	1 248 835	9 780 740

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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 40 million (2014: R37 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 R 3 261 848 (2014: R 1 878 740) and which did not generate rental income amount to R 33 658 (2014:R 33 430).

	2015 R	2014 R
4 AVAILABLE FOR SALE INVESTMENTS		
Fair value at the beginning of the year	443 831 642	391 150 164
Additions and interest capitalised	37 423 024	38 221 785
Realised gain on disposal of available for sale investments / instruments	(10 465 360)	(5 365 718)
Unrealised (loss) / gain on revaluation of investments transferred directly to reserves	240 652	19 825 411
Fair value at the end of the year	<u>471 029 958</u>	<u>443 831 642</u>
Non-current	428 494 359	404 093 232
Current	42 535 599	39 738 410
Fair value at the end of the year	<u>471 029 958</u>	<u>443 831 642</u>
<i>The available for sale investments comprise of the following:</i>		
Segregated Multi Class Portfolio	285 318 246	263 459 689
Linked fund policies	143 176 013	140 633 443
Unlisted equities	100	100
Money market instruments	42 535 599	39 738 410
	<u>471 029 958</u>	<u>443 831 642</u>
<i>These underlying investments are as follows:</i>		
Cash	143 081 000	129 894 939
Interest bearing investments and investments in property	35 069 522	39 023 427
Interest bearing investments, including bonds	160 554 467	138 767 336
Listed and unlisted debentures	-	2 073 604
Listed equities	132 324 969	134 072 336
	<u>471 029 958</u>	<u>443 831 642</u>

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 0.25% (2014:0.18%), in unrelated holding companies of administrators of 0.64% (2014: 0.88%) and in related listed employer groups of 0.49% (2014:1.43%) (Anglo American PLC 0.27%; Exxaro Resources 0.16%; Glencore PLC 0.06%) 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.

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	2015 R	2014 R
5 TRADE AND OTHER RECEIVABLES		
Insurance receivables		
Contributions outstanding	15 885 292	6 323 309
Recoveries from members	16 681	21 038
	<u>15 901 973</u>	<u>6 344 347</u>
Less: provision for impairment losses	(25 157)	(28 575)
Carrying amount beginning of the period	(28 575)	(40 319)
Reversal of provision	3 418	11 744
Service provider balances	31 229	27 722
	<u>15 908 045</u>	<u>6 343 494</u>
Non-insurance receivables		
Savings account advances (Note 10)	110 321	150 011
Saving plan recoveries	485 416	460 538
Less: provision for impairment losses	(376 125)	(360 386)
Carrying amount beginning of the period	(360 386)	(344 958)
Additional provisions made	(15 739)	(15 428)
Accounts paid in advance	3 399 776	296 366
Balances due by tenants	58 948	59 557
Electricity deposit	99 666	79 666
Staff loans	14 972	17 455
	<u>3 792 974</u>	<u>703 207</u>
Total insurance and other receivables	<u>19 701 019</u>	<u>7 046 701</u>

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

6 INVESTMENT OF PMSA TRUST MONIES MANAGED BY THE SCHEME ON BEHALF OF ITS MEMBERS

The personal medical savings accounts were invested on behalf of members in the following assets:

Balance at beginning of the year	127 033 050	110 191 929
Additional investments	6 000 000	10 000 000
Interest income	8 978 939	7 322 692
Realised gains / (losses)	63 044	(335 901)
Fees	(163 598)	(145 670)
Total medical savings account trust monies invested	<u>141 911 435</u>	<u>127 033 050</u>

The reconciliation above does not include investment managers' fees paid to Willis Towers Watson amounting to R 82 112 (2014: R 79 684) which is attributable to the trust account. It further includes interest earned amounting to R 109 434 (2014: R 103 502) on scheme funds held in trust. From time to time the trust balance exceeds the liability due to timing differences.

The carrying amount of the trust investment approximates its fair value due to the short term maturities of these assets. The effective average interest rate was 6.6% (2014: 5.8%) and the funds are available on demand.

7 CASH AND CASH EQUIVALENTS

Scheme current accounts with bankers	34 272 706	47 703 557
Personal medical savings account trust monies invested	22 918	1 901 341
Total as per cash flow statement	<u>34 295 624</u>	<u>49 604 898</u>

The scheme withdrew its letter of guarantee held in respect of the Emalahleni Local Municipality during the year under review and holds no other guarantees. 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% (2014: 1.1%).

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8 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:

	2015 R	2014 R
Balance at the beginning of the year	2 056 000	1 760 000
Expenses in respect of the current year	693 887	296 000
Benefits paid	(22 864)	(21 936)
Service cost	526 887	126 000
Interest cost	190 000	171 000
Actuarial losses	(136)	20 936
Closing post retirement medical aid benefit	<u>2 749 887</u>	<u>2 056 000</u>
Non-current liabilities	2 726 055	2 032 816
Current liabilities	23 832	23 184
Balance at end of year	<u>2 749 887</u>	<u>2 056 000</u>

R 761 003 (2014: R 296 000) 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 312 487 higher.

The five year summary of the post-employment healthcare benefits liability as at 31 December 2015 is as follows:

	2015 R	2014 R	2013 R	2012 R	2011 R
Present value of liability	2 749 887	2 056 000	1 760 000	1 719 000	1 300 000
Actuarial loss / (gain)	(136)	20 936	371 879	(48 000)	(60 381)

Key assumptions used

Below we have outlined the significant assumptions used in the valuation. An actuarial valuation was performed by independent valuers, NMG Consultants and Actuaries (Pty) Ltd for the year ended 31 December 2015 using the Projected Unit Credit discounted cashflow method.

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 7.3% per annum has been assumed (2014: 7.3%).

Salary inflation

A salary inflation rate of 8.2% per annum has been assumed for 2015 (2014: 8.8%).

Health care cost inflation:

It has been assumed that health care cost inflation will take place at a rate of 1.5% per annum (2014: 1.5%) in excess of price inflation, i.e 8.8% per annum (2014: 8.8%).

Discount rate

A rate of 9.3% per annum has been assumed (2014: 9.3%). 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) Ultimate (unchanged from 2010).

Post retirement : PA (90) Ultimate, minus one half year age rating with an allowance for mortality improvement of 0.75% pa from 2009 (unchanged).

