

# 2020 ANNUAL GENERAL MEETING (AGM)

31 JULY 2020 : 11h00  
To be held via ZOOM webinar



Accessible Care • Affordable Prices



**THEBEMED**  
MEDICAL AID SCHEME

**Notice to convene the Sixteenth Annual General Meeting of THEBEMED Medical Scheme**

THEBEMED Medical Scheme has scheduled it's Annual General Meeting ("AGM") for Friday, 31 July 2020.

**Details of the virtual AGM:**

**Date:** Thursday, 31 July 2020

**Time:** 11h00

**Venue:** Via Zoom webinar.

Registration will take place prior to the meeting using the link provided.

ThebeMed Annual Financial Statements for the year ended 31 December 2019 and the minutes of the AGM held on 27 June 2019 will be available on our website - [www.thebemed.co.za](http://www.thebemed.co.za)

Detailed printed copies of the Annual Financial Statements are available on request.

Regards



Ian Fleming

Curator

**THEBEMED Medical Scheme**

---

## AGENDA OF THE ANNUAL GENERAL MEETING

11h00 31 July 2020 via Zoom Webinar

1. Welcome and Quorum.
2. Procedure for voting and asking questions.
3. Approval of the minutes of the previous Annual General Meeting held on 27 June 2019.
4. To receive and adopt the audited financial statements for the year ended 31 December 2019, together with the reports of the curator and auditors.
5. Financial performance for the year ended 31 December 2019.
6. Appointment of the auditors of the scheme for the ensuing year.
7. Operational report.
8. General.

Please notify the Curator of any motions at least seven days prior to the meeting (by Friday, 24 July 2020).

Notices of motions may be sent by email to:

**[prevanip@momentumtyb.co.za](mailto:prevanip@momentumtyb.co.za) / [gamap@tybhealth.co.za](mailto:gamap@tybhealth.co.za)**

### **Proxies**

Each member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy (who must be a member of the scheme) to attend, speak and vote in the member's stead.

---

## CURATOR'S REPORT

11h00 31 July 2020

Dear Members

2019 was an eventful year for THEBEMED. The Scheme grew by a net 2 670 members (23.4%) for the year. However, this growth coupled with growth in previous years weighed heavily on the Scheme's reserves resulting in the Council for Medical Schemes requesting the High Court to appoint a Curator to manage the Scheme's affairs in place of the Board of Trustees.

I am pleased to report that by 31 December 2019 the Scheme's solvency ratio had recovered from 6.6% at the time curatorship commenced to 9.4% (2018: 9.3%). Revenue increased by 27% to R361,6 million and healthcare expenditure increased by 23% to R302.4 million. At the same time non-healthcare expenditure grew at a slower rate of 20.6% to R54 million or 15% (2018: 16%) of gross premiums. This enabled the Scheme to show a surplus for the year of R9.6 million (2018: deficit of R4.6m).

The Scheme has put in place a plan to further strengthen its reserves during 2020 by reducing non-healthcare expenditure to 12% of gross premiums and has introduced an innovative "App" called "Hello Doctor" to assist members with online advice and diagnosis. Growth in new members is likely to moderate during 2020 following the rapid growth in recent years as the Scheme focusses on building its reserves.

THEBEMED continues to enjoy a healthy member profile with an average age of 28 years and a pensioner ratio of 0.53%. Service levels have been maintained and all the Scheme's wellness and disease management programmes are assisting members in leading healthy and productive lives.

### **Outlook**

THEBEMED has continued to improve its financial health during 2020 and as at 31 May 2020 its solvency ratio had improved to 13.9%. I am continuing the previous board's efforts to find a mutually beneficial merger partner, in line with industry trends, that will further accelerate the Scheme's recovery so that in all probability the Scheme will emerge from curatorship bigger and stronger hopefully before the end of 2020. Members will be consulted should such an opportunity arise.

