THEBEMED MEDICAL AID SCHEME

(Registration Number 1592)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023

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REGISTRATION NUMBER 1592
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The reports and statements set out below comprise the annual financial statements presented to the members of Thebemed Medical Aid Scheme.

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STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES

The Trustees are responsible for the preparation and fair presentation of the annual financial statements of Thebemed Medical Aid Scheme, comprising the statement of financial position at 31 December 2023, and the statements of comprehensive income, changes in members' funds and cash flows for the year ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with IFRS® Accounting Standards and in the manner required by the Medical Schemes Act of South Africa, no. 131 of 1998 as amended.

The Trustees consider that in preparing the annual financial statements they have used 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 annual financial statements fairly presents the financial performance for the year and the financial position of the scheme at year end. The Trustees also prepared the other information included in the annual financial report and are responsible for both its accuracy and its consistency with the financial statements.

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

Thebemed Medical Aid 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 the risks facing the business are being managed.

The going concern basis has been adopted in preparing the annual financial statements. The Trustees have 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 scheme’s external auditor is responsible for auditing the annual financial statements in terms of International Standards on Auditing and their report is presented on pages 4 to 8.

The annual financial statements were approved by the Board of Trustees on 02 May 2024 and are signed on its behalf.

DR. G. GOOLAB	**W. MODISAPODI**	**ADV. G. TLALI**
CHAIRPERSON	**TRUSTEE**	**PRINCIPAL OFFICER**

STATEMENT OF CORPORATE GOVERNANCE BY THE BOARD OF TRUSTEES

Thebemed Medical Aid Scheme is committed to the principles and practices of fairness, openness, integrity and accountability in all dealings with its stakeholders. The Trustees are satisfied that these standards have been met. The Trustees are appointed and elected by the members of the scheme in terms of the rules of the scheme.

BOARD OF TRUSTEES

The Trustees meet regularly and monitor the performance of the Administrator and service providers according to service level agreements. They address a range of key issues and ensure that discussion of items of policy, strategy and performance is critical, informed and constructive. The performance of the Board and individual Trustees is evaluated annually taking into account their attendance at meetings.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board of Trustees is accountable for the process of risk management and internal controls. The ultimate responsibility for the implementation of the internal controls and risk management has been delegated to the Administrator. Risks are reviewed and identified annually and appropriate strategies are implemented to mitigate these risks. These actions are monitored quarterly by the Board and monthly by the Principal Officer.

The Administrator of the scheme maintains internal controls and the system is designed to provide reasonable assurance as to the integrity and reliability of the annual 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.

Internal control audits are performed on a regular basis.

The Trustees call on expert and professional advice as and when required.

The scheme conducts its affairs in accordance with standards of acceptable corporate practice and conduct as it applies to medical schemes and trustees.

No event or item 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.

DR. G. GOOLAB **CHAIRPERSON**	**W. MODISAPODI** **TRUSTEE**	**ADV. G. TLALI** **PRINCIPAL OFFICER**

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OUR REF: 2/5614/0

Independent Auditor's Report

To the Members of Thebemed Medical Aid Scheme

Report on the Financial Statements

Opinion

We have audited the financial statements of Thebemed Medical Aid Scheme (the Scheme), set out on pages 9 to 65, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in members' funds and reserves and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Thebemed Medical Aid Scheme as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Medical Schemes Act of South Africa.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter	**How our audit addressed the key audit matter**
Claims	
Claims amounted to R 318 m in the current financial year. Refer to Note 15 in the financial statements. Risk claims incurred is a key driver in determining the sustainability of the scheme. Due to the significance of the matter to the financial statements as a whole and the fact that claims are inherently susceptible to fraud and error, we identified claims to be a key audit matter. The majority of claims are received via electronic data interchange (EDI) and significant controls are implemented to ensure that only valid claims are processed and paid. The payment of valid claims is dependent on the integrity of the administration system of the scheme's administrator. A clinical committee evaluates claims on a regular basis and compare claim data on an analytical basis from month to month.	We focused our testing on the controls implemented by management to ensure that all claims payable are accounted for and only valid claims are processed and paid. We obtained an understanding of the role that the internal audit department of the administrator played in identifying fraudulent claims. We obtained an understanding of the role of the clinical committee in approving claims to be paid. Through the use of computer assisted audit techniques we interrogated the full claims data and identified those claims which could be subject to audit. We evaluated the accuracy of the master file health care benefits and tariff codes on the administration platform and that members' benefit options are correctly loaded. We evaluated and considered the findings, as issued by the independent auditors of the administrator of the scheme, on the control and information system processing environment of the administrator.
In terms of the Medical Schemes Act, members have four months from the date on which the medical service was rendered to submit their claims to the scheme. The scheme makes a provision for medical services rendered but not submitted at year end in order to disclose the ultimate cost of settling all claims for the year.	We assessed the capabilities, competence and objectivity of the actuary and verified his qualifications. We discussed the scope of the actuary's work with management and reviewed his terms of engagement to determine that there were no matters that affected his independence or objectivity or limited the scope of his activities.

The carrying value of the LIC amounts to R 21 m at year end. Refer to Note 12.1 in the financial statements. Significant judgement and assumptions are required by the Trustees to determine the value of the provision. A change in the expected percentages of claims in terms of timing or value can cause a material change in the provision. We identified the value of the provision as a key audit matter due to the significance of the judgement and assumptions associated with the value of the provision. The scheme uses an independent actuary to determine the value of the unintimated claims provision.	We evaluated the significant assumptions made by management including the quality of data used, the period elapsed between the year end and the reporting date and entity specific historical information. We compared the value of the provision by the actuary to the portion of outstanding claims provision paid to 31 March 2024 to evaluate the provision.

Other Information

The Scheme's trustees are responsible for the other information. The other information comprises the Report of the Trustees. The other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Scheme's Trustees for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Scheme's Trustees.

- Conclude on the appropriateness of the Scheme's Trustees use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

In terms of CMS Circular 38 of 2018 *Audit tenure,* we report that Strachan & Crouse has been the auditor of Thebemed Medical Aid Scheme for 23 years.

The engagement partner, G S Meiring, has been responsible for Thebemed Medical Aid Scheme's audit for 6 years.

Non-compliance with the Medical Schemes Act of South Africa

As required by the Council for Medical Schemes, we report the following material instances of non-compliance with the requirements of the Medical Schemes Act of South Africa as amended that have come to our attention during the course of our audit:

i. Section 26(7) – Contributions received more than 3 days after the due date.
ii. Section 33(2) – Benefit options shall be self-supporting, Universal option not self-supporting
iii. Section 59(2) – Payment of benefits or supplier of service within 30 days after the day on which the claim in respect of such benefit was received.
iv. Section 35(8) (a and c) – a medical scheme is not allowed any investments in the business of an administrator of a medical scheme or holding company of an administrator. Proviso exemption with expiry dates obtained on this section from the Council of Medical Schemes.

STRACHAN & CROUSE
G S Meiring
Partner
Registered Auditor
2 May 2024

Capital Junction
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	2023 R	Restated 2022 R	Restated 1 January 2022 R
ASSETS				
Non-current assets		96 698 879	75 819 100	86 141 669
Plant and equipment	5	13 479	49 114	132 295
Financial assets at fair value through profit or loss	6	96 685 400	75 769 986	86 009 374
Current assets		130 918 588	116 289 001	91 308 986
Financial assets at amortised cost *	7	37 958 333	21 000 000	14 000 000
Trade and other receivables	8	-	-	-
Cash and cash equivalents	9	92 292 454	94 683 917	76 664 384
Reinsurance contract assets	11	667 801	605 084	644 602
Total assets		227 617 467	192 108 101	177 450 655
LIABILITIES				
Non-current liabilities				
Insurance contract liabilities	12.2	136 526 454	116 469 303	113 776 405
Current liabilities		91 091 013	75 638 798	63 674 250
Trade and other payables	10	247 019	193 220	969 141
Insurance contract liabilities	12.1	90 843 994	75 445 578	62 705 109
Total liabilities		227 617 467	192 108 101	177 450 655

*Fixed deposits invested for periods between 3 and 12 months have been reallocated from cash and cash equivalents to financial assets at amortised cost in the prior year comparatives. This change has been made to more appropriately reflect the nature of the fixed deposits.

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 R	Restated 2022 R
Insurance revenue	13, 14	376 594 548	346 633 996
Insurance service expenses	14	(381 596 432)	(345 864 848)
Net expense from reinsurance contracts held	18	(528 147)	(1 825 015)
Reinsurance expenses from reinsurance contracts held	18	(20 815 041)	(19 787 798)
Reinsurance income from reinsurance contracts held	18	20 286 894	17 962 783
Insurance service result		(5 530 031)	(1 055 867)
Investment income from financial assets	19	14 663 258	8 773 763
Net fair value gains on fair value investments		386 931	252 152
Net investment income		15 050 189	9 025 915
Net healthcare result		**9 520 158**	**7 970 048**
Sundry income		1 898 374	2 773 495
Other operating expenses	20	(10 973 222)	(10 374 864)
Investment consulting		(445 310)	(368 679)
Total comprehensive income for the year		-	-
Amounts attributable to future members	12.2	20 057 151	2 692 898

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STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Accumulated Funds R	Revaluation reserve - investments R	Total Members' Funds R
Balance as at 1 January 2022 (as previously reported)	110 662 771	3 673 032	114 335 803
Transition restatement *	(110 662 771)	(3 673 032)	(114 335 803)
Balance as at 1 January 2022 (restated)	-	-	-

* Refer to notes 2, 3 and 35 describing the impact of the adoption of IFRS 17

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 R	Restated 2022 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from members		402 706 029	372 628 677
Cash paid to providers and members		(382 208 672)	(366 842 840)
Cash paid to providers and members - claims		(305 665 544)	(294 184 195)
Cash paid to providers - accredited administration fees		(20 793 386)	(21 370 083)
Cash paid to providers - managed care fees		(9 531 767)	(6 976 950)
Cash payments to brokers for insurance acquisition costs		(12 071 910)	(11 135 435)
Cash payments to reinsurers		(20 815 041)	(19 787 798)
Cash payments to wellness programmes		(1 434 049)	(1 642 212)
Cash paid to providers and employees - other expenditure		(11 364 733)	(11 519 464)
Cash paid to members - savings plan refunds		(532 242)	(226 703)
Net cash inflow from operations		20 497 357	5 785 837
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	19	8 040 512	4 173 687
Proceeds from investments - Non-current	6	5 000 000	20 000 000
Payments on purchase of investments - Non-current	6	(20 000 000)	(5 000 000)
Proceeds from investments - current	7	21 000 000	14 000 000
Payments on purchase of investments - current	7	(37 000 000)	(21 000 000)
Purchase of plant and equipment	5	-	(20 219)
Net cash (used in)/from investing activities		(22 959 488)	12 153 468
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2 462 131)	17 939 305
Cash and cash equivalents at the beginning of the year		94 523 994	76 584 689
Total cash and cash equivalents at the end of the year		92 061 863	94 523 994
Comprising of:			
Cash and cash equivalents	9	52 773 604	47 913 575
Savings trust assets - call accounts	9	39 288 259	46 610 419
		92 061 863	94 523 994

General information

Refer to the Board of Trustees report for general information related to the scheme.

1. Basis of preparation

The financial statements have been prepared in accordance with the Medical Schemes Act, No. 131 of 1998, which requires additional disclosures for registered medical schemes, and IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) measured at fair value in terms of IFRS 9 and insurance and reinsurance assets and liabilities measured in terms of IFRS 17.

IFRS Accounting Standards comprise IFRS Accounting Standards, IAS® Standards and Interpretations developed by the IFRS Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC® Interpretations).

The financial statements are prepared on the going concern principle. Amounts in the financial statements have been rounded to the nearest Rand value.

The South African Rand is the functional and presentation currency of the scheme.

The preparation of the financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the scheme's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 26. Refer to notes 2 and 3 for the significant judgements and estimates applicable to the scheme. Management does not have the power to amend the audited financial statements once issued.

a) Standards, amendments and interpretations to existing standards that are effective and apply to the scheme

- IFRS 9 Financial Instruments. The Scheme applied the temporary exemption from IFRS 9, as permitted, until the adoption of IFRS 17 on 1 January 2023. As such, the Scheme continued to apply IAS 39 (Financial Instruments: Recognition and Measurement) from the effective date of IFRS 9 on 1 January 2018 to 31 December 2022.

  While the impact of adopting IFRS 9 was previously disclosed as having no material impact on the Scheme, the exemption no longer applies and the Scheme was required to adopt IFRS 9 effective 1 January 2023, applied retrospectively.

  IFRS 9 replaces IAS 39 and introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and its cash flow characteristics.

1. Basis of preparation – continued

a) Standards, amendments and interpretations to existing standards that are effective and apply to the scheme - continued

- The changes introduced by IFRS 9 have had no impact on the Scheme's financial assets at fair value through profit or loss.
- For financial assets measured at amortised cost, certain of these assets are Insurance Receivables accounted for in terms of accounting policies adopted under IFRS 17: Insurance Contracts, which are scoped out of IFRS 9.

IFRS 9 further replaces the Incurred Loss model in IAS 39 with an Expected Credit Loss (ECL) model such that a loss event will no longer need to occur before an impairment allowance is recognised. The Scheme's financial assets that are measured at amortised cost, and to which the ECL applies, are trade and other receivables, cash and cash equivalents and investments.

- Trade and other receivables comprise accrued interest. Even if an expected loss rate were assigned to receivables that were past due, any losses associated to these receivables would be immaterial and therefore no provision for ECL is raised.
- Cash and cash equivalents are bank balances held with only the highest rated South African banks. As the probability of default is remote, there is no expectation of any credit losses, the amount at risk would be immaterial and therefore no provision for ECL is raised.

- IFRS 17 Insurance contracts. This standard creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. The financial statements of an entity will reflect the estimated payments required to settle incurred claims. Insurance contracts are required to be measured based only on the obligations created by the contracts. An entity will be required to recognise insurance revenue as an insurance service is delivered, rather than on receipt of premiums. This standard replaces IFRS 4 Insurance contracts.

For insurance contracts measured under the premium allocation approach (PAA), the entity is

- which of the PAA eligibility criteria it has satisfied;
- whether it adjusts the liability for remaining coverage (LRC) and liability for incurred claims (LIC) for the time value of money and the effect of financial risk; and
- whether the option to expense insurance acquisition cash flows when incurred was elected.

This disclosure is required for insurance contracts issued and reinsurance contracts held.

IFRS 17 allows a policy choice on whether to adjust the measurement of the LIC for the impact of the time value of money and other financial risks, if the settlement of the claims is expected within 12 months. The scheme has elected to not take the time value of money into account.

1. Basis of preparation – continued

a) Standards, amendments and interpretations to existing standards that are effective and apply to the scheme - continued

The standard is effective for the scheme's period end commencing 1 January 2023. This change in accounting policy will not have a material financial impact on the scheme's financial statements, however, there will be material changes from a disclosure perspective. The scheme has determined that reasonable and supportable information was available for all contracts in force at the transition date, which were issued within three years prior to the transition.

Accordingly, the scheme has recognised and measured the group of insurance contracts as if IFRS 17 had always been applied; derecognised any existing balances that would not exist had IFRS 17 always been applied; and recognised any resulting net difference in insurance contract liabilities.

The scheme has applied the transition provision in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each financial statement line item.

- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments clarify how entities should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of a change in accounting estimates prospectively remain unchanged.

  The amendments are effective for the scheme's period end commencing 1 January 2023. These amendments will not have a material impact on the scheme's financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the scheme

The following standards, amendments and interpretations to published standards have been published and are mandatory for the scheme's accounting periods beginning on or after 1 January 2024. These standards have not been early adopted.