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	Covered by risk transfer arrangement R	Total R
9 OUTSTANDING CLAIMS PROVISION		
2014		
Provision for outstanding claims	14 930 000	14 930 000
Analysis of movements in outstanding claims		
Balance at beginning of year	14 930 000	14 930 000
Payments in respect of prior year	(11 863 660)	(11 863 660)
(Under) /over provision in respect of prior year	3 066 340	3 066 340
Adjustment for current year	11 863 660	11 863 660
Provision at end of year	14 930 000	14 930 000
Analysis of outstanding claims provision		
Estimated gross claims	19 142 611	19 142 611
Less: estimated savings plan claims	(4 212 611)	(4 212 611)
Balance at end of year	14 930 000	14 930 000
2013		
Provision for outstanding claims	14 930 000	14 930 000
Analysis of movements in outstanding claims		
Balance at beginning of year	14 930 000	14 930 000
Payments in respect of prior year	(11 863 660)	(11 863 660)
(Under) /over provision in respect of prior year	3 066 340	3 066 340
Adjustment for current year	11 863 660	11 863 660
Provision at end of year	14 930 000	14 930 000
Analysis of outstanding claims provision		
Estimated gross claims	19 142 611	19 142 611
Less: estimated savings plan claims	(4 212 611)	(4 212 611)
Balance at end of year	14 930 000	14 930 000

At year end no provision for reported claims not paid by risk transfer arrangements was raised as no information could be obtained from the service provider.

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 2016.

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.

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9 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 2015 benefit year is 5.3% (2014: 5.8%).

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 2 650 231(2014: R 2 503 185).

	2015 R	2014 R
10 PMSA TRUST MONIES MANAGED BY THE SCHEME ON BEHALF OF ITS MEMBERS		
Balance of PMSA trust liability at the beginning of the year	128 784 380	113 527 081
Add:		
Savings account contributions received	94 732 076	90 783 451
Transfers from other schemes in terms of Regulation 10(4)	607 945	739 515
Interest and other income earned on trust monies invested	8 862 279	7 202 193
Advances on savings account balances (Note 5)	110 321	150 011
Less:		
Transfers to other schemes in terms of Regulation 10(4)	(271 021)	(114 266)
Contributions payable to trust	(2 391 433)	(1 506 976)
Investment management fees incurred	(182 664)	(561 256)
Savings claims paid on behalf of members	(78 892 680)	(74 286 303)
Refunds on death or resignation in terms of Regulation 10(5)	(9 424 850)	(6 999 059)
Balance due to members on savings account balances in trust	<u>141 934 353</u>	<u>128 934 391</u>

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 enrolls in another medical scheme without a personal medical savings account or does not enrol in another medical scheme. It is estimated that claims to be paid out of members' savings accounts in respect of claims incurred in 2015, not recorded, will amount to R 4 212 611 (Note 9). Advances on savings plan accounts are included in trade and other receivables (Note 5). Interest is paid on savings balances based on the effective interest rate method (Note 21). As at year end the carrying amounts of the members' personal medical savings accounts were deemed to be equal to its fair value due to the short term nature thereof and being payable on demand (refer to Note 6 for investment).

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	2015 R	2014 R
11 ACCOUNTS PAYABLE		
Insurance payables		
Reported claims not yet paid	18 596 645	18 039 370
Contributions in advance	2 682 157	1 780 850
Unknown deposits	2 936	-
Stale cheques	692 539	494 704
	<u>21 974 277</u>	<u>20 314 924</u>
Other payables		
Auditors' fees	269 171	256 361
Staff bonuses	342 000	313 000
Accruals	-	437 656
Accounts received in advance	4 084	3 827
Contributions payable to savings account balances in trust	3 971 323	1 579 890
SARS - VAT	36 025	30 460
	<u>4 622 603</u>	<u>2 621 194</u>
Total insurance and other payables	<u>26 596 880</u>	<u>22 936 118</u>

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

12 RISK CONTRIBUTION INCOME

Gross contributions per registered rules	419 399 492	405 727 871
Less: Savings contributions received	(94 732 076)	(90 783 451)
Risk contribution income per statement of comprehensive income	<u>324 667 416</u>	<u>314 944 420</u>

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.

13 RELEVANT HEALTHCARE EXPENDITURE

Claims incurred excluding risk transfer arrangements claims		
Current year claims per registered rules	345 083 910	325 763 327
Movement in provision for outstanding claims	-	673 000
(Over) / Under provision in prior year	(3 066 340)	153 320
Adjustment for current year	3 066 340	519 680
Claims paid from personal medical savings accounts (Note 10)*	(78 892 680)	(74 286 303)
Discounts received	(596 533)	(564 518)
	<u>265 594 697</u>	<u>251 585 506</u>
Claims incurred in respect of risk transfer arrangements	37 797 204	39 336 991
Risk claims incurred	<u>303 391 901</u>	<u>290 922 497</u>

* 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 10 for a breakdown of the movement in these balances.

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.

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	2015 R	2014 R
14 RISK TRANSFER ARRANGEMENT		
Risk transfer arrangement fees	(37 797 204)	(39 336 991)
Recoveries from risk transfer arrangement	37 797 204	39 336 991
Net income / (expense) on risk transfer arrangement	<u>-</u>	<u>-</u>

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 13).

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 contracts) 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. ACHH provided the scheme with a breakdown of income received from all respective resources and the following assumptions were made:

- Calculations were based on 2015 actual income and expenditure
- 2014 figures were deemed to have the same trend as 2015, except for inflationary differences
- The loss from operations was deemed to be an under recovery funded by the hospital's holding company
- 20% of the hospital's under recovery in terms of costs were deemed to be attributable to the Yebomed option

15 BROKER SERVICE FEES

Brokers' fees	81 290	79 036
	<u>81 290</u>	<u>79 036</u>

16 ACCREDITED MANAGED CARE: MANAGEMENT SERVICES

Specialist, hospital referrals and pre-authorisation (MHS)	1 689 019	1 626 220
Medical advisors (MHS)	156 647	151 000
Pharmacy benefit management (Performance Health)	763 710	735 960
Oncology benefit management (Icon & MHS)	453 495	434 884
	<u>3 062 871</u>	<u>2 948 064</u>

17 ADMINISTRATION EXPENDITURE

Association fees	106 295	103 760
Auditors' remuneration	509 910	474 193
Audit services	508 410	465 240
Prior year under/(over) provision	-	878
Other	1 500	8 075
BOT remuneration and considerations (note 27)	129 604	141 690
Consulting fees	108 562	54 889
Depreciation of property, plant and equipment	703 669	441 910
Employment costs	12 840 143	11 152 910
Fidelity insurance	27 422	27 322
Long service awards BOT members	500	1 000
Medikredit administration fee	1 102 857	991 339
Principal officer's conference and travel costs	24 188	18 915
Principal officer's remuneration	1 700 210	1 483 454
Professional indemnity insurance	42 000	42 000
Registrar's levies	311 724	294 396
Other expenses (page 45)	4 438 755	4 052 369
	<u>22 045 839</u>	<u>19 280 147</u>