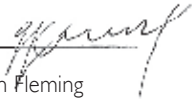
During 2020 the Covid-19 pandemic has spread around the world and resulted in a National State of Disaster being declared in South Africa together with a prolonged lockdown. Whilst this has had a profound impact on some industries and provinces, the Scheme has been fortunate that the employer groups it is exposed to have been resilient and able to weather the storm.

The Scheme has not, so far, been unduly impacted and continues to pay all Covid 19 related claims above and beyond the national guidelines and protocols adopted by the industry.

### **In Conclusion**

I would like to thank the Scheme's administrators, Momentum Thebe Ya Bophelo, for their support and assistance during this difficult period as well as their meaningful contribution in reducing costs to accelerate the Scheme's recovery. I would also like to thank all of our other stakeholders and service providers for their ongoing support during the period of curatorship.

Finally, I would also like to express my appreciation for the guidance and wisdom provided by the Registrar of Medical Schemes and his staff.



Ian Fleming  
Curator

---

## STATEMENT OF RESPONSIBILITY BY THE CURATOR

Financial Statements for the year ended 31 December 2019

The curator is responsible for the preparation, integrity and fair presentation of the annual financial statements of THEBEMED Medical Aid Scheme. The financial statements presented on pages 7 - 10 have been prepared in accordance with International Financial Reporting Standards (IFRS), The Medical Schemes Act of South Africa and include amounts based on judgements and estimates made by management.

The curator considered that, in preparing the annual financial statements, they have been prepared using most appropriate accounting policies, consistently applied, and supported by reasonable and prudent judgements and estimates.

The curator is satisfied that the information contained in the annual financial statements fairly presents the results of operations for the year and the financial position of the scheme at year-end. The curator also prepared the other information included in the annual report and is responsible for both its accuracy and its consistency with the annual financial statements.

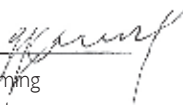
The curator is responsible for ensuring that proper accounting records are kept. The accounting records disclose, with reasonable accuracy the financial position of the scheme which enables the curator to ensure that the annual financial statements comply with the relevant legislation.

THEBEMED Medical Aid Scheme operated 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 the risks facing the business are being controlled.

The going concern basis has been adopted in preparing the annual financial statements. The curator has no reason to believe that the scheme will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These annual financial statements support the viability of the scheme.

The external auditor is responsible for independently auditing and reporting on the scheme's financial statements. The financial statements have been examined by the scheme's external auditor and their report is presented on the full set of annual financial statements.

The financial statements set out on pages 7 - 10, which have been prepared on the going concern basis, were approved by the curator on 12 May 2020 and were signed by him.

  
\_\_\_\_\_  
I Fleming  
Curator

## STATEMENT OF CORPORATE GOVERNANCE BY THE CURATOR

Financial Statements for the year ended 31 December 2019

THEBEMED Medical Aid Scheme is committed to the principles and practice of fairness, openness, integrity, and accountability in all dealings with its stakeholders. The curator monitors the performance of all service providers.

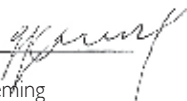
### 1. Curator

The Curator may where appropriate, seek independent professional advice to assist him in the execution of his duties. The Scheme remains committed to the highest standard of Good Corporate Governance and ethical behavior. The Curator is the custodian of Good Corporate Governance and will at all time ensure that there is value for money with maximum return.

### 2. Internal control

The Administrator of 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. Such controls are based on established policies and procedures and are implemented by trained personnel with the appropriate segregation of duties.

The curator has been directed by the High Court to report on his curatorship to the Registrar of Medical Schemes and the members of the scheme by 23 August 2020 and to include in his report a statement of his findings and recommendations concerning the scheme's affairs and the continuation, if necessary, of the curatorship. Once the Registrar of Medical Schemes considers the curatorship no longer necessary, the curator has been further directed by the High Court to convene a special general meeting of the scheme at which a new board of trustees, who are fit and proper for this purpose, shall be elected.