- IAS 1 Presentation of Financial Statements
  - *Classification of Liabilities as Current or Non-current*: Under existing IAS 1 requirements, entities classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

    There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

    The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.

1. Basis of preparation – continued

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the scheme - continued

- *Disclosure of Accounting Policies* : The amendments require schemes to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

These amendments are effective for the scheme's period end commencing 1 January 2024. These amendments will not have a material impact on the scheme’s financial statements.

2. Significant judgements

2.1.1 *Assessment as to whether the scheme is a mutual entity*

A medical scheme is not legally defined as a mutual entity and the assessment as to whether a medical scheme is a mutual entity was done based on the principles set out in IFRS Accounting Standards.

IFRS 3 defines a “mutual entity” as “An entity, other than an investor-owned entity, that provides dividends, lower costs or other economic benefits directly to its owners, members or participants. For example, a mutual insurance company, a credit union and a co-operative entity are all mutual entities.”

IFRS 17 does not define a “mutual entity”, however it provides a key characteristic of a mutual entity in the basis of conclusion to the standard. IFRS 17 explains that “a defining feature of an insurer that is a mutual entity is that the most residual interest of the entity is due to a policyholder and not a shareholder.” The Act is not explicit that members (i.e. policyholders) hold a residual interest or are entitled to the residual interest upon the liquidation of the medical scheme. Section 64 of the Act requires the medical scheme rules to be followed in the event of liquidation.

The rules of the scheme do not contain specific guidance on how the assets of the scheme should be distributed on liquidation. The Act prohibits the disposal of assets of a medical scheme except in limited, listed circumstances, one of them being the liquidation of the scheme. Members can opt for voluntary liquidation and can distribute the scheme’s remaining assets amongst themselves. As the scheme does not have shareholders, the current members will access the reserves through economic benefits such as funding reductions in contributions or deferral of contribution increases.

Although the rules do not specify how the assets should be distributed on liquidation, IFRS 17 states that “contracts can be written, oral or implied by an entity's customary business practices. Contractual terms include all terms in a contract, explicit or implied, but an entity shall disregard terms that have no commercial substance (i.e. no discernible effect on the economics of the contract). Implied terms in a contract include those imposed by law or regulation”. Therefore, based on customary business practices, the remaining assets of the scheme should be distributed to the members on liquidation if there are any and if the scheme does not amalgamate with another scheme. Even if the assets are distributed by a regulator or by the policyholders to an independent third party e.g. another medical scheme, an administrator or a charity, the important aspect is that the choice resides with the members or the regulator acting on behalf of the members, not with an equity holder.

2. Significant judgements - continued

2.1.1 *Assessment as to whether the scheme is a mutual entity - continued*

The substance of the legal framework issued regarding insurance contracts and observed practice is that once a contribution is paid to the medical scheme, the contribution is used to provide benefits to members. The benefits are provided by the medical scheme (or amalgamated schemes) through insurance coverage, reduced contributions, or payment to members on liquidation (based on votes taken by members).

It is therefore expected that the remaining assets of the scheme will be used to pay current and future members. Based on the above, the scheme meets the definition of a mutual entity in IFRS Accounting Standards.

The scheme has therefore developed an accounting policy in terms of the IFRS 17 guidance for mutual entities and the educational material as issued by the IASB and the scheme recognises any cumulative surplusses or deficits as part of the insurance liability attributable to future members (which forms part of the insurance contract liabilities on the face of the statement of financial position).

Consequently the statement of comprehensive income reflects no total comprehensive income for the year. The movement in the insurance liability attributable to future members is included in the insurance service expenses line.

Due to the scheme being categorised as a mutual entity in terms of IFRS 17, the assessment of onerous contracts is also affected.

The impact on the opening insurance contract liabilities on future members as a result of IFRS 17 was R 559 398 on 1 January 2022.

2.1.2 *Unit of account*

Judgement has been applied as to how the scheme determined the unit of account for the measurement of its insurance contracts. Management has assessed their portfolio of the scheme as a whole due to the holistic pricing methodologies and risk management strategies that are applied on a scheme level.

The above is demonstrated by the following:

- Hospital claims are managed on a scheme level;
- Chronic conditions are managed on a scheme level, i.e. no matter the option the member will have access to the chronic condition management benefit;
- Risk transfer arrangements are based on conditions and not on benefit options;
- Pricing and benefit option changes are determined at a scheme level to manage member migration between different benefit options to ensure each option is sustainable; and
- Risk (utilisation and concentration) is managed holistically.

In addition to the above, the scheme is applying the exemption to grouping as allowed in IFRS 17. Laws and regulations specifically constrain the scheme's practical ability to set different prices or levels of benefits for members with different characteristics. The Medical Schemes Act, No. 131 of 1998 prohibits the scheme from setting different prices for its members. As such, the scheme does not group contracts in various profitability groupings.

2. Significant judgements - continued

2.1.3 *Risk adjustment - liability for incurred claims (LIC)*

The risk adjustment for non-financial risk is applied to the estimated future cash flows and reflects the compensation the scheme requires for bearing the uncertainty about the amount and timing of cash flows from non-financial risk as the scheme fulfils insurance contracts. As the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the scheme's degree of risk aversion. The scheme estimates an adjustment for non-financial risk separately from all other estimates.

The risk adjustment was calculated at the portfolio level as the scheme doesn't have groups due to laws constraining the scheme's ability to set a price for different members. The confidence level method was used to derive the overall risk adjustment for non-financial risk. In the confidence level method, the risk adjustment is determined by applying a confidence level to run-off triangles used to calculate the LIC. The confidence level is set to 75%.

The methods and assumptions used to determine the risk adjustment for non-financial risk were applied consistently in 2022 and 2023.

2.1.4 *Risk adjustment - risk transfer arrangements*

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the scheme to the reinsurer. The same methodology applies to the risk transfer agreements as for the insurance contracts with regards to the determination of the risk adjustment.

3. Significant estimates

The preparation of financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. This provides an overview of items that are more likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the notes below, together with information about the basis of calculation for each affected line item in the financial statements.

In applying IFRS 17 measurement requirements, the following inputs and methods were used that include significant estimates. Future cash flows are estimated using deterministic scenarios.

For the sensitivities with regard to the assumptions made that have the most significant impact on measurement under IFRS 17, refer to note 26.

3.1.1 *Estimates of future cash flows to fulfil insurance contracts*

Included in the measurement of the group of contracts are all the future cash flows within the boundary of the group of insurance contracts. The estimates of these future cash flows are based on probability weighted expected future cash flows. The scheme estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the scheme uses information about past events, current conditions and forecasts of future conditions. The scheme's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability weighted average of the future cash flows is calculated using a deterministic scenario representing the probability weighted mean of a full range of scenarios.

3. Significant estimates - continued

3.1.1 *Estimates of future cash flows to fulfil insurance contracts - continued*

The uncertainty in the insurance contracts lies in the number, severity and timing of claims.

Assumptions used to develop estimates about future cash flows are reassessed at each reporting date and adjusted where required.

3.1.2 *Methods used to measure the insurance contracts*

The scheme estimates insurance liabilities in relation to claims incurred for healthcare contracts.

Judgement is involved in assessing the most appropriate technique to estimate insurance liabilities for the claims incurred. The generally accepted actuarial methodology used in assessing the estimated claims outcome of insurance liabilities is the chain-ladder method.

The chain-ladder technique involves an analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each period (in the scheme's case, for the four months post year-end) that is not yet fully developed to produce an estimated ultimate case cost for each healthcare year. The chain-ladder method is the most appropriate for this claim pattern.

Run-off triangles are used in situations where it takes time after the treatment date for the full extent of the claims to become known. It is assumed that payments will emerge in a similar way in each service month. The proportional increase in known cumulative payments from one development month to the next can then be used to calculate payments for future development months.

The following was taken into account when estimating the LIC:

- The homogeneity of the data;
- Changes in the pattern of claims;
- Changes in the composition of members and their beneficiaries;
- Changes in benefit limits; and
- Changes in the prescribed minimum benefits.

4. Principle accounting policies

The following are the principle accounting policies used by the scheme, which are consistent with those applied in the comparatives.

4.1 Insurance contracts

4.1.1 *Definition*

Insurance contracts are contracts under which the scheme accepts significant insurance risk from a member by agreeing to compensate the member if a specified uncertain future event adversely affects the member. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The scheme uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which the scheme has the possibility of a loss) and whether the accepted insurance risk is significant.

4. PRINCIPAL ACCOUNTING POLICIES – continued

4.1 Insurance contracts - continued

4.1.2 *Unit of account*

The scheme has assessed its portfolio to be at a scheme level as a whole.

Please refer to note 2 for the assessment.

The scheme has applied the exemption not to perform profitability groupings as allowed by IFRS 17 and included all contracts in the same group. The scheme has further assessed that there are no facts and circumstances to indicate that a group was onerous at inception date.

The scheme operates the Fantasy Plan with a personal medical savings account (PMSA) element. Under IFRS 4, the investment component and insurance component are unbundled and disclosed separately, whilst IFRS 17 indicates certain considerations to be taken into account with regards to the disclosure of PMSA.

IFRS 17 requires that the investment component and insurance components are not highly correlated. In this respect, the one component cannot be measured with considering the other. Under the Fantasy Plan, once the risk component of benefits are exhausted, the PMSA component will become available. The two benefits are therefore highly interrelated.

Another indicator of the interrelationship between the two components is that the member cannot benefit from the one component unless the other component is also present. When a member joins an option with a PMSA component, they have to join both the risk component and PMSA component. If a member terminates their membership, they terminate both components.

As both the investment component and insurance component are highly interrelated, they cannot be separated and IFRS 17 has been applied to the entire contract, including the PMSA.

The PMSA is therefore a non-distinct investment component with the balances included in insurance contract liabilities in the statement of financial position.

4.1.3 *Contract boundary*

The scheme uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. This assessment is reviewed annually, where necessary.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the member is obligated to pay contributions or the scheme has a substantive obligation to provide the member with insurance coverage or other services. A substantive obligation ends when both of the following conditions are satisfied:

- The scheme has the practical ability to reprice the group of contracts so that the price fully reflects the reassessed risk of that portfolio; and
- The pricing of contributions related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the member to the scheme are considered. Other risks, such as lapse or surrender and expense risk, are not included.

The scheme has assessed all its contracts and determined all contracts to have a boundary of one calendar year.

4. PRINCIPAL ACCOUNTING POLICIES – continued

4.1 Insurance contracts - continued

4.1.4 *Recognition and derecognition*

The group of insurance contracts issued are initially recognised from the earliest of the following:

- The beginning of the coverage period;
- The date when the first payment from the member is due or actually received, if there is no due date; and
- When the scheme determines that a group of contracts becomes onerous.

The scheme uses the PAA for measuring contracts with a coverage period of one year or less.

In addtion to the contracts with coverage of less than one year, the PAA can be used for measurements of groups of contracts where the entity reasonably expects that such a simplification would produce a measurement of the LRC that would not differ materially from the LRC that would be produced by applying the GMM or VFA.

An insurance contract is derecognised when it is:

- Extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- If the terms are modified due to an agreement between the scheme and its member or by regulation and the modification terms meet the requirement in IFRS 17.

If the modification does not comply with all the requirements of IFRS 17, the scheme treats the changes in cash flow as changes in estimates of fulfilment cash flows (FCF).

4.1.5 *Initial and subsequent measurement*

For insurance contracts issued, on initial recognition, the scheme measures the liability for remaining coverage (LRC) as the amount of contributions received, less any acquisition cash flows paid and any amounts arising from the derecognition of the prepaid acquisition cash flows asset.

The carrying amount of the group of insurance contracts issued at each reporting period is the sum of:

a. The LRC; and
b. The LIC, comprising the FCF related to past service allocated to the scheme at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

a. Increased for contributions received in the period;
b. Decreased for insurance acquisition cash flows paid in the period; and
c. Decreased for the amounts of expected contributions received recognised as insurance revenue for the services provided in the period.

The insurance contract liabilities consist of two components:

a. the insurance liability attributable to current members; and
b. the insurance liability attributable to future members.

The insurance liability attributable to future members consists of accumulated profits or losses of the scheme and it is:

a. increased by net surplusses for the period; and
b. decreased by the net deficits for the period.

4. PRINCIPAL ACCOUNTING POLICIES – continued

4.1 Insurance contracts - continued

4.1.5 *Initial and subsequent measurement - continued*

For insurance contracts issued at each of the subsequent reporting dates, the LIC is:

a. Best estimate of fulfilment cash flow; and
b. Risk adjustment for non-financial risk.

The scheme has elected to include contribution debtors in the LIC.

Refer to notes 2.1.3 and 3.1.1 for the significant judgements and estimates used to determine the LIC and the estimates to determine the fulfilment cash flow.

In the consideration of whether facts and circumstances indicate that a group of insurance contracts is onerous, the scheme considers whether the expected deficit of the following year exceeds the insurance liability attributable to future members. In the rare scenario where the following year's deficit exceeds the insurance liability attributable to future members – the contracts written would be onerous and an onerous contract liability raised. Where the amounts attributable to future members exceed the following year's deficit the contracts would not be determined as onerous, and no provision raised as a liability is already recognised.

4.1.6 *Insurance revenue*

As the scheme provides services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the scheme expects to be entitled to in exchange for those services.

For the group of insurance contracts measured under the PAA, the scheme recognises insurance revenue based on the expected pattern of release of risk over the coverage period of the group of contracts, unless the expected pattern of incurring the insurance service expenses differs significantly from the coverage period.

4.1.7 *Expenses*

Insurance service expenses include:

a. Incurred claims and benefits excluding investment components;
b. Other incurred directly attributable insurance service expenses;
c. Changes that relate to past service (i.e. changes in the FCF relating to the LIC);
d. Changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components); and
e. Amounts attributable to future members.

Cash flows that are not directly attributable to a group of insurance contracts, such as product development and training costs, are recognised in other operating expenses as incurred.

The scheme includes the following acquisition cash flows within the insurance contract boundary that arise from selling, underwriting and starting a group of insurance contracts and that are costs directly attributable to individual contracts and the group of contracts.

Insurance acquisition costs are expensed by the scheme when it incurs the cost and comprises, amongst others, broker service fees.

4. PRINCIPAL ACCOUNTING POLICIES – continued

4.1 Insurance contracts - continued

4.1.8 *Insurance interest income and expenses*

The non-distinct investment component (PMSA) does not accrue interest.

4.2 Reinsurance contracts

4.2.1 *Definition*

Risk transfer arrangements are contractual arrangements entered into by the scheme with a provider. The provider is paid a fixed fee per member per month to cover the risk of the number of incidents that occur during a specified period and the cost of providing the service. Risk transfer arrangements do not reduce the scheme's primary obligations to its members and their dependents. While the scheme's risk transfer arrangement meets the definition of a reinsurance contract under IFRS 17 and accounted for as such, the scheme's risk transfer provider does not meet the definition of a reinsurer.

4.2.2 *Unit of account*

Groups of reinsurance contracts held are assessed for aggregation separately from groups of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the scheme aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of contracts for which there is a net gain at initial recognition.

Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. The scheme tracks internal management information reflecting historical experiences on such contracts' performance. This information is used for setting pricing of these contracts such that they result in reinsurance contracts held in a net cost position without a significant possibility of a net gain arising subsequently.

4.2.3 *Recognition and derecognition*

The reinsurance contract held that covers the losses of separate insurance contracts on a proportionate basis is recognised at the later of:

- The beginning of the coverage period of the group; or
- The initial recognition of any underlying insurance contract.

The scheme does not recognise their reinsurance contract held until it has recognised at least one of the underlying insurance contracts.