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	2015 R	2014 R
18 NET IMPAIRMENT LOSSES		
Insurance receivables		
Contributions that are not collectable	13 103	29
Movement in provision (Note 5)	5 455	(1 865)
Recognised directly in profit or loss	7 648	1 894
Members' and service providers' portions not recoverable	(8 201)	(6 817)
Movement in provision (Note 5)	(8 873)	(9 880)
Recognised directly in profit or loss	672	3 063
Non-insurance receivables		
Advances to saving plan accounts that are not recoverable	55 180	64 067
Movement in provision (Note 5)	15 739	15 429
Recognised directly in profit or loss	39 441	48 638
Previously impairment losses recovered		(2 308)
	60 082	54 971
19 INVESTMENT INCOME		
Scheme		
Available for sale financial assets - dividend income	6 034 970	5 612 965
Available for sale financial assets - interest income	18 219 926	14 398 795
Cash and cash equivalents - interest income	1 725 802	1 663 583
(Loss) / Profit on sale of asset	(94 231)	17 608
Unrealised gain / loss on money market instruments	-	(164 005)
Realised gain on sale of available for sale equity investments	10 528 251	5 029 766
Return on PMSA trust monies invested		
Interest income	8 862 279	7 202 193
	45 276 997	33 760 905
20 SUNDRY INCOME		
Over utilisation levy	1 528 631	1 833 364
WCMAS has unique Equalisation Levy contracts signed with major employer groups. With these contracts risks relating to a specific group are "ring fenced" to only impact members of that group. Employer groups have to contribute additional funds where their members have spent more on claims and administration costs than contributions paid, averaged over 3 years.		
21 INTEREST PAID ON SAVINGS ACCOUNTS (Note 10)		
Interest paid	8 679 615	6 640 937
	8 679 615	6 640 937
Interest paid on credit balances based on the effective interest rate method.		
22 RECONCILIATION OF SURPLUS TO CASH GENERATED FROM OPERATIONS		
Surplus for the year	32 899 229	29 169 160
Adjustments for:		
Depreciation	1 198 079	862 173
Net investment income	(42 191 556)	(32 135 106)
Net finance costs	8 679 615	6 640 937
Cash generated from operations before working capital changes	585 367	4 537 164
23 ADMINISTRATION COSTS		
The overall net cost of administration and benefit management is calculated as follows:		
Broker fees (refer to note 15)	81 290	79 036
Administration expenses (refer note 17)	22 045 839	19 280 147
	22 127 129	19 359 183
Administration cost per member per month (members as at year end)	186.30	155.88
Administration cost as a % of gross contribution income	5.28%	4.70%

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	2015 R	2014 R
24 COMMITMENTS		
1. Capital expenditure budgeted but not committed	1 196 855	2 136 157
2. Operating lease :		
The future minimum lease payments under a non-cancellable contract:	200 397	256 956
The following 12 months	102 196	93 936
Greater than 1 year and less than 5 years	98 201	163 020
3. There are no known other material contingencies or commitments that have not been disclosed in other areas of these financial statements.		

25 FIDELITY COVER

In accordance with the Rules of the Scheme, the fidelity cover at 31 December 2015 amounted to R800 000. The cover is provided under a group Fidelity Policy covering the scheme.

26 PRIOR PERIOD RESTATEMENT

The 2014 Statement of Comprehensive Income was restated to allow for the requirements as contained in Circular 56 of 2015 of the Council for Medical Schemes. Accredited managed care management services are reported as part of healthcare expenditure (previously non-healthcare expenditure). The change had no impact on the net surplus of the scheme.

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26 SURPLUS PER BENEFIT OPTION

The scheme offers two benefit options. Principal features of these benefit options are as follows:

- Comprehensive option: this option provides comprehensive cover through a risk pool for all major medical expenses and a savings account for day-to-day medical expenses.
- Yebomed option: this option was implemented during 2007 and provides medical cover through a preferred provider network on a capitation fee basis.

	Comprehensive 2015 R	Yebomed 2015 R	TOTAL SCHEME 2015 R	Comprehensive 2014 R	Restated Yebomed 2014 R	TOTAL SCHEME 2014 R
Risk contribution income	284 196 232	40 471 184	324 667 416	272 350 356	42 594 064	314 944 420
Relevant healthcare expenditure	(266 824 344)	(37 797 204)	(304 621 548)	(254 351 648)	(39 336 991)	(293 688 639)
Net claims incurred	(266 824 344)	(37 797 204)	(304 621 548)	(254 351 648)	(39 336 991)	(293 688 639)
Risk claims incurred	(265 594 697)	(37 797 204)	(303 391 901)	(251 585 506)	(39 336 991)	(290 922 497)
Managed care: management services	(3 062 871)	-	(3 062 871)	(2 948 064)	-	(2 948 064)
Third party claim recoveries	1 833 224	-	1 833 224	181 922	-	181 922
Net income on risk transfer arrangement	-	-	-	-	-	-
Risk transfer arrangement premiums paid	-	(37 797 204)	(37 797 204)	-	(39 336 991)	(39 336 991)
Recoveries from risk transfer arrangements	-	37 797 204	37 797 204	-	39 336 991	39 336 991
Gross healthcare result	17 371 888	2 673 980	20 045 868	17 998 708	3 257 073	21 255 781
Broker fees	(81 290)	-	(81 290)	(79 036)	-	(79 036)
Administration expenses	(19 382 161)	(2 663 678)	(22 045 839)	(16 449 015)	(2 831 132)	(19 280 147)
Net impairment losses: Healthcare receivables	(60 082)	-	(60 082)	(54 971)	-	(54 971)
Net healthcare result	(2 151 645)	10 302	(2 141 343)	1 415 686	425 941	1 841 627
Other income	49 970 960	847 408	50 818 368	38 739 543	620 402	39 359 945
Investment income	44 429 589	847 408	45 276 997	33 140 503	620 402	33 760 905
Income from use of own facilities by external parties	4 012 740	-	4 012 740	3 765 676	-	3 765 676
Sundry income	1 528 631	-	1 528 631	1 833 364	-	1 833 364
Other expenditure	(15 777 796)	-	(15 777 796)	(12 032 412)	-	(12 032 412)
Asset management fees	(3 802 675)	-	(3 802 675)	(3 479 308)	-	(3 479 308)
Cost incurred in provision of own facilities to external parties	(3 295 506)	-	(3 295 506)	(1 912 167)	-	(1 912 167)
Net interest paid on savings accounts	(8 679 615)	-	(8 679 615)	(6 640 937)	-	(6 640 937)
Net surplus / (deficit) for the year	32 041 519	857 710	32 899 229	28 122 817	1 046 343	29 169 160
Other comprehensive income	(10 224 708)	-	(10 224 708)	14 459 693	-	14 459 693
Realised gain on disposal: available for sale investment	(10 465 360)	-	(10 465 360)	(5 365 718)	-	(5 365 718)
Fair value adjustment: available for sale investment	240 652	-	240 652	19 825 411	-	19 825 411
Total comprehensive surplus/(deficit) for the year	21 816 811	857 710	22 674 521	42 582 510	1 046 343	43 628 853
Number of members at year end	7 178	2 511	9 689	7 318	2 815	10 133

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 options is self-supporting in terms of membership and financial performance and be financially sound. The 2015 budgets submitted to the Council for Medical Schemes reflected a net healthcare deficit. The net healthcare deficit incurred on the comprehensive option was better than the budget submitted to the Council for Medical Schemes by R19.3 million. The Scheme has sufficient reserves to support this option. The Scheme takes into account Section 33(2)(b) of the Act in designing its benefits.

