



2022

ANNUAL GENERAL MEETING (AGM)

26 May 2022 : 12h00
ANEW Hunters Rest Hotel,
R24 Rustenburg Rd, in Rustenburg

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THEBEMED
MEDICAL AID SCHEME

Notice to convene the Eighteenth Annual General Meeting of Thebemed Medical Aid Scheme

Thebemed Medical Aid Scheme has scheduled its Annual General Meeting (“AGM”) for Thursday, 26 May 2022.

Details of the AGM:

Date: Thursday, 26 May 2022

Time: 12h00

Venue: To be held at ANEW Hunters Rest Hotel, R24 Rustenburg Rd, in Rustenburg.

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

Thebemed Annual Financial Statements for the year ended 31 December 2020 and the minutes of the AGM held on 24 June 2021 will be available on our website -

<https://www.thebemed.co.za/archives/>

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

12h00 26 May 2022 at ANEW Hunters Rest Hotel, R24 Rustenburg Rd, in Rustenburg.

1. Welcome and Quorum.
2. Procedure for asking questions.
3. Introduction of the Sheme Board of Trustees.
4. Approval of the minutes of the previous Annual General Meeting held on 24 June 2021.
5. Adopt the audited financial statements for the year ended 31 December 2021, together with the reports of the curator and auditors.
6. Financial performance for the period ended 31 December 2021.
7. Trustee remuneration.
8. Appointment of the auditors of the Scheme for the ensuing year.
9. Operational report.
10. General.
11. Vote of thanks.
12. Closure.

Please notify the Curator of any motions at least seven days prior to the meeting (by Wednesday, 17 May 2022). Notices of motions may be sent by email to karabom@momentumtyb.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 on the member's behalf.

CURATOR'S REPORT

12h00 26 May 2022

Dear Members

I am pleased to report that by 31 December 2021 your Scheme's solvency ratio had recovered from 6.6% at the time curatorship commenced in August 2019 to 34.1% (2020: 22.9%). Risk contribution income was 15.2% lower, in line with reduced membership numbers, at R309.2 million (2020: R356.1 million) whilst relevant healthcare expenditure decreased by 5.2% to R254.8 million (2020: R268 million). During the same period non-healthcare expenditure decreased by 1.6% to R42.7 million or 14% of gross contributions (2020: 13%).

As your Scheme's financial position improved and markets recovered from the worst of the Covid-19 pandemic, investment income surged to R10.6 million (2020: R3.9 million). This enabled your Scheme to show a healthy surplus for the year of R25.2 million (2020: R50.8m). It must be noted that the prior year performance benefited from lower claims during the harsh lockdowns and sacrifices made by service providers in order to accelerate your Scheme's recovery.

Members' funds as at 31 December 2021 stood at R114.3 million (2020: R89.1 million).

Thebemed continues to enjoy a healthy member profile with an average age of beneficiaries of 30 years and a pensioner ratio of 0.50%. Service levels have been maintained and all your Scheme's wellness and disease management programmes are assisting members in leading healthy and productive lives. All three Scheme options were self-supporting during 2021.

In anticipation of the lifting of curatorship the process to elect a new Board of Trustees and appoint a new Principal Officer was completed during 2021. Despite some delays in securing a suitable court date, they are likely to assume their new roles in the second quarter of 2022.

The Coronavirus Pandemic.

For much of the curatorship period the world has been ravaged by the Coronavirus pandemic. South Africa and your Scheme were not spared. To date nearly two thousand beneficiaries have tested positive and regrettably twenty-nine have succumbed to the virus. I would once again like to extend my condolences to their families, friends and colleagues.

To date your Scheme has spent R7.2 million on testing, R15.6 million on hospital stays as a direct result of the pandemic and R3.9 million on vaccinations. The benefit that medical schemes enjoyed during 2020 as a result of lower claims normalised during 2021 as the lockdowns and other measures were relaxed. I would like to encourage even more members and their families to get vaccinated.

Outlook

Since yearend, your Scheme's membership has increased by more than 12% which reflects the confidence that employers, unions, brokers and other stakeholders have in your Scheme and its vision to make private healthcare more accessible and affordable.