Refer to 4.1.4 under insurance contracts for guidance on modifications and derecognition.

4.2.4 *Initial and subsequent measurement*

For reinsurance contracts held, on initial recognition, the scheme measures the remaining coverage at the amount of ceding contributions paid.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

a. The remaining coverage; and
b. The incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

4. PRINCIPAL ACCOUNTING POLICIES – continued

4.2 Reinsurance contracts - continued

4.2.4 *Initial and subsequent measurement - continued*

Subsequent measurement of the remaining coverage for reinsurance contracts held is:

a. Increased for ceding contributions paid in the period; and
b. Decreased for the amounts of ceding contributions recognised as reinsurance expenses for the services received in the period.

The scheme does not adjust the asset for the remaining coverage for insurance contracts held for the effect of the time value of money. The reinsurance contributions are due within coverage periods which are one year or less.

4.2.5 *Contract boundary*

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the scheme is compelled to pay amounts to the reinsurer or in which the scheme has a substantive right to receive services from the reinsurer.

The scheme's capitation agreements held have a duration of one year, but are cancellable with the notice period agreed to between the parties.

Net income/(expense) from reinsurance contracts held:
The scheme presents the financial performance of groups of reinsurance contracts held on a gross basis.

Reinsurance income consists of:

a. The amount that depicts the value the insurer benefits from entering into a risk transfer arrangement (i.e. the value of services received from the capitation provider).

Reinsurance expenses consists of:

a. Reinsurance expenses;
b. Other directly attributable insurance service expenses; and
c. Effect of changes in risk of reinsurer non-performance.

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding contributions the scheme expects to pay in exchange for those services.

For groups of reinsurance contracts held measured under the PAA, the scheme recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

4. PRINCIPAL ACCOUNTING POLICIES – continued

4.3 Plant and equipment

Plant and equipment consists of a motor vehicle and electronic equipment. It is reflected at cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives are as follows:

Item	**Depreciation method**	**Useful life**
Motor vehicles	Straight-line	5 years
Electronic equipment	Straight-line	3 years

4.4 Financial assets

The scheme's financial assets comprise of financial assets at fair value through profit or loss, financial assets at amortised cost and trade and other receivables.

Recognition and initial measurement

On initial recognition trade receivables and debt securities issued are recognised when they are originated and all other financial assets are recognised when the scheme becomes a party to the contractual provisions of the instrument.

All financial assets are initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Financial assets with maturity dates of more than 3 months up to 12 months at inception are classified as current investments, whereas financial assets with maturity dates of more than 12 months at inception are classified as non-current investments.

Classification and subsequent measurement

The scheme classifies its financial assets in the following categories: at fair value through profit or loss and at amortised cost. Management determines the classification of its financial assets at initial recognition.

Financial assets are not reclassified subsequent to their initial measurement unless the scheme changes its business model for managing financial assets, in which cases all affected financial assets are reclassified in the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at fair value through profit or loss:

- it is held within a business model whose objective it is to hold assets to collect contractual cash flows; and
- its contractual terms give rise to cash flows that are solely payments of principal and interest on principle amounts outstanding on specified dates.

All financial assets not classified as measured at amortised cost will be measured at fair value through profit or loss. On initial recognition, the scheme may irrevocably designate an asset that otherwise meet the criteria to be measured at amortised cost as at fair value through profit or loss if by doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

4. PRINCIPAL ACCOUNTING POLICIES – continued

4.4 Financial assets - continued

Subsequent measurement and gains and losses

a. *Financial assets at fair value through profit or loss*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

b. *Financial assets at amortised cost*

These assets are subsequently measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in “gain/(loss) on derecognition of financial assets measured at amortised cost”. Impairment losses are presented as separate line item in the statement of profit or loss and reduces the amortised cost of the financial asset.

Derecognition

The scheme derecognises a financial asset when the contractual rights to the cash flows from the asset expires, or it is transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control over the transferred asset.

The scheme enters into a transaction whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred asset is not derecognised.

Impairment

a. *Trade receivables (does not include members that are in arrears)*

The scheme assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For trade receivables, the scheme applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

b. *Debt instruments and other instruments carried at amortised cost*

For debt investments and other instruments at amortised cost the scheme assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried and other instruments at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Equity instruments

The scheme subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognised in profit or loss as investment income financial assets when the group’s right to receive payments is established.

4. PRINCIPAL ACCOUNTING POLICIES – continued

4.4 Financial assets - continued

Equity instruments - continued

Net fair value gains/(losses) on fair value investments are recognised in other gains/(losses) in the statement of comprehensive income as applicable.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

4.5 Cash and cash equivalents

Cash and cash equivalents comprise deposits held at call with banks and other short-term liquid investments that are readily convertible (within 3 months) to a known amount of cash and are subject to an insignificant risk of change in value.

4.6 Trade and other receivables

Trade receivables are amounts due from financial institutions for accrued interest on investments and sundry debtors, such as expenses paid in advance. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

4.7 Provisions

Provisions are recognised when the scheme has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of discounting to present value is material, provisions are adjusted to reflect the time value of money and the risks specific to the liability using a pre-tax discount rate. The underwriting of the discount is recognised as finance cost.

4.8 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4. PRINCIPAL ACCOUNTING POLICIES – continued

4.9 Investment income from financial assets

Investment income consists of interest on investments and the current bank account. Interest is recognised as it accrues in surplus or deficit according to the effective interest method. Dividends are recognised as investment income in the statement of comprehensive income as it is received.

4.10 Impairment losses

A financial asset not carried at fair value through surplus or deficit is assessed at each reporting period as to whether it is impaired. Losses are recognised in surplus or deficit and reflected in an allowance account.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Calculation of recoverable amount

The recoverable amounts of the scheme's receivables carried at amortised cost are calculated as the present value of estimated future cash flows, discounted at the effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income.

Reversals of impairment

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

4.11 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, administered in terms of the Road Accident Fund Act no. 56 of 1996 (the RAFA). If the member is reimbursed by the RAF, they are obliged contractually to cede that payment to the scheme to the extent that they have already been compensated by the Scheme.

A reimbursement from the RAF is a possible asset that arises from claims submitted to the RAF and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the scheme. The contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the contingent asset and the related income are recognised in the annual financial statements of the period in which the virtual certainty occurs. Amounts received from members in respect of reimbursements from the RAF are recognised as a reduction in incurred claims.

4. PRINCIPAL ACCOUNTING POLICIES – continued

4.12 Personal medical savings account (PMSA) monies managed by the scheme on behalf of its members

The personal medical savings account, which is managed by the scheme on behalf of its members, represents savings contributions (which are a 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.

Refer to note 4.1.2 for the treatment of PMSA under IFRS 17.

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

Advances on savings contributions are funded from the scheme’s funds, and the risk of impairment is carried by the scheme.

4.13 Income tax

In terms of Section 10(1)(d) of the Income Tax Act 58 of 1962, as amended, receipts and accruals of a benefit fund are exempt from normal tax. A medical scheme is included in the definition of a benefit fund and consequently the scheme is exempt from income tax. As a result, the scheme does not provide for income tax or deferred tax.

4.14 Insurance contract liabilities to future members

This represent the reserves of the scheme. The funds are mainly held as statutory reserves in lieu of solvency requirements as required by the Act.

4.15 Comparative figures

Comparative figures have been reclassified where considered necessary due to the adoption of IFRS 9 and IFRS 17.

5. PLANT AND EQUIPMENT

2023	Motor vehicles R	Electronic equipment R	Total R
Cost			
At 1 January 2023	517 000	20 219	537 219
Additions	-	-	-
At 31 December 2023	517 000	20 219	537 219
Accumulated depreciation			
At 1 January 2023	(488 105)	-	(488 105)
Depreciation	(28 895)	(6 740)	(35 635)
At 31 December 2023	(517 000)	(6 740)	(523 740)
Carrying amount			
Cost	517 000	20 219	537 219
Accumulated depreciation	(517 000)	(6 740)	(523 740)
At 31 December 2023	-	13 479	13 479

2022	Motor vehicles R	Electronic equipment R	Total R
Cost			
At 1 January 2022	517 000	20 219	537 219
Additions	-	-	-
At 31 December 2022	517 000	20 219	537 219
Accumulated depreciation			
At 1 January 2022	(384 705)	-	(384 705)
Depreciation	(103 400)	-	(103 400)
At 31 December 2022	(488 105)	-	(488 105)
Carrying amount			
Cost	517 000	20 219	537 219
Accumulated depreciation	(488 105)	-	(488 105)
At 31 December 2022	28 895	20 219	49 114

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2023 R	2022 R
Argon BCI Flexible Income Fund	33 744 528	11 118 164
M & G Life Inflation Plus 5% Medical Aid Fund	15 482 128	14 341 639
Sanlam SIM Top Choice Equity Fund	19 245 373	19 753 500
Stanlib Income Fund	28 213 371	30 556 683
	96 685 400	75 769 986

Financial assets at fair value through profit and loss (FVTPL)		
As at 1 January	75 769 986	86 009 374
Fair value adjustments on investments at FVTPL	386 931	252 152
Income capitalised to investments at FVTPL (refer note 19)	5 623 306	4 600 076
Purchase of investments	20 000 000	5 000 000
Realised gains on disposal of investments	(10 895)	(3 540)
Disposal of investments	(5 000 000)	(20 000 000)
Investment manager fees	(83 928)	(88 076)
As at 31 December	96 685 400	75 769 986

Investments at FVTPL include the following:		
Listed equity investments	30 020 398	28 451 069
Bonds and debentures	54 712 358	41 968 088
Deposits with banks	11 952 644	5 350 829
	96 685 400	75 769 986

Investments at FVTPL consist of the investments in the Argon BCI Flexible Income Fund, M & G Life Inflation Plus 5% Medical Aid Fund, Sanlam SIM Top Choice Equity Fund and Stanlib Income Fund, of which the underlying assets comprise bonds and debentures, and equity instruments. These do not have a specified maturity date.

The implementation of IFRS 9 and IFRS 17 did not impact the measurement of the comparative values. Refer to note 35 for the change in the classification of financial assets following the adoption of IFRS 9.

Fair value hierarchy of investments

Investments are stated at quoted market prices. All investments are on level 1 of the hierarchy.

7. FINANCIAL ASSETS AT AMORTISED COST

		Restated 2022
Short term deposits	17 000 000	21 000 000
Short term deposits - Personal Medical Savings Accounts	20 000 000	-
Accrued interest	958 333	-
	37 958 333	21 000 000

The weighted average effective return on current investments was 8.86% (2022: 7.09%). These investments are measured at amortised cost using the effective interest rate.

As at 31 December 2023 and 2022 the carrying amounts of investments approximate their fair values.

8. TRADE AND OTHER RECEIVABLES

		Restated 2022
Interest accrued on investments and call accounts	-	-

Net contribution receivables and amounts receivable fom providers/members have been disclosed under insurance contract liabilities in terms of IFRS 17. Accrued interest is shown as part of the balances of the financial assets at amortised cost and cash and cash equivalents.

9. CASH AND CASH EQUIVALENTS

	2023 R	Restated 2022 R
Call accounts - Scheme	21 027 855	20 863 503
Current accounts	31 740 332	27 050 072
Call accounts - Personal Medical Savings Accounts	35 288 259	46 610 419
Short term deposits - Personal Medical Savings Accounts	4 000 000	-
Petty cash	5 417	-
Accrued interest	230 591	159 923
	92 292 454	94 683 917
Cash and cash equivalents excluding accrued interest	92 061 863	94 523 994

As at 31 December 2023 the carrying amounts of cash and cash equivalents approximate their fair values due to the short-term nature of these assets. The weighted average effective interest rate on scheme call accounts was 8.42% (2022: 7.06%). The carrying value has been determined at amortised cost using the effective interest rate method.

10. TRADE AND OTHER PAYABLES

	2023 R	Restated 2022 R
Financial liabilities		
Accrued expenses and other payables	247 019	193 220

Contribution amounts owing to members, contributions received in advance, remittances initiated but not yet paid, accredited administration and managed care fees payable, accrued broker commission and wellbeing programme expenses payable have been disclosed under insurance contract liabilities in terms of IFRS 17.

The carrying amounts of trade and other payables approximate their fair values because of the short-term nature of these liabilities.

11. REINSURANCE CONTRACT ASSETS/(LIABILITIES)

		2023	
	Remaining Coverage Component R	Incurred claims for contracts under the PAA R	Total R
Opening reinsurance contract assets	-	605 084	605 084
Opening reinsurance contract liabilities	-	-	-
Net expense/(income) of reinsurance contracts held			
Reinsurance expense	(20 815 041)	-	(20 815 041)
Claims recovered	-	20 286 894	20 286 894
Net expense of reinsurance contracts held	(20 815 041)	20 286 894	(528 147)
Cash flows			
Premiums paid	20 815 041	-	20 815 041
Recoveries from reinsurance	-	(20 286 894)	(20 286 894)
Changes in fulfillment cash flows relating to past service	-	(605 084)	(605 084)
Fulfilment cash flows relating to current service	-	667 801	667 801
Total cash flows	20 815 041	(20 224 177)	590 864
Closing reinsurance contract assets	-	667 801	667 801
Closing reinsurance contract liabilities	-	-	-
Net balance as at 31 December	-	667 801	667 801

11. REINSURANCE CONTRACT ASSETS/(LIABILITIES) - continued

		2022	
	Remaining Coverage Component R	Incurred claims for contracts under the PAA R	Total R
Opening reinsurance contract assets	-	644 602	644 602
Opening reinsurance contract liabilities	-	-	-
Net expense/(income) of reinsurance contracts held			
Reinsurance expense	(19 787 798)	-	(19 787 798)
Claims recovered	-	17 962 783	17 962 783
Net expense of reinsurance contracts held	(19 787 798)	17 962 783	(1 825 015)
Cash flows			
Premiums paid	19 787 798	-	19 787 798
Recoveries from reinsurance	-	(17 962 783)	(17 962 783)
Changes in fulfillment cash flows relating to past service	-	(644 602)	(644 602)
Fulfilment cash flows relating to current service	-	605 084	605 084
Total cash flows	19 787 798	(18 002 301)	1 785 497
Closing reinsurance contract assets	-	605 084	605 084
Closing reinsurance contract liabilities	-	-	-
Net balance as at 31 December	-	605 084	605 084

	2023 R	2022 R
The risk adjustment factors on the reinsurance contracts are as follows:		
IBNR provision (included in claims recovered)	667 801	605 084
Risk adjustment %	3.09%	3.33%
Risk adjustment value	20 635	20 149

As these amounts are not considered significant by the Board of Trustees, the risk adjustment factor for reinsurance contracts has not been accounted for.

12. INSURANCE CONTRACT LIABILITY

Insurance contract liabilities is made up of the following two components:

- Liability attributable to current members; and
- Liability attributable to future members.