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27 TRUSTEES' 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	
2015									
Board	De Carvalho, JC	18 473			18 473		-	18 473	
	De Jager, JA	28 420		654	29 074		-	29 074	
	Dugmore, M (A)				9 316	7 626	7 626	16 942	
	Maritz, OA				9 316	7 626	7 626	16 942	
	Robbertse, GC	19 894		393	20 287		-	20 287	
	Audit	66 787	-	1 047	18 632	15 252	15 252	101 718	
	De Jager, AD	8 526		192	8 718		-	8 718	
	De Klerk, AJ	9 947		3 709	13 656		-	13 656	
	Robbertse, GC	2 842			2 842		-	2 842	
	Investment	21 315	-	3 901	-	25 216	-	-	25 216
Dickman, N		2 670			2 670		-	2 670	
Total	88 102	2 670	4 948	18 632	114 352	15 252	15 252	129 604	
2014									
Board of Trustees	De Carvalho, JC	17 342	-	15	-	17 357	-	17 357	
	De Jager, JA	18 676	-	488	-	19 164	-	19 164	
	Hattingh, JHC	2 668	-	-	-	2 668	-	2 668	
	Maritz, OA	-	-	-	6 980	6 980	6 695	13 675	
	Nienaber, A	-	-	-	748	748	-	748	
	Robbertse, GC	18 676	-	372	-	19 048	-	19 048	
	Weber, RC	10 000	-	3 046	-	13 046	-	13 046	
	Wiese, E	4 002	-	79	-	4 081	-	4 081	
	Audit	71 364	-	4 000	7 728	83 092	6 695	6 695	89 787
	De Jager, AD	10 672	-	231	-	10 903	-	-	10 903
	De Klerk, AJ	5 336	-	2 474	-	7 810	-	-	7 810
	Meaklim, G	-	17 766	-	-	17 766	-	-	17 766
	Robbertse, GC	4 002	-	-	-	4 002	-	-	4 002
	Weber, RC	1 334	-	-	-	1 334	-	-	1 334
	Wenum, M	-	-	-	748	748	-	-	748
	Investment	21 344	17 766	2 705	748	42 563	-	-	42 563
Dickman, N	-	5 340	-	-	5 340	-	-	5 340	
Weber, RC	4 000	-	-	-	4 000	-	-	4 000	
	4 000	5 340	-	-	9 340	-	-	9 340	
Total	96 708	23 106	6 705	8 476	134 995	6 695	6 695	141 690	

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28 RELATED PARTIES

Wholly owned subsidiaries (dormant)

These financial statements incorporate the wholly owned subsidiaries, Witbank Coalfields Investments (Pty) Ltd and Mpumalanga Managed Health Care (Pty) Ltd (MMHC). Both subsidiaries are dormant, have no reserves and intergroup balances of R2 300 are included in investments. No transactions took place between the scheme and its subsidiaries during the current and previous financial year. MMHC has an estimated Capital Gains Tax loss of R5 719 243. This loss is available to be set off against future capital profits, however the Board of Trustees are of the opinion that this may not be realized.

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.	2015 R	2014 R
Transactions and balances of these members:		
Gross contributions received	581 634	646 036
Claims incurred from the PMSA	147 416	152 911
Claims incurred by the scheme	772 119	577 054
Principal officer remuneration	1 700 210	1 483 454
Travel, accommodation and conferences	24 188	18 915
BOT Meeting and travel fees (note 27)	129 604	141 690
BOT Long service rewards	500	1 000
Savings account balances in trust	44 854	74 056
Post retirement liability attributable to Principal Officer	138 780	109 132
Purchases at arms' length: BM Booyens t/a Surebrick (BOT approved)	266 000	134 225

Employer groups

Detail of all employer groups are disclosed on pages 46 to 50. Anglo Operations Limited (an employer group) has leased office space from the Scheme from 1 January 2011. The Scheme received rental income of R 266 922 (2014: R 229 657) from the employer group.

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

29 SUBSEQUENT EVENTS

The Exxaro employer group notified the scheme of their intention to withdraw their membership with effect from 1 January 2017. This has the potential impact of a loss of 977 principal members and their dependants.

30 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.

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30 INSURANCE RISK MANAGEMENT (continued)

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.

Concentration of insurance risk (Comprehensive option only)

Age group	No of memb	In-hospital		Chronic		Day to day		Total
		PMB	Non-PMB	PMB	Non-PMB	PMB	Non-PMB	
2015								
<24	254	652 698	21 917 443	2 776 252	1 231 500	8 104 974	8 970 436	43 653 302
25-34	1 798	463 937	12 638 018	783 118	689 918	6 910 921	6 535 623	28 021 535
35-49	2 612	921 701	22 986 558	5 285 020	2 004 141	13 028 011	13 723 074	57 948 506
50-64	1 607	881 799	34 640 759	7 134 346	2 288 522	14 476 190	16 238 609	75 660 225
65>	907	977 034	27 092 445	5 196 874	1 933 753	12 371 914	12 167 478	59 739 499
Total	7 178	3 897 168	119 275 224	21 175 611	8 147 834	54 892 011	57 635 220	265 023 067
2014								
<24	285	707 739	20 093 285	712 326	2 338 958	6 597 455	8 299 288	38 749 051
25-34	1 871	625 671	13 162 887	732 520	663 251	5 951 833	6 551 546	27 687 708
35-49	2 674	795 139	21 564 158	4 616 492	2 189 632	12 525 830	13 383 346	55 074 597
50-64	1 607	846 017	28 010 066	6 567 117	2 066 945	15 322 877	13 760 395	66 573 416
65>	881	999 833	30 026 280	4 644 893	1 888 060	12 739 138	11 935 519	62 233 724
Total	7 318	3 974 399	112 856 676	17 273 348	9 146 846	53 137 133	53 930 094	250 318 497

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.

31 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.

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31 FINANCIAL RISK MANAGEMENT (continued)

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.

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.