I Fleming  
Curator

## OPERATIONAL STATISTICS

As at 31 December 2019

2019	TOTAL	ENERGY	UNIVERSAL	FANTASY
Average number of members during the accounting period	13 861	3 086	7 780	2 995
Number of members at 31 December 2019	14 078	3 154	7 810	3 114
Average number of beneficiaries during the accounting period	28 793	10 286	11 962	6 545
Number of beneficiaries at 31 December 2019	29 040	10 309	11 897	6 834
Dependant Ratio at 31 December 2019	2.06	3.27	1.52	2.19
Net contributions per average member per month (R)	2 174	4 220	1 504	1 804
Net contributions per average beneficiary per month (R)	1 046	1 266	978	826
Relevant healthcare expenditure per average beneficiary per month (R)	875	885	843	919
Non-health expenses per average beneficiary per month (R)	156	169	161	127
Relevant healthcare expenditure as a percentage of net contributions	84%	70%	86%	111%
Non-health expenses as a percentage of gross contributions	15%	13%	16%	15%
Average accumulated funds per member at year end (R)	2 565.66			
Return on investments as a percentage of investments	5%			
Average age	27.45	25.08	30.42	25.84
Pensioner ratio	0.53%	0.74%	0.50%	0.28%



## STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2019

	2019 R	2018 R
Assets		
Non-Current Assets		
Property and equipment	339 379	451 250
Current Assets		
Trade and other receivables	11 021 236	10 840 820
Financial assets	22 065 585	23 975 780
Cash and cash equivalents	55 570 312	17 812 650
	<b>88 657 133</b>	<b>52 629 250</b>
Total Assets	<b>88 996 512</b>	<b>53 080 500</b>
Equity and Liabilities		
Equity	2 794 602	1 893 295
Reserves	35 562 576	26 907 210
Retained income	<b>38 357 178</b>	<b>28 800 505</b>
Liabilities		
Current Liabilities		
Trade and other payables	16 455 960	10 258 070
Outstanding claims provisions	16 988 872	11 464 466
Personal Medical Savings Account liability	17 194 502	2 557 459
	<b>50 639 334</b>	<b>24 279 995</b>
Total Equity and Liabilities	<b>88 996 512</b>	<b>53 080 500</b>

## SOLVENCY RATIO

For the year ending 31 December 2019

	2018 R	2017 R
Total Members' funds per statement of financial position		
Accumulated funds per regulation 29	35 282 575	26 907 210
Gross Contributions (including savings contribution)	377 778 150	288 188 526
Solvency ratio	9.4%	9.3%

The Scheme was placed under curatorship as contemplated in Section (56)(1) of the Medical Scheme Act, 1998 and sections 5(1) and 5(2) of the Financial Institutions (Protection of funds) Act, 28 of 2001. The High court of South Africa (Gauteng division, Pretoria) appointed Mr Ian Fleming with effect from 23 August 2019.

The reasons for the Scheme being placed under curatorship include its steadily deteriorating financial position in recent years as reflected in its ever-decreasing solvency ratio. Contributing factors included rapid membership growth, unexpected claims experience, relatively high non-healthcare costs and failure to find a suitable merger partner.

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Universal R	Energy R	Fantasy R	Total Scheme R
<b>2019</b>				
Net contribution income	140 447 600	156 266 823	64 847 722	361 562 145
Relevant healthcare expenditure	(121 031 571)	(109 189 504)	(72 193 072)	(302 414 147)
Net claims incurred	(117 311 853)	(106 024 319)	(70 233 995)	(293 570 167)
Accredited management healthcare	(3 405 296)	(2 381 809)	(1 442 437)	(7 229 542)
Net expense on risk transfer arrangement	(314 422)	(783 376)	(516 640)	(1 614 438)
Risk transfer arrangement fees	(8 353 301)	(7 873 414)	(4 416 807)	(20 643 522)
Recoveries from risk transfer arrangements	8 038 879	7 090 038	3 900 167	19 029 084
Gross healthcare result	19 416 029	47 077 319	(7 345 350)	59 147 998
Net reinsurance	(233 854)	(963 295)	1 188 164	(8 985)
Broker service fee	(4 517 530)	(4 213 770)	(2 521 413)	(11 252 713)
Administration expenses	(18 034 283)	(16 466 661)	(7 480 906)	(41 981 850)
Net impairment losses	(523 155)	(187 266)	(3 920)	(714 341)
Net healthcare result	(3 892 793)	25 246 327	(16 163 425)	5 190 109
Investment income	734 468	825 580	684 853	2 244 901
Other income	492 109	563 535	297 135	1 352 779
Asset management fees	(49 910)	(54 721)	(27 794)	(132 425)
	<b>(2 716 126)</b>	<b>26 580 721</b>	<b>(15 209 231)</b>	<b>8 655 364</b>