	2023 R	2022 R
Insurance contract liabilities - Current liability attributable to current members	90 843 994	75 445 578
Insurance contract liabilities - Non-current liability attributable to future members	136 526 454	116 469 303
	227 370 448	191 914 881

12.1 LIABILITY ATTRIBUTABLE TO CURRENT MEMBERS

Reconciliation of the liability for remaining coverage and the liability for incurred claims

	2023			
	Liability for Remaining Coverage R	Liability for Incurred Claims R	Risk adjustment factor R	Total R
Insurance contract liabilities as at 1 January	528 080	74 236 666	680 832	75 445 578
Insurance revenue				
New contracts and contracts measured under the full retrospective approach at transition	(376 594 548)	-	-	(376 594 548)
Total insurance revenue	(376 594 548)	-	-	(376 594 548)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	327 348 245	673 638	328 021 883
Changes that relate to past service - adjustment to the LIC	-	(198 178)	(680 832)	(879 010)
Insurance acquisition cash flows expense	-	12 172 960	-	12 172 960
Total insurance service expenses	-	339 323 027	(7 194)	339 315 833
Insurance service result	(376 594 548)	339 323 027	(7 194)	(37 278 715)
Finance expenses from insurance contracts issued	-	-	-	-
Total amounts recognised in comprehensive income	(376 594 548)	339 323 027	(7 194)	(37 278 715)
Investment components (savings contributions) - refer note 13	(25 245 413)	25 245 413	-	-
Other changes: Premium debtors to LIC	(1 305 913)	1 305 913	-	-
Cash flows				
Premiums received	402 706 029	-	-	402 706 029
Insurance acquisition cash flows paid		(12 071 910)	-	(12 071 910)
Incurred claims paid and other directly attributable expenses paid (excluding insurance acquisition cash flows)		(337 956 988)	-	(337 956 988)
Total cash flows	402 706 029	(350 028 898)	-	52 677 131
Insurance contract liabilities as at 31 December	88 235	90 082 121	673 638	90 843 994

Comprising of:

Trade and other receivables	(1 960 997)
Contribution receivables	(2 258 003)
Less Provision for impairment losses on contribution receivables	297 006
Accounts receivable: Providers/Members	(272 347)
Sundry debtors	(1 310)
Trade and other payables	
Insurance liabilities	
Contributions received in advance	88 235
Contribution amounts owing to members	2 908 035
Wellbeing programme expenses payable	36 469
Accrued broker commission	1 027 772
Reported claims not yet paid	
Remittances initiated but not yet paid	5 267 405
Outstanding claims provision	
Not covered by reinsurance contracts	21 807 450
Covered by reinsurance contracts	667 801
Personal Medical Savings Account Monies managed by the scheme on behalf of its members	60 601 843
Risk adjustment factor for non-financial risk	673 638
	90 843 994

12.1 LIABILITY ATTRIBUTABLE TO CURRENT MEMBERS - continued

Reconciliation of the liability for remaining coverage and the liability for incurred claims

	2022			
	Liability for Remaining Coverage R	Liability for Incurred Claims R	Risk adjustment factor R	Total R
Insurance contract liabilities as at 1 January	39 054	62 106 657	559 398	62 705 109
Insurance revenue				
New contracts and contracts measured under the full retrospective approach at transition	(346 633 996)	-	-	(346 633 996)
Total insurance revenue	(346 633 996)	-	-	(346 633 996)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	309 759 416	680 832	310 440 248
Changes that relate to past service - adjustment to the LIC	-	1 146 501	(559 398)	587 103
Insurance acquisition cash flows expense	-	11 254 015	-	11 254 015
Total insurance service expenses	-	322 159 932	121 434	322 281 366
Insurance service result	(346 633 996)	322 159 932	121 434	(24 352 630)
Finance expenses from insurance contracts issued	-	-	-	-
Total amounts recognised in comprehensive income	(346 633 996)	322 159 932	121 434	(24 352 630)
Investment components (savings contributions) - refer note 13	(20 419 339)	20 419 339	-	-
Other changes: Premium debtors to LIC	(5 086 316)	5 086 316	-	-
Cash flows				
Premiums received	372 628 677	-	-	372 628 677
Insurance acquisition cash flows paid	-	(11 135 435)	-	(11 135 435)
Incurred claims paid and other directly attributable expenses paid (excluding insurance acquisition cash flows)	-	(324 400 143)	-	(324 400 143)
Total cash flows	372 628 677	(335 535 578)	-	37 093 099
Insurance contract liabilities as at 31 December	528 080	74 236 666	680 832	75 445 578

Comprising of:	
Trade and other receivables	(2 293 028)
Contribution receivables	(2 445 408)
Less Provision for impairment losses on contribution receivables	152 380
Accounts receivable: Providers/Members	(422 701)
Trade and other payables	
Insurance liabilities	
Contributions received in advance	528 080
Contribution amounts owing to members	1 789 526
Wellbeing programme expenses payable	509 779
Accrued broker commission	926 723
Reported claims not yet paid	
Remittances initiated but not yet paid	5 059 808
Outstanding claims provision	
Not covered by reinsurance contracts	20 633 263
Covered by reinsurance contracts	605 084
Personal Medical Savings Account Monies managed by the scheme on behalf of its members	47 428 212
Risk adjustment factor for non-financial risk	680 832
	75 445 578

12.2 INSURANCE CONTRACT LIABILITIES - LIABILITY ATTRIBUTABLE TO FUTURE MEMBERS

Reconciliation of the insurance liability attributable to future members:

	2023 R	2022 R
Opening balance	116 469 303	113 776 405
Movement in insurance liability attributable to future members	20 057 151	2 692 898
Closing balance	136 526 454	116 469 303

13. INSURANCE REVENUE

	Notes	2023 R	2022 R
Gross contributions per registered rules		401 839 961	367 053 335
Less: Savings contributions received	22	(25 245 413)	(20 419 339)
Insurance revenue per statement of comprehensive income	14	376 594 548	346 633 996

The savings contributions are received by the scheme in terms of Regulation 10(1) and the scheme's registered Rules. Refer to note 22 to the financial statements for more detail on how these monies were utilised.

14. INSURANCE REVENUE AND SERVICE EXPENSES

	Notes	2023 R	2022 R
Insurance revenue			
Insurance revenue from contracts measured under the PAA	13	376 594 548	346 633 996
Total insurance revenue		376 594 548	346 633 996
Insurance service expenses			
Incurred claims and other directly attributable expenses	15	(349 564 499)	(330 771 434)
Changes that relate to past service - adjustments to the LIC	16	198 178	(1 146 501)
Amounts attributable to future members		(20 057 151)	(2 692 898)
Insurance acquisition cash flows expensed	17	(12 172 960)	(11 254 015)
Total insurance service expenses		(381 596 432)	(345 864 848)
Net income/(expenses) from reinsurance contracts held			
Reinsurance expenses - contracts measured under the PAA	18	(20 815 041)	(19 787 798)
Total expenses from reinsurance contracts held		(20 815 041)	(19 787 798)
Claims recovered	18	20 286 894	17 962 783
Total income from reinsurance contracts held		20 286 894	17 962 783
Total insurance service result		(5 530 031)	(1 055 867)

15. INCURRED CLAIMS AND OTHER DIRECTLY ATTRIBUTABLE EXPENSES

	Notes	2023 R	2022 R
Incurred claims (scheme risk)		(275 379 030)	(260 933 299)
Current year claims per registered rules		(287 204 186)	(272 774 185)
Claims paid/charged to savings accounts	22	11 539 540	9 443 381
Third party claim recoveries		285 616	2 397 505
Incurred claims (reinsurance contracts)		(20 286 894)	(17 962 783)
Managed care: management services		(9 531 767)	(6 976 950)
Case management		(4 515 288)	(4 161 126)
Pharmacy benefit management		(3 019 128)	(2 815 824)
Active Disease Risk Management		(1 381 147)	-
Disease Risk Management Support		(616 204)	-
Accredited administration services		(20 793 386)	(21 370 083)
Member record management		(1 326 074)	(1 362 912)
Contribution management		(1 507 221)	(1 548 658)
Claims management		(4 592 442)	(4 719 953)
Information management and data control		(5 304 445)	(5 451 625)
Financial management		(2 746 600)	(2 823 706)
Broker remuneration management		(223 672)	(229 198)
Customer services		(5 092 932)	(5 234 031)
Wellbeing program expenses		(960 739)	(2 151 991)
Net impairment losses: Trade and other receivables	21	(144 626)	(16 547)
Outstanding claims provision at year end - not covered by reinsurance contracts)		(21 807 450)	(20 633 263)
Outstanding claims provision at year end - covered by reinsurance contracts)		(667 801)	(605 084)
Reversal of risk adjustment factor (opening balance)		680 832	559 398
Recognition of risk adjustment factor (closing balance)		(673 638)	(680 832)
Adjustments to the risk adjustment factor		7 194	(121 434)
Incurred claims and other incurred insurance service expenses	14	(349 564 499)	(330 771 434)

16. CHANGES THAT RELATE TO PAST SERVICE - ADJUSTMENTS TO THE LIC

	Notes	2023 R	2022 R
Outstanding claims provision			
Balance at beginning of year		20 633 263	17 330 512
Payments in respect of prior year		(20 435 085)	(18 477 013)
Over/(under) provision in prior year	14	198 178	(1 146 501)

17. INSURANCE ACQUISITION CASH FLOWS EXPENSED

	Notes	2023 R	2022 R
Brokers' commission	14	(12 172 960)	(11 254 015)

18. NET EXPENSE FROM REINSURANCE CONTRACTS HELD

	Notes	2023 R	2022 R
The scheme entered into the following reinsurance contracts during the respective years.			
NETCARE 911 REINSURANCE CONTRACT			
Reinsurance expenses from reinsurance contracts held		(4 437 914)	(4 114 562)
Reinsurance income from reinsurance contracts held		3 660 115	3 116 481
Net expense		(777 799)	(998 081)
PREFERRED PROVIDER NEGOTIATORS REINSURANCE CONTRACT			
Reinsurance expenses from reinsurance contracts held		(6 946 633)	(6 980 417)
Reinsurance income from reinsurance contracts held		7 659 473	6 683 671
Net income/(expense)		712 840	(296 746)
DENTAL INFORMATION SYSTEMS RISK TRANSFER ARRANGEMENT			
Reinsurance expenses from reinsurance contracts held		(9 430 494)	(8 692 819)
Reinsurance income from reinsurance contracts held		8 967 306	8 162 631
Net expense		(463 188)	(530 188)
SUMMARY			
Reinsurance expenses from reinsurance contracts held	14	(20 815 041)	(19 787 798)
Reinsurance income from reinsurance contracts held	14	20 286 894	17 962 783
Net expense		(528 147)	(1 825 015)

Netcare 911 provides members on the Energy, Universal and Fantasy Options with Emergency Medical Assistance. Claims incurred and recoveries received were calculated based on utilisation figures obtained from Netcare 911.

Preferred Provider Negotiators provides members on the Energy, Universal and Fantasy Options with optometry services. Claims incurred and recoveries received were calculated based on utilisation figures obtained from Preferred Provider Negotiators.

Dental Information Systems provides members on the Energy, Universal and Fantasy Options with dental care services. Claims incurred and recoveries received were calculated based on utilisation figures obtained from Dental Information Systems.

19. INVESTMENT INCOME FROM FINANCIAL ASSETS

	Notes	2023 R	2022 R
Interest on cash and cash equivalents		8 040 512	4 173 687
Accrued interest on cash and cash equivalents		999 440	-
Interest capitalised to financial assets at FVTPL	6	5 623 306	4 600 076
		14 663 258	8 773 763

20. OTHER OPERATING EXPENSES

	Notes	2023 R	2022 R
Actuarial fees		(401 332)	(401 332)
Association fees		(194 496)	(170 595)
Audit committee fees and expenses		(295 732)	(145 000)
Audit fee		(339 106)	(311 334)
Bank charges		(68 170)	(32 093)
Consulting fees		(485 126)	(284 932)
Curator fees and expenses		-	(1 380 000)
Depreciation		(35 635)	(103 400)
Fidelity guarantee and professional indemnity insurance		(16 000)	(24 750)
Insurance fees		(68 439)	(55 713)
Legal fees		-	(28 230)
Marketing expenses		(5 310 365)	(4 312 461)
Other expenses		(166 295)	(128 706)
Postage and courier costs		(223 446)	(661 694)
Principal officer's fees and expenses		(782 634)	(420 000)
Printing and stationery		(257 444)	(201 723)
Registrar's levies		(540 660)	(499 701)
Staff remuneration		-	(250 000)
Subscriptions		(96 904)	-
Telephone expenses		(239 819)	(301 123)
Total trustees' remuneration and consideration expenses	25	(1 228 573)	(433 618)
Other administration services		(223 046)	(228 459)
Secretarial		(223 046)	(228 459)
		(10 973 222)	(10 374 864)

21. NET IMPAIRMENT LOSSES: TRADE AND OTHER HEALTHCARE RECEIVABLES

	Notes	2023 R	2022 R
Contributions that are not collectable		(144 626)	(16 547)
Movement in provision		(144 626)	(16 547)
Amounts written off during the year		-	-
	15	(144 626)	(16 547)

22. PERSONAL MEDICAL SAVINGS ACCOUNT MONIES MANAGED BY THE SCHEME ON BEHALF OF ITS MEMBERS

	Notes	2023 R	2022 R
Balance on personal medical savings account liability at beginning of year		47 428 212	36 678 957
Add:			
Savings contributions received	13	25 245 413	20 419 339
Less:			
Savings claims paid on behalf of members	15	(11 539 540)	(9 443 381)
Refunds on death or resignation in terms of Regulation 10		(532 242)	(226 703)
Balance at the year end		60 601 843	47 428 212

The personal medical savings account trust liability contains a demand feature in terms of Regulation 10 of the Act that any credit balance on a member’s personal medical savings account must be taken as a cash benefit when the member terminates his or her membership of the scheme or benefit option, and then enrols in another benefit option or medical scheme without a personal medical savings account or does not enrol in another medical scheme.

No interest accrues on personal medical savings accounts. This is consistent with prior years.

22. PERSONAL MEDICAL SAVINGS ACCOUNT MONIES MANAGED BY THE SCHEME ON BEHALF OF ITS MEMBERS - continued

As at year end the carrying amount of the members' personal medical savings accounts were deemed to be equal to its fair value which is of a short term nature.

The personal medical savings accounts were invested on behalf of members in the following assets at 31 December:

	2023 R	2022 R
Call accounts	35 288 259	46 610 419
Short term deposits	24 000 000	-
	59 288 259	46 610 419

The carrying amount of the trust investment approximates its fair value due to the short term maturities of these assets. The effective interest rate on bank deposits was 8.62% (2022: 6.75%).

The difference between the savings plan liability and savings assets is due to timing differences in savings contributions and savings claims paid which is corrected in the following months.

23. CRITICAL ACCOUNTING JUDGEMENTS AND AREAS OF KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to notes 2 and 3 for the significant judgements and estimates applicable to the scheme.

The table below reflects the impact of a change in the incurred claims and reported amounts attributable to future members caused by changes in key variables:

	Change in variable	Impact on insurance contract liability to future members 2023 R	Impact on insurance contract liability to future members 2022 R
General practioner claims	1% increase in claims	542 930	494 695
Specialist claims	1% increase in claims	806 292	754 975
Medicine claims	1% increase in claims	326 095	318 537
Hospital claims	1% increase in claims	1 103 894	1 068 727
Allied and support health claims	1% increase in claims	92 830	90 809

24. RELATED PARTY TRANSACTIONS

Momentum Thebe Ya Bophelo (Pty) Ltd, the administrator and managed care provider provides key management information to the scheme. Momentum Thebe Ya Bophelo (Pty) Ltd participates in the financial and operational activities of the scheme, but does not control the scheme.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the scheme. Key management personnel include the Board of Trustees, Principal Officer and members of the audit committee. The amounts include close family members of the Board of Trustees and the Principal Officer. (Refer to Note 25 for Trustee expenses)

Relationships

Administrator	Momentum Thebe Ya Bophelo (Pty) Ltd
Other related parties	Momentum Health Solutions (Pty) Ltd

24. RELATED PARTY TRANSACTIONS - continued

Key management personnel and their close family members

Principal Officer	Adv. G. Tlali
Board of Trustees	Dr. G. Goolab (chairperson)
	W. Modisapodi
	W. Mosetlhe - term of office ended 8 December 2023
	R. Bangani - term of office ended 8 December 2023
	T.E. Mokoena - appointed 8 December 2023
	G.P. Mokoena - appointed 8 December 2023
	B. Seitlhobogeng - appointed 8 December 2023
	T.E. Mokhele - appointed 8 December 2023
Audit, Investment and Risk Committee	M. Tonjeni (chairperson)
	S. Maharaj
	T. Mochatsi

	2023 R	2022 R
Transactions with parties that have significant influence over the scheme		
Administration fees paid		
Momentum Thebe Ya Bophelo (Pty) Ltd	21 016 432	21 598 542
Wellbeing program expenses		
Momentum Health Solutions (Pty) Ltd	960 739	2 151 991
Managed care fees		
Momentum Thebe Ya Bophelo (Pty) Ltd	9 531 767	6 976 950
Distribution fee		
Momentum Thebe Ya Bophelo (Pty) Ltd	2 987 845	2 735 712
Curator fees and expenses		
Engaged Business Turnaround (Pty) Ltd	-	1 380 000
Principal Officer fees and expenses	782 634	420 000
Trustee fees and expenses	1 228 573	433 618
Audit committee fees and expenses	295 732	145 000

These transactions were all concluded in terms of the rules of the scheme.