	2015		2014	
	Risk pool	MSA pool	Risk pool	MSA pool
Cash and cash equivalents	34 295 624	141 934 353	49 604 898	128 934 391
Less: Current liabilities	(42 209 712)	(141 934 353)	(38 461 302)	(128 934 391)
Net cash and cash equivalents	(7 914 088)	-	11 143 596	-
Members' Funds	461 392 274		428 493 045	
Net cash and cash equivalents to members' funds	-1.7%		2.6%	

Categories of financial instruments

		2015	2014
Financial assets		666 938 036	627 516 291
Available for sale investments	(Note 4)	471 029 958	443 831 642
Insurance receivables	(Note 5)	15 908 045	6 343 494
Non-insurance receivables	(Note 5)	3 792 974	703 207
Investment of PMSA trust monies	(Note 6)	141 911 435	127 033 050
Cash and cash equivalents	(Note 7)	34 295 624	49 604 898
Financial liabilities		183 461 233	166 800 509
Outstanding claims provision	(Note 9)	14 930 000	14 930 000
Savings plan liability	(Note 10)	141 934 353	128 934 391
Trade and other payables	(Note 11)	4 622 603	2 621 194
Insurance liabilities	(Note 11)	21 974 277	20 314 924

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

	Available for sale	Loans and receivables	Financial liabilities at amortised cost	Insurance receivables and payables	Total carrying amount
	R'000	R'000	R'000	R'000	R'000
As at 31 December 2015					
Investments in equities, unit trusts & linked fund policies	428 494	-	-	-	428 494
Money market instruments	42 536	-	-	-	42 536
Cash and cash equivalents	-	34 296	-	-	34 296
Trade and other receivables	-	3 793	-	15 908	19 701
Trade and other payables	-	-	(4 623)	(21 974)	(26 597)
Savings plan liability	-	-	(141 934)	-	(141 934)
	471 030	38 089	(146 557)	(6 066)	356 495

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31 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 2014					
Investments in equities, unit trusts & linked fund policies	404 093	-	-	-	404 093
Money market instruments	39 738	-	-	-	39 738
Cash and cash equivalents	-	49 605	-	-	49 605
Trade and other receivables	-	703	-	6 343	7 047
Trade and other payables	-	-	(2 621)	(20 315)	(22 936)
Savings plan liability	-	-	(128 934)	-	(128 934)
	443 832	50 308	(131 556)	(13 971)	348 613

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.

	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
As at 31 December 2015						
Accounts receivable	-	-	-	-	19 701	19 701
Available for sale investments	-	471 030	-	-	-	471 030
Cash and cash equivalents	34 296	-	-	-	-	34 296
TOTAL	34 296	471 030	-	-	19 701	525 027
As at 31 December 2014	R'000	R'000	R'000	R'000	R'000	R'000
Accounts receivable	-	-	-	-	7 047	7 047
Available for sale investments	-	309 760	-	-	134 072	443 832
Cash and cash equivalents	49 605	-	-	-	-	49 605
TOTAL	49 605	309 760	-	-	141 119	500 483

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 5 million (2014: R 4.9 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 5 million (2014: R4.9 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 available for sale investments. The analysis 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 available-for-sale investments (at fair value).
- the revaluation reserve would reduce by R 13.7 million (2014: R12.9 million) as a result of the change in the market value of available for sale instruments.
- The available for sale instruments have a variable interest rate only. Any gains or losses will be recognised though the Statement of Comprehensive Income.

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31 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.

Exposure to credit risk

	Total	Fully Performing	Past due not impaired	Impaired
2015				
Insurance receivables				
Contributions outstanding	15 885 292	15 823 174	62 118	-
Recoveries from members	16 681	1 555	5 865	9 261
Service provider balances	31 229	11 132	4 201	15 896
Provision for impairment losses	(25 157)	-	-	(25 157)
	15 908 045	15 835 861	72 184	-
Non-insurance receivables				
MSA recoveries (members)	485 416	20 589	88 702	376 125
Provision for impairment losses	(376 125)	-	-	(376 125)
Accounts paid in advance	3 399 776	3 399 776	-	-
Balances due by tenants	58 948	50 856	8 092	-
Savings account advances	110 321	54 022	56 299	-
Staff loans	14 972	500	14 472	-
Electricity deposit	99 666	99 666	-	-
	3 792 974	3 625 409	167 565	-
Ageing of Past due receivables				
	30 Days	60 Days	90 Days	120+ Days
Insurance receivables				
Contributions outstanding	33 498	11 157	9 802	7 661
Recoveries from members	4 570	1 141	154	-
Service provider balances	886	1 209	2 106	-
	38 954	13 507	12 062	7 661
Non-insurance receivables				
MSA recoveries (members)	655	45 370	23 725	18 952
Balances due by tenants	8 092	-	-	-
Savings account advances	3 882	16 090	36 327	-
	12 629	61 460	60 052	18 952
2014				
Insurance receivables				
Contributions outstanding	6 323 309	6 276 816	46 493	-
Recoveries from members	21 038	1 590	7 653	11 795
Service provider balances	27 722	6 415	4 528	16 779
Provision for impairment losses	(28 574)	-	-	(28 574)
	6 343 495	6 284 821	58 674	-

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31 FINANCIAL RISK MANAGEMENT (continued)

	Total	Fully Performing	Past due not impaired	Impaired
2014				
Non-insurance receivables				
MSA recoveries (members)	460 538	4 326	95 826	360 386
Provision for impairment losses	(360 386)	-	-	(360 386)
Accounts paid in advance	296 366	296 366	-	-
Balances due by tenants	59 557	57 175	2 382	-
Savings account advances	150 011	77 875	72 136	-
Staff loans	17 455	17 455	-	-
Electricity deposit	79 666	79 666	-	-
	703 207	532 863	170 344	-
Ageing of Past due receivables				
	30 Days	60 Days	90 Days	120+ Days
Insurance receivables				
Contributions outstanding	24 685	5 712	3 616	12 480
Recoveries from members	2 997	1 140	145	3 371
Service provider balances	-	2 780	1 748	-
	27 682	9 632	5 509	15 851
Non-insurance receivables				
MSA recoveries (members)	34 894	16 615	6 711	37 606
Balances due by tenants	2 382	-	-	-
Savings account advances	7 582	28 218	33 157	3 179
	44 858	44 833	39 868	40 785

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.

The movement in the provision for impairment, for each component of trade and other receivables, during the year ended 31 December:

	Member subscription and members' portion debtors	Member MSA debtors	Service provider debtors	Total
Balance as at 1 January 2014	16 132	344 958	24 187	385 277
Increase in provision for impairment	-	15 428	-	15 428
Amounts utilised	(4 337)	-	(7 407)	(11 744)
Balance as at 31 December 2014	11 795	360 386	16 780	388 961
Increase in provision for impairment	-	15 738	-	15 738
Amounts utilised	(2 534)	-	(883)	(3 417)
Balance as at 31 December 2015	9 261	376 124	15 897	401 282

Based on past experience, the Scheme believes that no provision for impairment is required in respect of Contribution debtors that are past due and outstanding for less than 90 days.

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 trustess therefore believe that the credit quality is high.