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

<b>2018</b>	Universal R	Energy R	Fantasy R	Total Scheme R
Net contribution income	131 311 422	138 927 882	14 532 974	284 772 278
Relevant healthcare expenditure	(121 721 630)	(113 307 382)	(111 092 977)	(246 121 989)
Net claims	(119 370 294)	(111 435 739)	(10 602 940)	(241 408 973)
Accredited management healthcare	(3 336 227)	(2 106 701)	(384 674)	(5 827 602)
Net expense on risk transfer arrangement	984 891	235 058	(105 363)	1 114 586
Risk transfer arrangement fees	(8 156 171)	(7 606 787)	(871 049)	(16 634 007)
Recoveries from risk transfer arrangements	9 141 062	7 841 845	765 686	17 748 593
Gross healthcare result	9 589 792	25 620 500	3 439 997	38 650 289
Net reinsurance	105 873	(749 557)	17 383	(626 301)
Broker service fee	(3 890 119)	(3 971 773)	(462 186)	(8 324 078)
Administration expenses	(18 027 264)	(15 795 732)	(1 968 410)	(35 791 406)
Net healthcare result	(12 221 718)	5 103 438	1 026 784	(6 091 496)
Investment income	759 300	807 243	125 263	1 691 806
Other income	404 387	439 529	466	844 382
Asset management fees	(57 161)	(59 950)	(7 073)	(124 184)
	<b>(11 115 192)</b>	<b>6 290 260</b>	<b>1 145 440</b>	<b>(3 679 492)</b>

Ground Floor, Old Trafford 4, Isle of Houghton,  
Corner Boundary & Carse O'Gowrie Roads, Houghton, Johannesburg

PO Box 4709, Johannesburg, 2000

Website: [www.thebemed.co.za](http://www.thebemed.co.za)

Call Centre: 0861 84 32 36

Thebemed is administered by Momentum Thebe Ya Bophelo PTY LTD



Accessible Care • Affordable Prices



# FORM OF PROXY

Thebemed Scheme Reg No. 410

Isle of Houghton, Old Trafford 4 Building, Ground Floor  
Cnr Boundary Rd & Carse O'Gowrie Rd,  
Houghton, Johannesburg  
Tel: 0861 84 32 36  
Email: callcentre@thebemed.co.za



I \_\_\_\_\_ being a member of the scheme,  
do hereby appoint (please tick):

Member Name: \_\_\_\_\_

Membership Number:           Signature \_\_\_\_\_

or

The Chairman of the meeting,

As my proxy to vote for me on my behalf at the Annual General Meeting which will be held at 11h00 on Friday, 31 July 2020.

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy, who must be either a member of the scheme, to attend, speak and vote in his/her stead for all matters apart from election of trustees in terms of rule 18.2. Trustees can only be elected by members present at the AGM or SGM if applicable.
2. Any alteration made on this proxy must be initialed.
3. Incomplete forms will be declared null and void.

Membership Number:           Signature \_\_\_\_\_

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2020

This proxy form is to be completed and returned by post to:

**The Curator**  
**PO Box 16144**  
**Doornfontein**  
**2028**

Or via email to:

[prevanip@momentumtyb.co.za](mailto:prevanip@momentumtyb.co.za) /  
[gamap@tybhealth.co.za](mailto:gamap@tybhealth.co.za)

**NOTE:** In order to be effective, duly completed forms of proxy must be received by no later than seven days prior to the meeting which is 24 July 2020.