Administration fees paid
The administration agreement is in terms of the rules of the scheme and in accordance with instructions given by the scheme. The agreement is automatically renewed each year unless notification of termination is received.

Wellbeing program expenses
Wellness is provided to the members in accordance with the instructions given by the scheme. All transactions were at an arm’s length basis.

Managed care fees
The managed care agreement is in accordance with the instructions given by the scheme. The agreement is automatically renewed each year unless notification of termination is received. All transactions were at an arm's length basis.

Distribution fee
The distribution fee agreement is in accordance with the instructions given by the scheme. The agreement is automatically renewed each year unless notification of termination is received. All transactions were at an arm's length basis.

25. TRUSTEES' EXPENSES

2023

	Meeting fees	Travel, accommodation and meals	Conferences	Total
Dr. G. Goolab	325 437	17 367	-	342 804
W. Modisapodi	325 437	11 113	12 100	348 650
W. Mosetlhe	217 455	42 955	11 350	271 760
R. Bangani	196 455	57 554	11 350	265 359
	1 064 784	128 989	34 800	1 228 573

2022

	Meeting fees	Travel and accommodation	Total
Dr. G. Goolab	168 000	-	168 000
W. Modisapodi	168 000	-	168 000
W. Mosetlhe	84 000	13 618	97 618
	420 000	13 618	433 618

26. MEDICAL INSURANCE RISK MANAGEMENT

The scheme issues healthcare contracts. These contracts compensate members and their beneficiaries in the event of a healthcare event. The scheme is therefore exposed to the uncertainty of the severity and timing of the healthcare event. As the scheme undertakes to compensate the members and their beneficiaries, the scheme is exposed to insurance risk . This section summarises these risks and the way in which the scheme manages them.

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 subject 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 investment activities.

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

Certain risks are mitigated by entering into reinsurance contracts. In this regard the scheme specifically decided to transfer all risks relating to emergency and ambulance services, optometry, and dental services to an external service provider.

The scheme uses several methods to assess and monitor insurance risk exposure both for individual types of risk 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.

Medical insurance events are, by their nature random, and the actual number and size of event during any one year period may vary from those estimated using established statistical methods.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability around the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The scheme has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories of risks to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risks include lack of risk diversification in terms of type and amount of risk, geographical location and demographics of members covered.

26. MEDICAL INSURANCE RISK MANAGEMENT - continued

Risk management objectives and policies for mitigating insurance risk - continued

General practitioner benefits cover the cost of all visits by members to general practitioners and of the procedures performed by them.

Specialists' benefits cover the cost of all visits by members to specialists and of the out-of-hospital procedures performed by specialists. Specialists' benefits also include radiology and pathology benefits provided to members.

Dentistry benefits cover the cost of all visits by members to dental practitioners and the procedures performed by them, up to a prescribed annual limit per member.

Optometry benefits cover the cost of all visits by members to optometrists, the cost of prescribed glasses and contact lenses and the cost of procedures performed by optometrists, up to a prescribed annual limit per member.

Medicine benefits cover the cost of all medicines prescribed to members.

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

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 variability of the outcome.

The strategy is set out in the annual business plan, which specifies the benefits to be provided by each option, the preferred target market and demographic split of this market.

All the contracts are annual in duration and the scheme has the right to change the terms and conditions of the contract at renewal. Management information including contribution income and claims ratios by option, target market and demographic split is reviewed monthly. There is also an underwriting review programme that reviews a sample of contracts on a quarterly basis to ensure adherence to the scheme's objectives.

Expense risk

Expense risk is the risk of unexpected increases in policy maintenance, claim handling and other costs relating to fulfilment of insurance contracts. The risk is managed through budgeting and periodic cost evaluations.

Changes from the previous period

There were no significant changes in the scheme's objectives, policies and processes for managing risk and the methods used to measure risk.

Methods used and assumptions made

Methods used and assumptions made for insurance liabilities assessment are disclosed in note 3.1.2.

26. MEDICAL INSURANCE RISK MANAGEMENT - continued

Impact of legislation and regulation

The medical scheme industry is governed by the Medical Schemes Act. The governance under the Act is fulfilled by a statutory body, the Council for Medical Schemes. Various legislative measures restrict the scheme from fully managing its insurance risk, the main factor being that the scheme is not allowed to risk rate its members at all. This severely increases the risk in a risk pool with a too high load of above average claimers.

Managed care initiatives such as disease management programmes are implemented to reduce risk.

Sensitivity to Insurance Risk

The most significant medical insurance risk that the scheme faces is the risk that insurance revenue is not sufficient to cover the insurance service expenditure and other expenses, and still have a sufficient surplus to maintain the solvency ratio of the scheme at the required level.

The following table summarises the concentration of insurance risk, with reference to the carrying amount of the insurance claims incurred, by age group and in relation to the type of risk covered / benefits

As at 31 December 2023

Age grouping (in years)	General Practitioners	Specialists	Medicines	Hospital	Allied and support health	Total
<29	14 080 269	15 795 281	5 860 784	29 036 484	2 411 858	67 184 677
30 - 39	14 356 605	17 095 937	6 507 664	23 870 175	2 190 108	64 020 489
40 - 54	20 943 672	32 519 375	15 751 949	37 552 085	3 423 632	110 190 712
55 - 69	4 742 627	14 037 864	4 321 480	18 374 601	1 187 159	42 663 730
>70	169 840	1 180 724	167 661	1 556 060	70 293	3 144 578
Total	**54 293 013**	**80 629 180**	**32 609 537**	**110 389 406**	**9 283 050**	**287 204 186**

As at 31 December 2022

Age grouping (in years)	General Practitioners	Specialists	Medicines	Hospital	Allied and support health	Total
<29	13 307 940	14 216 672	5 829 697	30 064 423	1 508 100	64 926 833
30 - 39	13 871 976	20 730 273	6 908 699	30 494 528	3 086 057	75 091 533
40 - 54	17 973 859	28 450 748	14 787 598	32 167 507	3 574 506	96 954 217
55 - 69	4 170 143	10 702 904	4 019 739	12 608 293	808 683	32 309 763
>70	145 551	1 396 880	307 986	1 537 905	103 515	3 491 838
Total	**49 469 470**	**75 497 477**	**31 853 720**	**106 872 657**	**9 080 862**	**272 774 185**

26. MEDICAL INSURANCE RISK MANAGEMENT - continued

Reinsurance contracts (risk transfer arrangements)

The scheme entered into capitation agreements with Netcare 911, Preferred Provider Negotiators and Dental Information Systems. The capitation agreements are in substance, the same as a non-proportional commercial reinsurance contract.

Risk in terms of reinsurance contracts

The scheme cedes insurance risk to limit exposure to underwriting losses under various agreements that cover individual risks, group risks or defined blocks of business, on a co-insurance, yearly renewable term, excess or catastrophe excess basis. These contracts spread the risk and minimise the effect of losses. The amount of each risk retained depends on the scheme's evaluation of the specific risk, subject in certain circumstances, to maximum limits on the basis of characteristics of coverage. According to the terms of the contracts, the third party agrees to reimburse the ceded amount in the event the claim is paid. According to the terms of the capitation agreements, the suppliers provide certain minimum benefits to all scheme members, as and when required by the members. The scheme does, however, remain liable to its members with respect to ceded insurance if any reinsurer (or supplier) fails to meet the obligations it assumes. When selecting a reinsurer (or supplier), the scheme considers its relative security. The security of the reinsurer (or supplier) is assessed from public rating information and from internal investigations.

Underwriting risk

Underwriting risk is the risk that the actual exposure of the scheme in respect of outstanding claims will exceed prudent estimates of such outstanding claims. Actuaries have been consulted in setting these estimates at year-end, including the estimate for those claims outstanding at year-end which had not yet been reported.

Claims development

Claims development tables are not presented since the uncertainty regarding the amount and timing of claim payments is typically resolved within one year. In the majority of cases, claims are resolved within four months from the time they are reported to the scheme. At year-end, a provision is made for the liability for incurred claims.

Sensitivity analysis to insurance risk variables

The following table provides a sensitivity on the insurance contract liabilities. As the scheme is a mutual entity, the impact of any changes in the insurance liability to current members would impact the insurance liability to future members. The table presents information on how reasonably possible changes in risk confidence level made by the scheme will impact the risk adjustment.

26. MEDICAL INSURANCE RISK MANAGEMENT - continued

Sensitivity analysis to insurance risk variables - continued

The following table presents information on how possible changes in the risk confidence level made by the scheme will impact the risk adjustment.

As at 31 December 2023	LIC	Impact on LIC	Impact on profit/loss
Insurance contract liabilities	90 843 994		
Unpaid claims and expenses - 5% increase			
Insurance contract liabilities		4 542 200	4 542 200
Expenses - 5% increase			
Insurance service expense			(19 079 822)

Risk adjustment with a 75% confidence level - as reported	673 638
Risk adjustment with a 80% confidence level	839 265

As at 31 December 2022	LIC	Impact on LIC	Impact on profit/loss
Insurance contract liabilities	75 445 578		
Unpaid claims and expenses - 5% increase			
Insurance contract liabilities		3 772 279	3 772 279
Expenses - 5% increase			
Insurance service expense			(17 293 242)

Risk adjustment with a 75% confidence level - as reported	680 832
Risk adjustment with a 80% confidence level	851 479

The above analysis is based on a change in one assumption, whilst holding all other assumptions constant. This is unlikely to occur and changes in certain assumptions could be correlated. No further changes were made by the scheme in the methods and assumptions used in preparing the above analysis. To further demonstrate the sensitivity to insurance risk, the risk adjustment at a 80% confidence level has also been disclosed.

Any change in the risk adjustment will impact the incurred claims and other directly attributable expenses in insurance service expenses with an equal and opposite impact on the amounts attributable to future members in insurance services expenses. The net impact on profit or loss for any change in the risk adjustment would therefore be nil.

27. FINANCIAL RISK MANAGEMENT

27.1 General

The scheme's activities expose it to a variety of financial risks, including the effects of changes in interest rates. The scheme's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential 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 Board of Trustees. The Board of Trustees identifies, evaluates and economically hedges (where appropriate) financial risk associated with the scheme's investment portfolio. The Board of Trustees provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and investing excess liquidity. The Board of Trustees approves all these written policies.

27.2 Market Risk

Market risk is the inherent risk associated with the underlying counterparty or asset class. These inherent risks will influence the levels of income and/or capital valuation achieved over time and therefore affect the scheme income and reserve levels. The investment management process employed seeks to manage the market risk with a view of optimising the risk/reward profile of the scheme, whilst being compliant with Annexure B of the Medical Schemes Act.

Diversification and concentration

The asset class diversifications and concentrations are shown below. The sensitivity of the market risks show the illustrated impact of the profit/loss of the various asset classes, excluding accrued interest.

	December 2023		December 2022	
Asset class	**R**	**%**	**R**	**%**
Cash	141 014 507	62.47	120 874 825	63.19
Bonds	54 712 358	24.23	41 968 088	21.94
Equity	30 020 398	13.30	28 451 069	14.87
Total	**225 747 263**	**100.00**	**191 293 982**	**100.00**

Asset manager allocation

Allocation as at December 2023

Manager	**Mandate**	**Investment vehicle**	**Rand**	**%**
Old Mutual Wealth Treasury	Liquidity/Cash	Segregated	129 061 863	57.17
STANLIB Asset Management	Income Fund	Pooled	28 213 371	12.50
Sanlam Investment Management	Top Choice Equity Fund	Policy of Insurance	19 245 373	8.52
Prudential Portfolio Managers	Life Inflation Plus 5% Medical Aid Fund	Policy of Insurance	15 482 128	6.86
Argon	Flexible Income	Pooled	33 744 528	14.95
			225 747 263	**100.00**

Allocation as at December 2022

Manager	**Mandate**	**Investment vehicle**	**Rand**	**%**
Old Mutual Wealth Treasury	Liquidity/Cash	Segregated	115 523 995	60.39
STANLIB Asset Management	Income Fund	Pooled	30 556 683	15.97
Sanlam Investment Management	Top Choice Equity Fund	Policy of Insurance	19 753 500	10.33
Prudential Portfolio Managers	Life Inflation Plus 5% Medical Aid Fund	Policy of Insurance	14 341 639	7.50
Argon	Flexible Income	Pooled	11 118 164	5.81
			191 293 981	**100.00**

27. FINANCIAL RISK MANAGEMENT - continued

27.2 Market Risk - continued

Counter party analysis

Asset Class	Top 5 Holdings as at December 2023	Ratings (Moody's at December 2023)	% of portfolio
Cash	FirstRand Bank Limited	Aa1.za	28.47
	Nedbank Limited	Aa1.za	15.85
	ABSA Bank Limited	Aa1.za	14.82
	The Standard Bank of South Africa	Aa1.za	2.03
	Investec Bank Limited	Aa1.za	0.70
Bonds	RSA Bond		8.51
	FirstRand Bank Limited		2.00
	The Standard Bank of South Africa		1.42
	ABSA Bank Limited		1.34
	Standard Bank Group Limited		1.12
Property	Growthpoint Properties Limited		0.35
	Amber House Fund 2 (RF) Limited		0.33
	Redefine Properties Limited		0.30
	Resilient Property Income Fund		0.17
	Fortress REIT Limited		0.12
Equity	Naspers Limited		1.08
	ABSA Group Limited		0.74
	FirstRand Limited		0.69
	British American Tobacco		0.63
	Anglogold Ashanti Limited		0.59

Asset Class	Top 5 Holdings as at December 2022	Ratings (Moody's at December 2022)	% of portfolio
Cash	ABSA Bank Limited	Aa1.za	31.41
	FirstRand Bank Limited	Aa1.za	21.95
	Nedbank Limited	Aa1.za	8.20
	The Standard Bank of South Africa	Aa1.za	0.88
	Investec Bank Limited	Aa1.za	0.24
Bonds	RSA Bond		4.76
	FirstRand Bank Limited		2.26
	The Standard Bank of South Africa		2.09
	ABSA Bank Limited		1.43
	Nedbank Limited		1.10

27. FINANCIAL RISK MANAGEMENT - continued

27.2 Market Risk - continued

Diversification and concentration - continued

Counter party analysis - continued

Asset Class	Top 5 Holdings as at December 2022	Ratings (Moody's at December 2022)	% of portfolio
Property	Amber House Fund 2 (RF) Limited		0.39
	Growthpoint Properties Limited		0.33
	Resilient Property Income Fund		0.22
	Amber House Fund 4 (RF) Limited		0.13
	Redefine Properties Limited		0.13
Equity	Naspers Limited		1.30
	Prosus NV		1.21
	Anglo American Plc		0.88
	ABSA Group Limited		0.77
	MTN Group Limited		0.73

Sensitivity analysis: Cash

Basis:
The sensitivity analysis determines different levels of the closing market value as compared to the actual closing market value based on different levels of interest (see table below). i.e. +1% suggests the closing market value could have been R 142 319 861 if the interest had been higher by 1% during 2023 as compared to the actual interest rate. A one percent increase in the interest at the reporting date would have increased cash by R 1 305 354 (2022 an increase of R 1 149 075). An equal change in the opposite direction would have decreased cash by R 1 305 354 (2022 a decrease of R 1 149 075).