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31 FINANCIAL RISK MANAGEMENT (continued)

Top 6 Financial Institutions

	2015		2014	
	Amount	% of total	Amount	% of total
Current accounts				
Nedbank Ltd	34 295 624	100.0%	49 604 898	100.0%
Money Market and Fixed deposits				
Nedbank Ltd	8 696 880	23.6%	8 504 020	25.5%
Firststrand Bank	7 443 730	20.2%	7 033 699	21.1%
Standard Bank of SA Ltd	11 186 863	30.4%	7 748 990	23.2%
ABSA Bank Ltd	5 444 557	14.8%	2 503 520	7.5%
Other	2 637 207	7.2%	5 841 546	17.5%
Investec Bank Ltd	1 446 210	3.9%	1 748 490	5.2%
	36 855 447	100.0%	33 380 265	100.0%
Cash included in Available for sale investments	143 081 000		129 894 939	
	214 232 071		212 880 102	

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	< 3 months R	4-6 months R	7-12 months R	1-2 years R	>2 years R
2015						
Financial liabilities						
Members' savings accounts	141 934 353	139 843 481	890 101	815 513	385 258	-
Trade & other payables	25 641 473	24 488 689	169 565	68 898	70 049	844 272
Outstanding claims provision	14 930 000	14 165 258	649 587	115 155	-	-
	182 505 826	178 497 428	1 709 253	999 566	455 307	844 272
2014						
Financial liabilities						
Members' savings accounts	128 934 391	125 736 139	850 313	1 387 548	840 806	119 585
Trade & other payables	24 207 270	23 224 780	181 040	102 401	40 690	658 359
Outstanding claims provision	14 930 000	14 558 820	296 322	74 858	-	-
	168 071 661	163 519 739	1 327 675	1 564 807	881 496	777 944

Fair value estimation

Available-for-sale investments

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.

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31 FINANCIAL RISK MANAGEMENT (continued)

Fair values of financial assets by hierarchy level

	Level 1	Level 2	Level 3
2015			
Available for sale financial assets			
- Segregated Multi Asset class	275 617 422	9 700 824	-
- Linked Fund	141 601 077	1 574 936	-
- Money Market	42 535 599	-	-
Unlisted equity	-	-	100
Fair value at the end of the year	459 754 098	11 275 760	100
2014			
Available for sale financial assets			
- Segregated Multi Asset class	249 169 468	14 290 221	-
- Linked Fund	139 649 009	984 434	-
- Money Market	39 738 410	-	-
Unlisted equity investments	-	-	100
Fair value at the end of the year	428 556 887	15 274 655	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.

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 40 million (2014: R 37 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 available-for-sale 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	1 342 480 786	143 176 013	10.67%
Investec Stable Money Market	1 144 735 442	42 535 599	3.72%

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

	2015 R	2014 R
Annual general meeting and committee meetings	28 328	29 681
Bank charges	221 837	214 124
Computer expenses	892 753	807 307
Debt collection fees	14 618	11 561
Insurance	147 909	107 081
Marketing costs	2 123 231	1 954 635
MVA collection costs	208 483	4 889
Operating leases - office equipment	101 028	119 957
Other levies	7 081	1 178
Repairs and maintenance	47 375	62 826
Stationery and printing	223 767	239 931
Telephone, postage and fax	399 395	499 199
Travel, accommodation & conferences	22 950	-
	4 438 755	4 052 369

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WITBANK COALFIELDS MEDICAL AID SCHEME
UNIT PROFITABILITY REPORT - RISK POOL
COMPREHENSIVE OPTION
31 December 2015

COMPREHENSIVE OPTION	NO OF MEM	ORDINARY MEMBERS				PER MEMBER PER MONTH		
		CONTRIBUTIONS	MEDICAL EXPENDITURE	SURPLUS (DEFICIT)	% USED	CONTRIBUTIONS	EXPENDITURE	SUR / (DEF)
ANGLO COAL								
ANGLO COAL SHARED SERV	502	20 784 440	14 922 486	5 861 953	72%	3 450	2 477	973
GOEDEHOOP	535	22 512 486	15 018 386	7 494 100	67%	3 507	2 339	1 167
GREENSIDE	253	10 713 290	7 210 633	3 502 657	67%	3 529	2 375	1 154
ISIBONELO	211	8 091 008	3 821 166	4 269 841	47%	3 196	1 509	1 686
NEW DENMARK	365	14 641 111	8 250 735	6 390 376	56%	3 343	1 884	1 459
NEW VAAL	357	15 552 851	14 135 088	1 417 763	91%	3 630	3 300	331
S.A.C.E.	447	19 107 695	13 389 711	5 717 984	70%	3 562	2 496	1 066
MBS	0	-	-	-	0%	-	-	-
TOTAL	2670	111 402 881	76 748 205	34 654 676	69%	3 477	2 395	1 082
INYOSI COAL								
KRIEL	314	12 236 243	8 366 261	3 869 982	68%	3 247	2 220	1 027
ZIBULU	295	12 295 654	6 458 590	5 837 064	53%	3 473	1 824	1 649
TOTAL	609	24 531 898	14 824 851	9 707 046	60%	3 357	2 029	1 328
EXXARO								
ARNOT	272	10 569 197	8 620 028	1 949 169	82%	3 238	2 641	597
NORTH BLOCK COMPLEX	28	1 099 520	521 265	578 254	47%	3 272	1 551	1 721
MATLA	525	21 284 108	16 728 946	4 555 161	79%	3 378	2 655	723
NEW CLYDESDALE	0	242 678	266 899	(24 221)	110%	-	-	-
TOTAL	825	33 195 502	26 137 138	7 058 364	79%	3 353	2 640	713
GLENCORE OPERATIONS SA								
ARTHUR TAYLOR	304	11 258 939	9 407 279	1 851 660	84%	3 086	2 579	508
GOEDGEVONDEN	278	10 045 935	7 753 324	2 292 611	77%	3 011	2 324	687
KOORNFONTEIN	2	46 824	120 798	(73 974)	258%	1 951	5 033	(3 082)
OPTIMUM	1	105 822	32 016	73 806	30%	8 819	2 668	6 150
PHOENIX	0	-	-	-	0%	-	-	-
SHANDUKA	13	398 861	299 071	99 790	75%	2 557	1 917	640
SPRINGLAKE	3	160 992	16 633	144 359	10%	4 472	462	4 010
SPITZKOP	0	-	-	-	0%	-	-	-
HEAD OFFICE	178	7 931 288	5 980 888	1 950 400	75%	3 713	2 800	913
TAVISTOCK	0	-	-	-	0%	-	-	-
TCS	129	5 245 352	2 372 254	2 873 098	45%	3 388	1 532	1 856
TWEEFONTEIN	376	18 423 827	13 615 782	4 808 045	74%	4 083	3 018	1 066
TOTAL	1284	53 617 840	39 598 045	14 019 795	74%	3 480	2 570	910
MAFUBE	114	4 479 098	2 355 767	2 123 331	53%	3 274	1 722	1 552
WITBANK CHAMBER	41	1 725 769	2 002 392	(276 623)	116%	3 508	4 070	(562)
OTHER								
STAFF	21	783 445	616 093	167 352	79%	3 109	2 445	664
MSOBO COAL	128	5 532 153	4 716 005	816 147	85%	3 602	3 070	531
TOTAL	5692	235 268 584 *	166 998 498	68 270 087	71%	3 444	2 445	1 000