I am confident that the new Board of Trustees will continue to further strengthen your Scheme's financial standing and position it for long-term growth. To this end, and as mentioned previously, they will have the task of considering and evaluating a mutually beneficial merger partner, in line with industry trends. Members will be consulted should such an opportunity arise.

In closing, I would like to thank you, the members, for your loyal support during this time of rebuilding. I would also like to thank all our service providers for their continued support and sacrifices in ensuring that your Scheme's recovery was accelerated.

Finally, I would like to acknowledge the support and guidance I have received from the Registrar for Medical Schemes and his team, especially Avril Jacobs.



Ian Fleming
Curator

STATEMENT OF RESPONSIBILITY BY THE CURATOR

Financial Statements for the year ended 31 December 2021

The curator is responsible for the preparation, integrity and fair presentation of the annual financial statements of Thebemed Medical Aid Scheme ("the Scheme"). The financial statements presented on pages 19 to 50 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 the 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 pages 4 to 9.

The financial statements set out on pages 19 to 50, which have been prepared on the going concern basis, were approved by the curator on 08 April 2022 and were signed by him:



Ian Fleming
Curator

STATEMENT OF CORPORATE GOVERNANCE BY THE CURATOR

Financial Statements for the year ended 31 December 2021

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 behaviour. The Curator is the custodian of Good Corporate Governance and will at all times 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.

3. Election of a new Board of Trustees

The curator was 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. This was duly done and it has been agreed with the Registrar of Medical Schemes to bring the curatorship to an end in the second quarter of 2022. In order to achieve this the curator has been further directed by the High Court to oversee the processes, including the holding of an SGM, of electing a new Board of Trustees and the appointment of a new Principal Officer. These processes were completed during 2021 with the assistance of independent experts. The new Board of Trustees and Principal Officer that will assume office on the upliftment of curatorship are as follows:

Mashabela Parys Pule - Member-elected Trustee
Motobatsi Stephen Dijo - Member-elected Trustee
Wyna Modisapodi - Trustee
Dr Gunvant Goolab - Trustee
Advocate Gugulethu Tlali - Principal Officer



I Fleming
Curator

OPERATIONAL STATISTICS

As at 31 December 2021

2021	TOTAL	ENERGY	UNIVERSAL	FANTASY
Average number of members during the accounting period	11 375	1 355	5 988	4 032
Number of members at 31 December 2021	11 249	1 292	5 909	4 048
Average number of beneficiaries during the accounting period	22 054	4 381	8 843	8 831
Number of beneficiaries at 31 December 2021	21 664	4 195	8 649	8 820
Dependant Ratio at 31 December 2021	1.94	3.23	1.48	2.19
Net contributions per average member per month (R)	2 265	4 934	1 640	2 296
Net contributions per average beneficiary per month (R)	1 168	1 526	1 111	1 048
Relevant healthcare expenditure per average beneficiary per month (R)	969	1 176	919	918
Non-health expenses per average beneficiary per month (R)	161	194	168	138
Relevant healthcare expenditure as a percentage of net contributions	79%	77%	83%	77%
Non-health expenses as a percentage of gross contributions	14%	13%	15%	12%
Average accumulated funds per member at year end (R)	9 837,60			
Return on investments as a percentage of investments	6.89%			
Average age	30.03	26.85	34.98	28.19
Pensioner ratio	0.50%	0.94%	0.70%	0.24%

STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2021

	2021 R	2020 R
Assets		
Non-Current Assets		
Property and equipment	1 32 295	235 695
Current Assets		
Trade and other receivables	2 188 298	4 040 193
Financial assets	86 009 374	67 795 620
Cash and cash equivalents	90 584 689	80 208 509
	<u>178 782 361</u>	<u>152 044 322</u>
Total Assets	<u>178 914 656</u>	<u>152 280 017</u>
Equity and Liabilities		
Equity		
Reserves	3 673 032	3 544 863
Accumulated funds	110 662 771	85 575 913
	<u>114 335 803</u>	<u>89 120 776</u>
Liabilities		
Current Liabilities		
Trade and other payables	9 924 782	11 277 405
Outstanding claims provision	17 975 114	22 575 018
Personal Medical Savings Account liability	36 678 957	29 306 818
	<u>64 578 853</u>	<u>63 159 241</u>
Total Equity and Liabilities	<u>178 914 656</u>	<u>152 280 017</u>