% Change	Return of Index	Adjusted closing value R	Difference R
2%	10.03%	143 625 214	2 610 707
1%	9.03%	142 319 861	1 305 354
0%	8.03%	141 014 507	-
-1%	7.03%	139 709 154	(1 305 354)
-2%	6.03%	138 403 800	(2 610 707)

Sensitivity analysis: Bonds

Basis:
The sensitivity analysis determines different levels of the closing market value as compared to the actual closing market value based on different levels of investment performance (see table below). i.e. +1% suggests the closing market value could have been R 55 211 106 if the investment performance had been higher by 1% during 2023 as compared to the market investment performance. A one percent increase in the investment return at the reporting date would have increased bonds by R 498 749 (2022 an increase of R 402 535). An equal change in the opposite direction would have decreased bonds by R 498 749 (2022 a decrease of R 402 535).

% Change	Return of Index	Adjusted closing value R	Difference R
2%	11.70%	55 709 855	997 497
1%	10.70%	55 211 106	498 749
0%	9.70%	54 712 358	-
-1%	8.70%	54 213 609	(498 749)
-2%	7.70%	53 714 861	(997 497)

27. FINANCIAL RISK MANAGEMENT - continued

27.2 Market Risk - continued

Diversification and concentration - continued

Sensitivity analysis: Equity

Basis:

The sensitivity analysis determines different levels of the closing market value as compared to the actual closing market value based on different levels of investment performance (see table below). i.e. +2% suggests the closing market value could have been R 30 569 954 if the investment performance had been higher by 2% during 2023 as compared to the market investment performance.

All equity investments are listed on the JSE. A two percent increase in the investment return at the reporting date would have increased equity by R 549 555 (2022: an increase of R 549 360); an equal change in the opposite direction would have decreased equity by R 549 555 (2022: a decrease of R 549 360).

The change will have an impact on the fair value adjustment reserve and/or the surplus/deficit depending on the investment type.

% Change	Return of Index	Adjusted closing value R	Difference R
4%	13.25%	31 119 509	1 099 111
2%	11.25%	30 569 954	549 555
0%	9.25%	30 020 398	-
-2%	7.25%	29 470 843	(549 555)
-4%	5.25%	28 921 288	(1 099 111)

Notes:

1. The 0% line reflects the actual closing value of the respective asset classes. The adjusted closing values are a reflection of the sensitivity of the return around the index. For the less volatile indices; i.e. Cash and bonds, a sensitivity of 1% and 2% is used and for the more volatile indices, i.e. equity, a sensitivity of 2% and 4% is used.

2. Investment Risk and Investment Return
Seeking higher investment returns is typically associated with taking additional risk through exposure to asset classes such as equities and bonds where the capital is at risk. Additional investment risk is typically associated with higher variability in asset prices. Also, the extent to which actual investment returns differ from expected returns is greater.

Unconsolidated 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 scheme's investment in each of the investee funds.

27. FINANCIAL RISK MANAGEMENT - continued

27.2 Market Risk - continued

Unconsolidated structured entities - continued

The right of the scheme to request redemption of its investments in investee funds ranges in frequency from weekly to semi-annually. The exposure to investments in investee funds at fair value, by strategy employed, is disclosed in the following table. These investments are included in financial assets at FVTPL in the statement of financial position.

Fund	Number of investee funds	Net asset value of investee fund (range and weighted average) Rand	Fair value of scheme's assets of investment (Rand)	% of net assets attributable to holders of redeemable shares*
Stanlib Income Fund	1	54500 000 000	28 213 371	0.05%
Sanlam SIM Top Choice Equity Fund	1	960 300 000	19 245 373	2.00%

*This represents the scheme's percentage interest in the total net assets of the investee funds.

The scheme's maximum exposure to loss from its interests in investee funds is equal to the total fair value of its investments in investee funds. Once the scheme has disposed of its shares in an investee fund, it ceases to be exposed to any risk from that investee fund.

Interest rate risk

The table below summarises the scheme's exposure to interest rate risks. Included in the table are the scheme's investments at carrying amounts, excluding accrued interest, categorised by the earlier of contractual re-pricing or maturity dates.

	Up to 1 month R	**1 - 3 months R**	**3 - 12 months and more R**	**Total R**
As at 31 December 2023				
Cash and cash equivalents	52 773 604	-	-	52 773 604
Investments	-	-	133 685 400	133 685 400
Savings trust assets	35 288 259	4 000 000	20 000 000	59 288 259
Personal medical savings account monies managed by the scheme on behalf of its members	(10 587 060)	(646 067)	(49 368 716)	(60 601 843)
Total	**77 474 803**	**3 353 933**	**104 316 684**	**185 145 420**

	Up to 1 month R	**1 - 3 months R**	**3 - 12 months and more R**	**Total R**
As at 31 December 2022				
Cash and cash equivalents	47 913 575	-	-	47 913 575
Investments	-		96 769 986	96 769 986
Savings trust assets	46 610 419	-	-	46 610 419
Personal medical savings account monies managed by the scheme on behalf of its members	(5 005 925)	(756 171)	(41 666 115)	(47 428 212)
Total	**89 518 069**	**(756 171)**	**55 103 871**	**143 865 768**

27. FINANCIAL RISK MANAGEMENT - continued

27.3 Credit Risk

The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The scheme doesn't have significant credit risk arising from reinsurance contract assets or insurance assets.

The capitation agreements with Netcare 911, Preferred Provider Negotiators and Dental Information Systems are used to manage insurance risk. This does not, however, discharge the scheme's liability as the primary insurer. If the reinsurers fail to pay a claim for any reason, the scheme remains liable for the payment of incurred claims, to the members.

Investments

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. Financial assets at FVTPL are invested based on clearly defined terms in order to limit credit exposure to those investments.

Cash and cash equivalents

Credit risk is managed through transactions with South African financial institutions with investment grade ratings as assigned by internationally recognised rating agencies.

Due to these investment grade ratings, the Trustees do not generally expect any of the counterparties to fail to meet their obligations. Credit limits per institution are prescribed by annexure B of the Regulations to the Medical Schemes Act, 131 of 1998, as amended, which reduces the risk per individual institution. The utilisation of these credit limits are regularly monitored.

The scheme manages credit risk by:

- Actively pursuing all contributions not received after three days of becoming due, as required by Section 26(7) of the Medical Schemes Act 131 of 1998, as amended.
- Suspending benefits on member accounts when contributions have not been received for 30 days.
- Terminating benefits on member accounts when contributions have not been received for 60 days.
- Ageing and pursuing unpaid accounts on a monthly basis.

27. FINANCIAL RISK MANAGEMENT - continued

27.3 Credit Risk - continued

Exposure to credit risk

Trade and other receivables

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount 2023 R	Carrying amount 2022 R
Cash and cash equivalents	92 292 454	94 683 917
Financial assets at amortised cost	37 958 333	21 000 000
Financial assets at fair value through profit or loss	96 685 400	75 769 986
	226 936 187	191 453 903

Contribution receivables are collected by means of debit orders, electronic receipts and receipts from payroll offices.

The maximum credit exposure to member and service provider claim receivables (included in other receivables) was:

Member claim receivables	500	5 880
Service provider claim receivables	271 847	416 821
	272 347	422 701

Allowance for impairment
The ageing of the components of insurance receivables at year-end was:

Description

	Gross 2023 R	Allowance for impairment 2023 R	Gross 2022 R	Allowance for impairment 2022 R
Contribution debtors				
Not past due	1 672 202	-	2 094 059	-
Past due 4 - 30 days	31 013	-	82 438	-
Past due 31 - 60 days	57 571	-	39 149	-
Past due 61 - 90 days	60 808	-	8 713	-
91 days to more than one year	88 839	-	26 491	-
Total	1 910 433	-	2 250 850	-
Withdrawn members				
Not past due	50 564	-	42 178	-
Past due 4 - 30 days	64 940	64 940	6 980	6 980
Past due 31 - 60 days	77 607	77 607	7 517	7 517
Past due 61 - 90 days	5 233	5 233	608	608
91 days to more than one year	149 226	149 226	137 275	137 275
Total	347 570	297 006	194 558	152 380

27. FINANCIAL RISK MANAGEMENT - continued

27.3 Credit Risk - continued

Exposure to credit risk - continued

Allowance for impairment - continued

The movement in the allowance for impairment, for each class of financial asset, during the year was as follows:

	Trade and other receivables	
	Contribution debtors	Total
	R	R
Balance 1 January 2022	135 834	135 834
Change to allowance made during the year	16 546	16 546
Balance 31 December 2022	152 380	152 380
Change to allowance made during the year	144 626	144 626
Balance 31 December 2023	297 006	297 006

Contribution debtors

The scheme collected 79.41% (2022: 92.98%) of outstanding debt in January and February 2024.

The scheme applies the IFRS 9 simplified approach to measuring credit losses which uses a lifetime expected loss allowance for trade receivables, which includes contributions receivables (included in insurance contract liabilities). To measure the expected credit losses, trade receivables have been grouped based on the days past due.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The scheme does not hold any collateral as security.

27. FINANCIAL RISK MANAGEMENT - continued

27.3 Credit Risk - continued

Exposure to credit risk - continued

Investments

Cash transactions 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.

Due to these high credit ratings the Trustees do not expect any counterparty to fail to meet its obligations. Credit limits per institution are prescribed by annexure B of the Regulations to the Medical Schemes Act, 131 of 1998, as amended which reduces the risk per individual institution. The utilisation of these credit limits are regulatory monitored.

The table below shows the limit and balance of cash and cash equivalents and investments with the major counterparties held at year-end. Accrued interest is excluded from these balances:

		2023		2022	
		R	R	R	R
Counterparty	Limit	Limit	Balance	Limit	Balance
Cash deposits					
First National Bank	35%	58 681 492	46 331 532	50 712 409	41 992 991
Nedbank Limited	35%	58 681 492	15 232 573	50 712 409	15 688 114
Investec Bank Limited	35%	58 681 492	1 587 727	50 712 409	460 094
ABSA Bank Limited	35%	58 681 492	12 868 819	50 712 409	13 478 742
Standard Bank Limited	35%	58 681 492	4 746 888	50 712 409	1 683 704

The table below shows the limit and balance of savings trust assets held at the major counterparties at year-end:

	2023		2022	
	R	R	R	R
Counterparty	Limit	Balance	Limit	Balance
ABSA Bank Limited	n/a	20 590 266	n/a	46 610 419
First National Bank	n/a	17 942 891	n/a	-
Nedbank Limited	n/a	20 755 102	n/a	-

In terms of Circular 38 of 2011, the Annexure B restrictions are not applicable to savings trust assets.

27. FINANCIAL RISK MANAGEMENT - continued

27.4 Liquidity Risk

Liquidity risk is the risk that the scheme will be unable to meet its obligations when they fall due as a result of member benefit payments or cash requirements from contractual obligations. Such outflows would deplete available cash resources for insurance activities. In extreme circumstances, lack of liquidity could result in reductions on the statement of financial position, or potentially an inability to fulfil commitments to members.

The scheme's liquidity management process, as carried out by the administrator and monitored by the scheme, includes day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met, maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flows, and monitoring the liquidity ratios of the statement of financial position against internal and regulatory requirements.

The following tables present the estimated amount and timing of the remaining contractual undiscounted cash flows arising from insurance contract liabilities/(assets). When debt securities mature, the proceeds not needed to meet liability cash flows will be reinvested.

There were no significant changes in the scheme’s objectives, policies and processes for managing risk and the methods used to measure risk compared to the previous period.

Members of the scheme are required to submit their claims within 4 months of the service date. Therefore the liability attributable to current members is expected to be settled within 12 months.

The scheme expects to achieve a net surplus (before taking into account amounts attributable to future members) for the period ending 31 December 2024 and therefore does not expect to utilise the liability attributable to future members within the next 12 months.

	R	
	0 - 12 months	**12 months +**
2023		
Insurance contract balances		
Insurance contract liabilities to current members	90 843 994	
Insurance contract liabilities to future members		136 526 454
2022		
Insurance contract balances		
Insurance contract (assets) to current members	75 445 578	
Insurance contract liabilities to future members		116 469 303

27. FINANCIAL RISK MANAGEMENT - continued

27.4 Liquidity Risk - continued

The table below analyses financial assets and liabilities of the scheme into relevant maturity groupings based on the remaining period at financial position date to the contractual maturity date:

As at 31 December 2023

	Up to 1 month R	1 - 3 months R	3 - 12 months R		Total R
Current assets	**90 176 697**	**5 233 477**	**154 428 469**		**249 838 643**
Trade and other receivables	2 114 834	1 233 477	743 069		4 091 380
Cash and cash equivalents	52 773 604	-	-		52 773 604
Investments	-	-	133 685 400		133 685 400
Savings trust assets	35 288 259	4 000 000	20 000 000		59 288 259
Total assets	**90 176 697**	**5 233 477**	**154 428 469**		**249 838 643**

Current liabilities	**12 154 842**	**22 874 336**	**56 955 051**		**91 984 228**
Trade and other payables	1 567 782	420 820	7 586 334		9 574 935
Personal medical savings account monies managed by the scheme on behalf of its members	10 587 060	646 067	49 368 716		60 601 843
Outstanding risk claims provision	-	21 807 450	-		21 807 450
Total liabilities	**12 154 842**	**22 874 336**	**56 955 051**		**91 984 228**
Net liquidity gap analysis	**78 021 855**	**(17 640 859)**	**97 473 419**		**157 854 414**

As at 31 December 2022

	Up to 1 month R	1 - 3 months R	3 - 12 months R		Total R
Current assets	**97 174 344**	**794 677**	**96 805 695**		**194 774 716**
Trade and other receivables	2 650 350	794 677	35 709		3 480 736
Cash and cash equivalents	47 913 575	-	-		47 913 575
Investments	-	-	96 769 986		96 769 986
Savings trust assets	46 610 419	-	-		46 610 419
Total assets	**97 174 344**	**794 677**	**96 805 695**		**194 774 716**

Current liabilities	**6 753 189**	**22 205 840**	**48 714 667**		**77 673 695**
Trade and other payables	1 747 263	211 322	7 048 551		9 007 136
Personal medical savings account monies managed by the scheme on behalf of its members	5 005 925	756 171	41 666 115		47 428 212
Outstanding risk claims provision	-	21 238 347	-		21 238 347
Total liabilities	**6 753 189**	**22 205 840**	**48 714 667**		**77 673 695**

Net liquidity gap analysis	**90 421 155**	**(21 411 163)**	**48 091 029**		**117 101 020**

These tables have been compiled based on the nature of the line items and not using IFRS 17.

27. FINANCIAL RISK MANAGEMENT - continued

27.4 Liquidity Risk - continued

Cash and cash equivalents

Cash and cash equivalents are made up of the following:

	2023 R	2022 R
Call accounts - Scheme	21 027 855	20 863 503
Current accounts	31 740 332	27 050 072
Call accounts - Personal Medical Savings Accounts	35 288 259	46 610 419
Short term deposits - Personal Medical Savings Accounts	4 000 000	-
Petty cash	5 417	-
Accrued interest	230 591	-
Total	92 292 454	94 523 994

27.5 Capital adequacy risk

This represents the risk that there are insufficient insurance contract liabilities to future members to provide for adverse variations on future investments and claims experience. At the year end, the solvency ratio computed in terms of the Registrar’s formula was 32.67% (2022: 30.40%). The Trustees believe that this cover is appropriate for the scheme’s needs.