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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WITBANK COALFIELDS MEDICAL AID SCHEME
UNIT PROFITABILITY REPORT - RISK POOL
COMPREHENSIVE OPTION
31 December 2015

NO OF MEM	CAWM MEMBERS				PER MEMBER PER MONTH			COMBINED PER MEMBER PER MONTH		
	CONTRI-BUTIONS	MEDICAL EXPENDITURE	SURPLUS (DEFICIT)	% USED	CONTRI-BUTIONS	EXPENDI-TURE	SUR / (DEF)	CONTRI-BUTIONS	EXPENDI-TURE	SUR / (DEF)
145	5 390 128	8 813 432	(3 423 304)	164%	3 098	5 065	(1 967)	3 371	3 057	314
180	5 981 921	11 676 359	(5 694 438)	195%	2 769	5 406	(2 636)	3 321	3 111	210
98	3 177 259	5 822 445	(2 645 187)	183%	2 702	4 951	(2 249)	3 298	3 094	204
10	340 607	2 814 582	(2 473 975)	826%	2 838	23 455	(20 616)	3 179	2 502	677
82	2 792 967	3 424 729	(631 762)	123%	2 838	3 480	(642)	3 250	2 177	1 074
87	2 848 941	3 777 430	(928 489)	133%	2 729	3 618	(889)	3 454	3 362	92
230	7 403 015	16 473 187	(9 070 172)	223%	2 682	5 969	(3 286)	3 263	3 676	(413)
13	335 556	1 366 071	(1 030 515)	407%	2 151	8 757	(6 606)	2 151	8 757	(6 606)
845	28 270 394	54 168 235	(25 897 842)	192%	2 788	5 342	(2 554)	3 311	3 104	208
95	3 026 934	4 832 797	(1 805 863)	160%	2 655	4 239	(1 584)	3 110	2 689	421
3	88 884	33 967	54 917	38%	2 469	944	1 525	3 463	1 816	1 648
98	3 115 818	4 866 764	(1 750 946)	156%	2 650	4 138	(1 489)	3 259	2 321	938
27	984 929	2 259 863	(1 274 934)	229%	3 040	6 975	(3 935)	3 220	3 032	188
4	106 307	107 323	(1 017)	101%	2 215	2 236	(21)	3 140	1 637	1 503
168	5 230 220	8 296 141	(3 065 922)	159%	2 594	4 115	(1 521)	3 188	3 009	179
0	315 016	5 175 813	(4 860 798)	1643%	-	-	-	-	-	-
199	6 636 471	15 839 141	(9 202 670)	239%	2 779	6 633	(3 854)	3 242	3 416	(175)
18	550 760	1 675 795	(1 125 034)	304%	2 550	7 758	(5 208)	3 056	2 868	188
1	17 028	24 394	(7 366)	143%	1 419	2 033	(614)	3 006	2 323	683
0	-	-	-	0%	-	-	-	1 951	5 033	(3 082)
0	-	-	-	0%	-	-	-	8 819	2 668	6 150
8	292 943	1 014 280	(721 337)	346%	3 051	10 565	(7 514)	3 051	10 565	(7 514)
0	-	-	-	0%	-	-	-	-	-	-
0	-	-	-	0%	-	-	-	2 557	1 917	640
49	1 546 165	3 397 093	(1 850 927)	220%	2 630	5 777	(3 148)	2 630	5 777	(3 148)
36	1 359 764	3 107 746	(1 747 981)	229%	3 148	7 194	(4 046)	3 618	3 539	79
32	1 129 615	2 229 918	(1 100 303)	197%	2 942	5 807	(2 865)	2 942	5 807	(2 865)
32	889 587	2 179 821	(1 290 233)	245%	2 317	5 677	(3 360)	3 175	2 356	819
104	3 361 062	5 526 288	(2 165 226)	164%	2 693	4 428	(1 735)	3 782	3 323	459
280	9 146 924	19 155 334	(10 008 409)	209%	2 722	5 701	(2 979)	3 344	3 131	214
1	27 207	499	26 708	2%	2 267	42	2 226	3 265	1 707	1 558
51	1 406 473	3 730 662	(2 324 189)	265%	2 298	6 096	(3 798)	2 837	5 193	(2 356)
3	79 980	62 254	17 726	78%	2 222	1 729	492	2 998	2 355	643
9	244 382	201 681	42 701	83%	2 263	1 867	395	3 514	2 991	522
1486	48 927 648 *	98 024 569	(49 096 922)	200%	2 744	5 497	(2 753)	3 299	3 077	223

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WITBANK COALFIELDS MEDICAL AID SCHEME
UNIT PROFITABILITY REPORT - SAVINGS PLAN
COMPREHENSIVE OPTION
31 December 2015

COMPREHENSIVE OPTION	NO OF MEM	ORDINARY MEMBERS				PER MEMBER PER MONTH		
		CONTRIBUTIONS	MEDICAL EXPENDITURE	SURPLUS (DEFICIT)	% USED	CONTRIBUTIONS	EXPENDITURE	SUR / (DEF)
ANGLO COAL								
ANGLO COAL SHARED SERV	502	6 928 147	5 968 438	959 708	86%	1 150	991	159
GOEDEHOOP	535	7 504 162	6 085 846	1 418 316	81%	1 169	948	221
GREENSIDE	253	3 571 097	3 056 139	514 957	86%	1 176	1 007	170
ISIBONELO	211	2 697 003	2 051 371	645 631	76%	1 065	810	255
NEW DENMARK	365	4 880 370	3 721 875	1 158 495	76%	1 114	850	264
NEW VAAL	357	5 184 284	4 266 269	918 015	82%	1 210	996	214
S.A.C.E.	447	6 369 232	5 277 300	1 091 932	83%	1 187	984	204
MBS	0	-	-	-	0%	-	-	-
TOTAL	2670	37 134 294	30 427 239	6 707 055	82%	1 159	950	209
INYOSI COAL								
KRIEL	314	4 078 748	3 181 870	896 877	78%	1 082	844	238
ZIBULU	295	4 098 551	3 215 749	882 802	78%	1 158	908	249
TOTAL	609	8 177 299	6 397 620	1 779 680	78%	1 119	875	244
EXXARO								
ARNOT	272	3 523 066	2 854 556	668 509	81%	1 079	875	205
NORTH BLOCK COMPLEX	28	366 507	294 607	71 899	80%	1 091	877	214
MATLA	525	7 094 703	5 814 456	1 280 247	82%	1 126	923	203
NEW CLYDESDALE	0	80 893	110 138	(29 245)	136%	-	-	-
TOTAL	825	11 065 167	9 073 757	1 991 410	82%	1 118	917	201
GLENCORE OPERATIONS SA								
ARTHUR TAYLOR	304	3 752 980	2 956 211	796 769	79%	1 029	810	218
GOEDGEVONDEN	278	3 348 645	2 628 072	720 573	78%	1 004	788	216
KOORNFONTEIN	2	15 608	12 690	2 918	81%	650	529	122
OPTIMUM	1	35 274	31 949	3 325	91%	2 940	2 662	277
PHOENIX	0	-	-	-	0%	-	-	-
SHANDUKA	13	132 954	110 238	22 715	83%	852	707	146
SPRINGLAKE	3	53 664	37 178	16 486	69%	1 491	1 033	458
SPITZKOP	0	-	-	-	0%	-	-	-
HEAD OFFICE	178	2 643 763	2 366 114	277 649	89%	1 238	1 108	130
TAVISTOCK	0	-	-	-	0%	-	-	-
TCS	129	1 748 451	1 482 486	265 964	85%	1 129	958	172
TWEEFONTEIN	376	6 141 276	5 077 461	1 063 815	83%	1 361	1 125	236
TOTAL	1284	17 872 613	14 702 401	3 170 213	82%	1 160	954	206
MAFUBE	114	1 493 033	1 036 708	456 324	69%	1 091	758	334
WITBANK CHAMBER	41	575 256	510 103	65 153	89%	1 169	1 037	132
OTHER								
STAFF	21	261 147	253 855	7 292	97%	1 036	1 007	29
MSOBO COAL	128	1 844 051	1 592 503	251 548	86%	1 201	1 037	164
TOTAL	5692	78 422 860	63 994 185	14 428 676	82%	1 148	937	211