SOLVENCY RATIO

For the year ended 31 December 2021

	2021 R	2020 R
Total Members' funds per statement of financial position		
Accumulated funds per Regulation 29	110 662 771	85 575 913
Gross Contributions (including savings contributions)	324 289 256	374 055 156
Solvency ratio	34.12%	22.9%

The Scheme was placed under curatorship as contemplated in Section (56)(1) of the Medical Schemes 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 included its steadily deteriorating financial position 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.

The Curator reports on progress monthly to Registrar of Medical Schemes.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Energy R	Universal R	Fantasy R	Total Scheme R
2021				
Net contribution income	80 214 124	117 867 469	111 082 212	309 163 805
Relevant healthcare expenditure	(61 826 059)	(100 160 400)	(92 793 286)	(254 779 745)
Net claims incurred	(61 746 919)	(95 778 062)	(90 930 507)	(248 455 488)
Third party claim recoveries	984 374	-	19 068	1 003 442
Accredited management healthcare	(1 114 020)	(2 881 794)	(2 126 659)	(6 122 473)
Net income/expense on risk transfer	50 506	(1 500 544)	244 812	(1 205 226)
Risk transfer arrangement fees	(3 281 800)	(7 493 048)	(5 992 243)	(16 767 091)
Recoveries from risk transfer arrangements	3 332 306	5 992 504	6 237 055	15 561 865
Gross healthcare result	18 388 065	17 707 069	18 288 926	54 384 060
Net re-insurance	-	-	-	-
Broker service fee	(2 450 871)	(3 638 418)	(3 718 070)	(9 807 359)
Administration expenses	(7 726 797)	(14 207 787)	(10 893 114)	(32 827 698)
Net impairment losses	(41 647)	(11 675)	(705)	(54 027)
Net healthcare result	8 168 750	(150 811)	3 677 037	11 694 976
Investment income	2 438 730	3 530 740	4 660 992	10 630 462
Other income	767 635	1 122 191	1 196 960	3 086 786
Asset management fees	(83 540)	(120 041)	(121 785)	(325 366)
	11 291 575	4 382 079	9 413 205	25 086 858

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Energy R	Universal R	Fantasy R	Total Scheme R
2020				
Net contribution income	144 717 155	139 430 924	71 950 119	356 098 199
Relevant healthcare expenditure	(92 389 595)	(110 516 365)	(65 089 975)	(267 992 936)
Net claims incurred	(89 834 178)	(106 419 340)	(63 003 573)	(259 257 091)
Accredited management healthcare	(2 055 289)	(3 308 718)	(1 511 398)	(6 875 405)
Net income/expense on risk transfer	(497 128)	(788 308)	(575 005)	(1 860 440)
Risk transfer arrangement premiums paid	(6 330 884)	(7 172 494)	(4 063 650)	(17 567 028)
Recoveries from risk transfer arrangements	5 833 756	6 384 186	3 488 645	15 706 588
Gross healthcare result	<u>52 330 560</u>	<u>28 914 559</u>	<u>6 860 144</u>	<u>88 105 263</u>
Net re-insurance	181 292	171 132	107 950	460 374
Broker service fee	(4 251 177)	(4 071 705)	(2 619 289)	(10 942 171)
Administration expenses	(12 104 384)	(14 362 885)	(6 531 718)	(32 998 987)
Net impairment losses	101 678	8 042	3 914	113 634
Net healthcare result	<u>36 257 969</u>	<u>10 659 144</u>	<u>(2 179 000)</u>	<u>44 738 113</u>
Investment income	1 179 883	1 147 289	1 544 437	3 871 609
Other income	491 821	718 649	497 368	1 707 839
Asset management fees	(119 503)	(114 597)	(70 123)	(304 223)
	<u>37 810 170</u>	<u>12 410 485</u>	<u>207 318</u>	<u>50 013 337</u>

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