The scheme has complied throughout the year with the capital adequacy requirements as imposed by Regulation 29(2) of the Medical Schemes Act of 25% of annual contributions.

27.6 Fair values

The fair values of all financial instruments are substantially identical to the carrying values reflected in the statement of financial position.

27.7 Legal risk

Legal risk is the risk that the scheme will be exposed to contractual obligations which have not been provided for. At 31 December 2023 the scheme did not consider there to be any legal risk to which the scheme was exposed to.

27. FINANCIAL RISK MANAGEMENT - continued

27.8 Capital management

The scheme is subject to the capital requirements imposed by Regulation 29(2) of the Act, which requires a minimum solvency ratio of insurance contract liabilities to future members expressed as a percentage of gross contributions to be 25%.

The scheme's objectives when managing capital are to maintain the capital requirements of the Act, and to safeguard the scheme's ability to continue as a going concern in order to provide benefits for its stakeholders.

The calculation of the regulatory capital requirement is set out below:

	2023 R		Restated 2022 R
The solvency ratio is calculated on the following basis:			
Insurance contract liabilities to future members	136 526 454		116 469 303
Less: cumulative unrealised net gains	(5 258 277)		(4 871 345)
Insurance contract liabilities to future members excluding unrealised gains	131 268 177		111 597 958
Gross contributions	401 839 961		367 053 335
Ratio of insurance contract liabilities (future members) to gross annual contribution income	32.67%		30.40%

The scheme is currently operating above the statutory requirement of 25%.

28. GUARANTEES

In terms of section 33(3) of the Medical Schemes Act, Standard Bank Limited has provided guarantees for an amount of R 2 500 000 (2022: R 2 500 000) in favor of Thebemed Medical Aid Scheme and lodged with the Registrar.

29. SURPLUS/(DEFICIT) FROM OPERATIONS PER BENEFIT OPTION

For management purposes the Scheme is organised into three benefit options – Energy Plan, Universal Plan and Fantasy Plan. The principal features of the benefit options are as follows:

- Universal Plan: This plan consists of private hospital cover as well as day-to-day benefits. These day-to-day benefits must be obtained from a selected network doctor.
- Energy Plan: This plan offers extensive benefits at private hospital level, as well as comprehensive day-to-day benefits. Members have the choice to visit any Designated Service Provider.
- The Fantasy Plan has 100% of negotiated tariffs based on internal protocols subject to PMB's. This option offers medical savings.

	2023 R Energy Plan	2023 R Universal Plan	2023 R Fantasy Plan	2023 R Total
Insurance revenue	72 268 238	119 378 412	184 947 898	376 594 548
Insurance service expenses (excluding amounts attributable to future members)	(56 181 166)	(123 807 836)	(181 550 279)	(361 539 281)
Net expense from reinsurance contracts held	(54 596)	(1 006 449)	532 899	(528 147)
Reinsurance expenses from reinsurance contracts held	(3 243 799)	(7 544 640)	(10 026 601)	(20 815 041)
Reinsurance income from reinsurance contracts held	3 189 203	6 538 191	10 559 500	20 286 894
Insurance service result	16 032 476	(5 435 873)	3 930 518	14 527 121
Interest income from financial assets	1 934 200	3 195 065	9 533 993	14 663 258
Net fair value gains on fair value investments	51 039	84 311	251 581	386 931
Net investment income	1 985 239	3 279 376	9 785 574	15 050 189
Net healthcare result	18 017 715	(2 156 497)	13 716 092	29 577 310
Sundry income	341 410	563 968	992 996	1 898 374
Other operating expenses	(1 979 281)	(3 276 372)	(5 717 568)	(10 973 221)
Investment consulting	(80 086)	(132 293)	(232 932)	(445 310)
Net surplus/(deficit) for the year	16 299 758	(5 001 194)	8 758 588	20 057 152
Members at 31 December 2023	**1 048**	**5 399**	**6 289**	**12 736**

29. SURPLUS/(DEFICIT) FROM OPERATIONS PER BENEFIT OPTION - continued

	2022 **R** **Energy Plan**	**2022** **R** **Universal Plan**	**2022** **R** **Fantasy Plan**	**2022** **R** **Total**
Insurance revenue	75 369 864	121 176 665	150 087 467	346 633 996
Insurance service expenses (excluding amounts attributable to future members)	(68 978 317)	(110 222 815)	(163 970 818)	(343 171 950)
Net expense from reinsurance contracts held	158 341	(1 520 616)	(462 740)	(1 825 015)
Reinsurance expenses from reinsurance contracts held	(3 411 629)	(7 893 502)	(8 482 667)	(19 787 798)
Reinsurance income from reinsurance contracts held	3 569 970	6 372 886	8 019 927	17 962 783
Insurance service result	6 549 888	9 433 234	(14 346 091)	1 637 031
Interest income from financial assets	1 398 350	2 248 212	5 127 201	8 773 763
Net fair value gains on fair value investments	40 188	64 612	147 352	252 152
Net investment income	1 438 538	2 312 824	5 274 553	9 025 915
Net healthcare result	7 988 426	11 746 058	(9 071 538)	10 662 946
Sundry income	569 503	915 624	1 288 368	2 773 495
Other operating expenses	(2 134 145)	(3 442 599)	(4 798 120)	(10 374 864)
Investment consulting	(75 704)	(121 713)	(171 262)	(368 679)
Net surplus/(deficit) for the year	6 348 080	9 097 370	(12 752 552)	2 692 898
Members at 31 December 2022	**1 205**	**5 720**	**5 346**	**12 271**

30. ANALYSIS OF CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES

Financial assets

2023	Amortised cost R	Financial assets at FVTPL R	Financial liabilities measured at amortised cost R	Reinsurance contract assets R	Insurance contract liabilities R	Total carrying amount R
Investments	-	96 685 400	-	-	-	96 685 400
Short term deposits	37 958 333	-	-	-	-	37 958 333
Cash and cash equivalents	92 292 454	-	-		-	92 292 454
Reinsurance contracts assets	-	-	-	667 801	-	667 801
Trade and other payables	-	-	(247 019)	-	-	(247 019)
Insurance contract liabilities	-	-	-	-	(227 370 448)	(227 370 448)
	130 250 787	96 685 400	(247 019)	667 801	(227 370 448)	(13 479)

Financial assets

2022	Amortised cost R	Financial assets at FVTPL R	Financial liabilities measured at amortised cost R	Reinsurance contract assets R	Insurance contract liabilities R	Total carrying amount R
Investments	-	75 769 986	-	-	-	75 769 986
Short term deposits	21 000 000	-	-	-	-	21 000 000
Cash and cash equivalents	94 683 917	-	-	-	-	94 683 917
Reinsurance contracts assets	-	-	-	605 084	-	605 084
Trade and other payables	-	-	(193 220)	-	-	(193 220)
Insurance contract liabilities	-	-	-	-	(191 914 881)	(191 914 881)
	115 683 917	75 769 986	(193 220)	605 084	(191 914 881)	(49 114)

Investments are stated at quoted market prices. All investments are on level 1 * of the fair value hierarchy. This analysis is performed on the same basis for 2022 and 2023.

* Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities.

31. NON-COMPLIANCE MATTERS

Section 59 (2)
Certain claims were paid in excess of 30 days after receipt by the administrator as a result of queries to be investigated/audited in relation thereto. Non-compliance could impact on the relationship with members and providers. Procedures and policies are in place to manage late payment of claims, including a weekly report of claims held for investigation which is checked and signed by management to ensure that the 30 day limit is not exceeded. This practice ensures accurate claims processing and is in the interest of the risk management of the scheme.

Section 26 (7)
Certain contributions were not received within three days of becoming due. Non-compliance could affect the cash flow of the scheme and lead to member benefits being suspended. Due to the short duration of the contributions being outstanding, this is not significant. The scheme has a credit control policy in place.

Section 33 (2)
Each benefit option should be financially sound and self supporting. In respect of this scheme the Universal EDO Plan incurred a net insurance deficit. Non-compliance results in benefit options making a surplus subsidising benefit options making a deficit.

The Universal EDO Plan experienced a large number of high cost cases and together with the plan being underpriced, this has led to a net insurance deficit. Higher contribution increases has been applied to this plan, however, this has been done over a period of time. A network of hospitals has also been introduced on the plan and based on the negotiations with these hospital groups, it is expected that there should be cost savings on this plan in 2024.

Section 35 (8) (a)
In terms of this section of the Medical Schemes Act 131 of 1998, as amended, a medical scheme shall not invest any of its assets in the business of or grant loans to an employer who participates in the medical scheme or any administrator or any arrangement associated with the medical scheme. The Scheme has an investment in a pooled fund which may invest in the shares and bonds of the ultimate holding companies of certain medical scheme administrators from time to time, as well as participating employers, at the discretion of the Fund Manager. The scheme has been granted exemption from section 35(8)(a) by the Council for Medical Schemes.

The Trustees do not consider that these non-compliance matters have had a significant impact on the operations of the scheme or on the Financial Statements.

32. CONTINGENCIES AND COMMITMENTS

The scheme did not have any contingencies or commitments at year end other than those disclosed.

33. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period that require disclosure, other than those already addressed.

34. SIGNIFICANT NON-CASH TRANSACTIONS

	2023 R	2022 R
Reinsurance income from reinsurance contracts held	20 286 894	17 962 783
Less: Incurred claims	(20 286 894)	(17 962 783)

Claims incurred that are subject to risk transfer arrangements are fulfilled by the service providers by providing services to the members, and thereby discharging its reinsurance obligations. As such the claims expense and the reinsurance income are non-cash transactions.

35. TRANSITION

The scheme has determined that reasonable and supportable information was available for all contracts in force at the transition date, which were issued within three years prior to the transition. The effective date of the transition to IFRS 17 was 1 January 2023.

The scheme previously had financial assets measured at fair value through other comprehensive income (debt and equity instruments) which were used to primarily back the scheme’s liability attributable to future members in accordance with IAS 39. During the implementation of IFRS 17, the scheme noted that there was a mismatch between the fair value gains/losses recognised in other comprehensive income for the debt and equity instruments measured at fair value through other comprehensive income and the movement in the liability attributable to future members recognised in profit and loss. IFRS 17 allowed the scheme to revisit the classifications in terms of IFRS 9 which the scheme applied effective 1 January 2023. The scheme therefore redesignated these debt instruments at fair value through other comprehensive income to fair value through profit or loss to eliminate the accounting mismatch. Similarly, the designation of the equity investments at fair value through other comprehensive income was revoked and the equity instruments are now measured at fair value through profit or loss.

The designations were applied retrospectively without the use of hindsight.

The impact of the redesignation is as follows:

The classification of the scheme as a mutual entity resulted in the scheme not having a statement of changes in funds and reserves beyond the opening statement in its financial statements. The scheme's financial assets measured through other comprehensive income have therefore been redesignated to financial assets measured through profit and loss to take this change into account.

35. TRANSITION - continued

	31 December 2023	**31 December 2022**	**1 January 2022**
Impact on statement of financial position			
Equity instruments at fair value through other comprehensive income	(30 020 398)	(28 451 069)	(19 010 787)
Debt instruments at fair value through other comprehensive income	(54 712 358)	(41 968 088)	(66 998 587)
Equity instruments at fair value through profit or loss	30 020 398	28 451 069	19 010 787
Debt instruments at fair value through profit or loss	54 712 358	41 968 088	66 998 587
Impact on statement of comprehensive income			
Net investment income as previously reported		8 773 763	
Net investment income restated		9 025 915	
Net increase in net investment income		252 152	

The fair value of the instruments were unchanged.

IFRS 9 Impact of adoption of IFRS 9 on the scheme

In terms of each investment portfolio, the scheme will need to assess if the investment will be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The following table shows measurement categories in accordance with IAS 39 reflected in the scheme's financial statements in comparison with the measurement's categories under IFRS 9 if the scheme adopted IFRS 9 for the year under review.

Financial asset categories	**IAS 39 classification**	**IAS 39 measurement R**	**IFRS 9 classification**	**IFRS 9 measurement R**
Investments (non-current)	Available-for-sale	96 685 400	FVTPL	96 685 400
Investments (current)	Held to maturity	37 000 000	Amortised cost	37 958 333
Cash and cash equivalents	Held to maturity	92 061 863	Amortised cost	92 292 454

THEBEMED
MEDICAL AID SCHEME

0861 84 32 36
www.thebemed.co.za

THEBEMED MEDICAL AID SCHEME

(Registration Number 1592)

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

THEBEMED MEDICAL AID SCHEME
REGISTRATION NUMBER 1592

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023

The report and schedules set out below comprise the Report of the Board of Trustees presented to the members of Thebemed Medical Aid Scheme.

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THEBEMED MEDICAL AID SCHEME
REGISTRATION NUMBER 1592

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023

The Board of Trustees hereby presents its report for the year ended 31 December 2023.

1. DESCRIPTION OF THE MEDICAL SCHEME

1.1 Terms of registration

Thebemed Medical Aid Scheme is a Medical Scheme registered in terms of the Medical Schemes Act 131 of 1998 (the Act), as amended.

1.2 Benefit options with Thebemed Medical Aid Scheme

In 2023 the scheme offered 3 benefit options to its members.
These were:

- Energy
- Universal
- Fantasy

The scheme obtained exemption from Section 29(1)(n) of the amended Medical Schemes Act 131 of 1998 with respect to the Universal benefit options in order for this benefit option to offer counterparts that operate as Efficiency Discount Options that can be marketed and priced separately. This exemption allows the Universal benefit option to be split into two, namely Universal EDO and Universal.

The scheme offers one efficiency discount option due to this exemption obtained, i.e.:

- Universal EDO

The Efficiency Discount Option caters for members who are willing to choose restricted access to healthcare providers in exchange for a more affordable contribution rate. The primary reason for this Efficiency Discount Option is to make this option competitive with other medical schemes, to ensure membership growth on this option, as well as to improve retention of existing members. Furthermore, the purpose of the Efficiency Discount Option is to make the scheme more attractive by offering similar benefits at a slightly reduced contribution rate.

1.3 Reinsurance contracts (Risk transfer arrangements)

The scheme entered into three capitation agreements during 2023, (2022:3) namely: Netcare 911 (Pty) Ltd, Preferred Provider Negotiators (Pty) Ltd and Dental Information Systems (Pty) Ltd.

Netcare 911 (Pty) Ltd
Provides emergency services for Emergency Medical Assistance. The terms are a fixed fee per member per month for Energy, Universal and Fantasy benefit options offered by Thebemed Medical Aid Scheme. Claims incurred and recoveries received were calculated based on utilisation figures obtained from Netcare 911. The net expense on the risk transfer arrangement was R 777 799 (2022: R 998 081).

THEBEMED MEDICAL AID SCHEME
REGISTRATION NUMBER 1592

REPORT OF THE BOARD OF TRUSTEES - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

1. DESCRIPTION OF THE MEDICAL SCHEME - continued

1.3 Risk transfer arrangements - arrangements

Preferred Provider Negotiators (Pty) Ltd
Provides optometry services. The terms are a fixed fee per beneficiary per month for Energy, Universal and Fantasy benefit options offered by Thebemed Medical Aid Scheme. Claims incurred and recoveries received were calculated based on utilisation figures obtained from Preferred Provider Negotiators. The net income on the risk transfer arrangement was R 712 840 (2022: expenses of R 296 746).