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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WITBANK COALFIELDS MEDICAL AID SCHEME
UNIT PROFITABILITY REPORT - SAVINGS PLAN
COMPREHENSIVE OPTION
31 December 2015

NO OF MEM	CAWM MEMBERS				PER MEMBER PER MONTH			COMBINED PER MEMBER PER MONTH		
	CONTRIBUTIONS	MEDICAL EXPENDITURE	SURPLUS (DEFICIT)	% USED	CONTRIBUTIONS	EXPENDITURE	SUR / (DEF)	CONTRIBUTIONS	EXPENDITURE	SUR / (DEF)
145	1 796 709	1 725 856	70 853	96%	1 033	992	41	1 124	991	133
180	1 993 974	1 803 186	190 788	90%	923	835	88	1 107	919	188
98	1 059 086	930 710	128 376	88%	901	791	109	1 099	947	153
10	113 536	115 019	(1 483)	101%	946	958	(12)	1 060	817	243
82	930 989	831 184	99 805	89%	946	845	101	1 083	849	235
87	949 647	863 653	85 994	91%	910	827	82	1 151	963	188
230	2 467 672	2 232 667	235 005	90%	894	809	85	1 088	924	163
13	111 852	112 172	(320)	100%	717	719	(2)	717	719	(2)
845	9 423 465	8 614 447	809 018	91%	929	850	80	1 104	926	178
95	1 008 978	824 820	184 158	82%	885	724	162	1 037	816	220
3	29 628	24 555	5 073	83%	823	682	141	1 154	906	248
98	1 038 606	849 375	189 231	82%	883	722	161	1 086	854	232
27	328 310	347 576	(19 267)	106%	1 013	1 073	(59)	1 073	892	181
4	35 436	28 297	7 139	80%	738	590	149	1 047	841	206
168	1 743 407	1 595 675	147 731	92%	865	792	73	1 063	891	172
0	105 005	128 702	(23 696)	123%	-	-	-	-	-	-
199	2 212 157	2 100 250	111 907	95%	926	880	47	1 081	909	171
18	183 587	150 592	32 995	82%	850	697	153	1 019	804	215
1	5 676	1 033	4 643	18%	473	86	387	1 002	785	217
0	-	-	-	0%	-	-	-	852	707	146
0	-	-	-	0%	-	-	-	1 491	1 033	458
8	97 648	117 860	(20 213)	121%	1 017	1 228	(211)	1 017	1 228	(211)
0	-	-	-	0%	-	-	-	1 238	1 108	130
0	-	-	-	0%	-	-	-	1 491	1 033	458
49	515 388	487 696	27 693	95%	877	829	47	877	829	47
36	453 255	419 082	34 173	92%	1 049	970	79	1 206	1 085	121
32	376 538	301 819	74 720	80%	981	786	195	981	786	195
32	296 529	299 690	(3 161)	101%	772	780	(8)	1 058	922	136
104	1 120 354	1 022 039	98 315	91%	898	819	79	1 261	1 059	202
280	3 048 975	2 799 810	249 165	92%	907	833	74	1 115	933	182
1	9 069	10 900	(1 831)	120%	756	908	(153)	1 088	759	329
51	468 824	432 718	36 106	92%	766	707	59	946	854	92
3	26 660	27 580	(920)	103%	741	766	(26)	999	977	22
9	81 461	63 416	18 045	78%	754	587	167	1 171	1 007	164
1486	16 309 216	14 898 495	1 410 721	91%	915	835	79	1 100	916	184

ANNUAL REPORT
WITBANK COALFIELDS MEDICAL AID SCHEME
UNIT PROFITABILITY REPORT - RISK POOL
YEBOMED OPTION
31 December 2015

YEBOMED OPTION	NO OF MEM	ORDINARY MEMBERS				PER MEMBER PER MONTH		
		CONTRIBUTIONS	MEDICAL EXPENDITURE	SURPLUS (DEFICIT)	% USED	CONTRIBUTIONS	EXPENDITURE	SUR / (DEF)
ANGLO COAL								
ANGLO COAL SHARED SERV	129	2 085 734	1 954 054	131 680	94%	1 347	1 262	85
GOEDEHOOP	276	4 027 135	3 731 362	295 773	93%	1 216	1 127	89
GREENSIDE	155	2 513 009	2 346 376	166 633	93%	1 351	1 261	90
ISIBONELO COLLIERY	39	606 962	566 673	40 289	93%	1 297	1 211	86
KLEINKOPJE	276	4 696 518	4 397 852	298 666	94%	1 418	1 328	90
LANDAU	275	4 867 333	4 575 849	291 484	94%	1 475	1 387	88
NEW DENMARK	282	4 224 795	3 932 142	292 653	93%	1 248	1 162	86
NEW VAAL	510	8 748 550	8 191 518	557 032	94%	1 430	1 338	91
TOTAL	1942	31 770 036	29 695 826	2 074 210	93%	1 363	1 274	89
INYOSI COAL								
KRIEL	104	1 559 234	1 444 836	114 398	93%	1 249	1 158	92
ZIBULU	283	4 269 264	3 973 981	295 283	93%	1 257	1 170	87
TOTAL	387	5 828 498	5 418 817	409 681	93%	1 255	1 167	88
MAFUBE	182	2 872 650	2 682 561	190 089	93%	1 315	1 228	87
TOTAL	2511	40 471 184 *	37 797 204	2 673 980	93%	1 343	1 254	89

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



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