Dental Information Systems (Pty) Ltd
Provides dental care services. The terms are a fixed fee per beneficiary per month for the Energy, Universal and Fantasy Options offered by Thebemed Medical Aid Scheme. Claims incurred and recoveries received were calculated based on utilisation figures obtained from Dental Information Systems. The net expense on the risk transfer arrangement was R 463 188 (2022: R 530 188).

2. MANAGEMENT

2.1 Board of Trustees in office during the year under review:

Dr. G. Goolab - Chairperson
W. Modisapodi
W. Mosetlhe - term of office ended 8 December 2023
R. Bangani - term of office ended 8 December 2023
T.E. Mokoena - appointed 8 December 2023
G.P. Mokoena - appointed 8 December 2023
B. Seitlhobogeng - appointed 8 December 2023
T.E. Mokhele - appointed 8 December 2023

2.2 Principal Officer

Adv. G. Tlali

2.3 Registered office address and postal address during the year:

Tower 2, The Marc	P.O. Box 4709
129 Rivonia Road	Johannesburg
Sandown, Sandton	2000
Johannesburg	
2196	

2.4 Medical Scheme Administrators (Accreditation number Admin:22) during the year:

Momentum Thebe Ya Bophelo (Pty) Ltd

7 Lutman Street	P.O. Box 1672
Richmond Hill	Gqeberha
Gqeberha	6000
6001	

2.5 Auditors:

Strachan & Crouse

Capital Junction	Postnet Suite 490
1226 Francis Baard Street	Private Bag X15
Hatfield, Pretoria	Menlo Park
0083	0102

2. MANAGEMENT - continued

2.6 Actuaries (Accreditation number: RSP029/2010):

Momentum Health Solutions (Pty) Ltd
201 Umhlanga Ridge Boulevard
Cornubia
4439

P.O. Box 2338
Durban
4000

2.7 Investment managers during the year:

Old Mutual Wealth
3rd Floor, Ubomi Building
Old Mutual Square
93 Grayston Drive, Sandton
2196
Financial Service Provider Number: 26/10/588

P.O. Box 650140
Benmore Gardens
2010

3. INVESTMENT STRATEGY OF THE MEDICAL SCHEME

The scheme's investment objectives are to maximise the return on its investments at an acceptable risk. The investment strategy takes into consideration both constraints imposed by legislation and those imposed by the Board.

The Board mandate is to ensure that:
- The scheme remains liquid; and
- Investments made are in compliance with the Regulations of the Act.

The Board regularly monitors the investment performance and compliance in relation to the Investment Strategy of the scheme. The Board receives guidance from external consultants, Old Mutual Wealth, to assist them with investment strategies.

The Board is charged by law with the responsibility of managing the Scheme's surplus funds (Regulation 30 of the Medical Schemes Act 131 of 1998). The Board's primary investment objective is to manage the scheme's surplus funds in such a manner that maximum returns are achieved within acceptable risk levels and to ensure that sufficient liquidity is maintained to meet the fund's obligations. The investment strategy takes into consideration constraints imposed by the investment policy and the Medical Schemes Act 131 of 1998.

The scheme's investment objectives are to:
- Provide adequate liquidity to pay claims and expenses as they fall due;
- A risk profile that includes low to moderate investment risk;
- Preserving capital to ensure financial stability;
- Seeking returns more than inflation measured by the Consumer Price Index ("CPI");
- Compliance with the Act, Regulations and Circulars; and
- Optimise investment returns through a prudent investment portfolio.

In order to manage liquidity risk, the scheme typically has sufficient liquid assets available at all times to meet claims and expenses for 8 weeks. This liability is to be matched by cash assets only, with durations not exceeding 12 months.

As at 31 December 2023, the scheme's long term strategy of achieving CPI+2.5% is to hold approximately 35% in cash, 45% bonds and 20% in equities (including listed property) of total assets. Historically, the scheme has been in overweight position, relative to long term strategy in relation to cash and underweight to bonds and equities, which always provided sufficient cash buffer. The bonds and equity investments are highly accessible for the scheme to liquidate within a short period without penalties.

3. INVESTMENT STRATEGY OF THE MEDICAL SCHEME - continued

Old Mutual Wealth manages the fixed deposits and cash instruments and the scheme has appointed four asset managers, namely:

- M&G Investment Managers
- Stanlib Asset Managers
- Sanlam Investment Management
- Argon Asset Management

At the Board of Trustees meeting held on 8 March 2024, the Board resolved to disinvest all funds from the Sanlam SIM Top Choice Equity Fund and to reinvest the total proceeds from this disinvestment in the Coronation Medical Absolute Portfolio.

4. MEDICAL INSURANCE RISK MANAGEMENT

The primary insurance activity of the scheme is to indemnify covered members and their dependants against the risk of loss arising as the result of the occurrence of a health related event. 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 investment activities.

The scheme manages its insurance risk through benefit limits and sub-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 exposure both for individual types of risk 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.

Medical insurance events are, by their nature random, and the actual number and size of event during any one year period may vary from those estimated using established statistical methods.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability around the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The scheme has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories of risks to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risks include lack of risk diversification in terms of type and amount of risk, geographical location and demographics of members covered.

THEBEMED MEDICAL AID SCHEME
REGISTRATION NUMBER 1592

REPORT OF THE BOARD OF TRUSTEES - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

5. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES

5.1 Operational statistics - Current year

2023	Energy	Universal	Fantasy	Total
Average number of members during the accounting period	1 103	5 493	6 233	12 828
Number of members at the end of the accounting period	1 048	5 399	6 289	12 736
Average number of beneficiaries during the accounting period	3 767	7 796	12 557	24 120
Number of beneficiaries at 31 December	3 618	7 633	12 694	23 945
Dependant ratio at 31 December	2.45	0.41	1.02	0.88
Net insurance revenue per average member per month (R)	5,462	1,811	2,473	2,446
Net insurance revenue per average beneficiary per month (R)	1,599	1,276	1,227	1,301
Insurance service expenses per average beneficiary per month (R) *	1,243	1,323	1,205	1,249
Other expenses per average beneficiary per month (R)	46	36	39	39
Insurance service expenses as a percentage of insurance revenue *	78%	104%	98%	96%
Other expenses as a percentage of insurance revenue	3%	3%	3%	3%
Average age per beneficiary	26.04	32.96	27.90	29.11
Pensioner ratio at 31 December (percentage of beneficiaries > 65 years)	0.82	0.44	0.23	0.39
Average insurance contract liability to future members per member at 31 December (R)	-	-	-	10 720
Return on investments as a percentage of investments (%)	-	-	-	7.81%

* Insurance service expenses exclude amounts attributable to future members

THEBEMED MEDICAL AID SCHEME
REGISTRATION NUMBER 1592

REPORT OF THE BOARD OF TRUSTEES - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

5. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES

5.1 Operational statistics - Prior year restated

2022	Energy	Universal	Fantasy	Total
Average number of members during the accounting period	1 239	5 889	5 344	12 472
Number of members at the end of the accounting period	1 205	5 720	5 346	12 271
Average number of beneficiaries during the accounting period	4 142	8 550	10 980	23 671
Number of beneficiaries at 31 December	4 061	8 271	10 982	23 314
Dependant ratio at 31 December	2.37	0.45	1.05	0.90
Net insurance revenue per average member per month (R)	5 069	1 715	2 341	2 316
Net insurance revenue per average beneficiary per month (R)	1 517	1 181	1 139	1 220
Insurance service expenses per average beneficiary per month (R) *	1 388	1 074	1 245	1 208
Other expenses per average beneficiary per month (R)	44	35	38	38
Insurance service expenses as a percentage of insurance revenue *	92%	91%	109%	99%
Other expenses as a percentage of insurance revenue	3%	3%	3%	3%
Average age per beneficiary	25.90	32.16	27.70	28.97
Pensioner ratio at 31 December (percentage of beneficiaries > 65 years)	0.85	0.43	0.25	0.42
Average insurance contract liability to future members per member at 31 December (R)	-	-	-	9 491
Return on investments as a percentage of investments (%)	-	-	-	4.59%

* Insurance service expenses exclude amounts attributable to future members

5.2 Results of operations

The results of the scheme are set out in the Annual Financial Statements. The total cost of high cost cases (cases exceeding a cost of R 600 000) reduced from 2022 to 2023, however, the high cost cases on the Universal option increase substantially from 2022 to 2023. A table with the comparison is reflected below:

Financial year	Option	Number of admissions	Total cost	Cost per admission
2023	Universal	15	16 860 343	1 124 023
	Fantasy	10	14 003 790	1 400 379
	Energy	3	3 564 183	1 188 061
	Total	28	34 428 316	
2022	Universal	6	5 749 002	958 167
	Fantasy	16	28 582 282	1 786 393
	Energy	6	4 758 797	793 133
	Total	28	39 090 081	

5. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES - continued

5.3 Solvency ratio

	2023 R		Restated 2022 R
The solvency ratio is calculated on the following basis:			
Insurance contract liabilities to future members	136 526 454		116 469 303
Less: cumulative unrealised net gains	(5 258 277)		(4 871 345)
Insurance contract liabilities to future members excluding unrealised gains	131 268 177		111 597 958
Gross contributions	401 839 961		367 053 335
Ratio of insurance contract liabilities (future members) to gross annual contribution income	32.67%		30.40%

The scheme meets the statutory requirement of 25%.

5.4 Personal medical savings account monies managed by the scheme on behalf of its members

In order to provide a facility for Scheme members to set funds aside to meet future healthcare costs, apart from the Catastrophe Benefit options, a savings plan has been included in the product design of the Fantasy option. Members who select the Fantasy benefit option pay 12% of the total contributions, into a savings account each month. Unexpended savings at year-end were accumulated for the long-term benefit of the member.

Claims paid from the savings account are deducted from the member's savings balance. Where insufficient funds, year to date, were accumulated, a credit facility, limited to the balance on the savings account plus savings contributions still to be made for the remainder of the current year, may be granted to cover valid medical costs. No interest was charged on overdrawn balances. In terms of the rules of the Scheme, the Scheme carries the risk of non-recovery of these advances.

The liability of the members in respect of the savings plan is reflected as a financial liability in the financial statements, repayable in terms of Regulation 10 of the Medical Schemes Act.

Savings balances are refundable when a member leaves the Scheme or is transferred to an option within the Scheme which does not have a savings option. The money will be transferred to the member within five months of such change taking place.

6. GUARANTEES RECEIVED BY THE SCHEME FROM A THIRD PARTY

In terms of section 33(3) of the Medical Schemes Act, Standard Bank Limited has provided guarantees for an amount of R 2 500 000 (2022: R 2 500 000) in favour of Thebemed Medical Aid Scheme and lodged with the Registrar.

7. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period that require disclosure, other than those already addressed.

8. RELATED PARTY TRANSACTIONS

Refer to related parties disclosure in note 24 to the Annual Financial Statements.

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

Section 35(8) (a) of the Medical Schemes Act 131 of 1998, as amended, states that a medical scheme shall not invest any of its assets in the business of or grant loans to an employer who participates in the medical scheme or any administrator or any arrangement associated with the medical scheme. The scheme has investments in the Argon BCI Flexible Income Fund, M & G Life Inflation Plus 5% Medical Aid Fund, Sanlam SIM Top Choice Equity Fund and Stanlib Income Fund which may invest in the shares and bonds of Discovery Limited and Momentum Metropolitan Life Limited from time to time at the discretion of the Fund Manager.

The investments in Discovery Limited and Momentum Metropolitan Life Limited were not significant and exemption was granted by the Council for Medical Schemes.

10. NON-COMPLIANCE MATTERS

Section 59 (2)
Certain claims were paid in excess of 30 days after receipt by the administrator as a result of queries to be investigated/audited in relation thereto. Non-compliance could impact on the relationship with members and providers. Procedures and policies are in place to manage late payment of claims, including a weekly report of claims held for investigation which is checked and signed by management to ensure that the 30 day limit is not exceeded. This practice ensures accurate claims processing and is in the interest of the risk management of the scheme.

Section 26 (7)
Certain contributions were not received within three days of becoming due. Non-compliance could affect the cash flow of the scheme and lead to member benefits being suspended. Due to the short duration of the contributions being outstanding, this is not significant. The scheme has a credit control policy in place.

Section 33 (2)
Each benefit option should be financially sound and self supporting. In respect of this scheme the Universal EDO Plan incurred a net insurance deficit. Non-compliance results in benefit options making a surplus subsidising benefit options making a deficit.

The Universal EDO Plan experienced a large number of high cost cases and together with the plan being underpriced, this has led to a net insurance deficit. Higher contribution increases has been applied to this plan, however, this has been done over a period of time. A network of hospitals has also been introduced on the plan and based on the negotiations with these hospital groups, it is expected that there should be cost savings on this plan in 2024.

Section 35 (8) (a)
In terms of this section of the Medical Schemes Act 131 of 1998, as amended, a medical scheme shall not invest any of its assets in the business of or grant loans to an employer who participates in the medical scheme or any administrator or any arrangement associated with the medical scheme. The scheme has an investment in a pooled fund which may invest in the shares and bonds of the ultimate holding companies of certain medical scheme administrators from time to time, as well as participating employers, at the discretion of the Fund Manager. The scheme has been granted exemption from section 35(8)(a) by the Council for Medical Schemes.

The Trustees do not consider that these non-compliance matters have had a significant impact on the operations of the scheme or on the Financial Statements.

11. DECLARATION OF INTERESTS

All officers of the scheme and members of Committees appointed by the Trustees of the scheme, as well as the Principal Officer of the scheme, completed the questionnaire as set out in Circular 49 of 2018 issued by the Council for Medical Schemes - vetting of Medical Scheme Officers.

12. TRUSTEE MEETING ATTENDANCE AND REMUNERATION

The following schedule sets out Board of Trustees meeting attendances, attendances by members of Board sub-committees. The trustees and committee members are remunerated for their attendance at meetings.

Trustee/Sub-Committee Member	Board Meetings		Fees	Expenses
	A	**B**	**R**	**R**
Dr. G. Goolab - Chairperson *	4	4	325 437	17 367
W. Modisapodi *	4	4	325 437	23 213
W. Mosetlhe - term of office ended 8 December 2023 *	4	4	217 455	54 305
R. Bangani - term of office ended 8 December 2023 *	4	4	196 455	68 904
T.E. Mokoena - appointed 8 December 2023 *	-	-	-	-
G.P. Mokoena - appointed 8 December 2023 *	-	-	-	-
B. Seitlhobogeng - appointed 8 December 2023 *	-	-	-	-
T.E. Mokhele - appointed 8 December 2023 *	-	-	-	-
Adv. G. Tlali (Principal Officer)	4	4	745 560	37 074

* - Trustee
A - total possible number of meetings could have attended
B - actual number of meetings attended

13. OTHER SCHEME COMMITTEES

<u>Clinical Governance and Dispute Resolution Committee:</u>
The purpose of the Committee is to assist the Board with clinical related matters and decisions, such as protocols and managed health care interventions, as well as ex gratia decisions and monitoring of service providers' performance from a clinical governance and health outcomes perspective.

The Committee during the year under review and meeting attendance was as follows:

Name	Meeting attendance	
	A	**B**
Dr. G. Goolab (Chairperson)	4	4
Adv. G. Tlali (Principal Officer)	4	4
R. Bangani - term of office ended 8 December 2023	4	3

A - total possible number of meetings which could have attended
B - actual number of meetings attended

THEBEMED MEDICAL AID SCHEME
REGISTRATION NUMBER 1592

REPORT OF THE BOARD OF TRUSTEES - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

13. OTHER SCHEME COMMITTEES - continued

Marketing and Communications Committee:
The purpose of the Committee is to ensure that the scheme's marketing and communication efforts are the most appropriate for the achievement of the overall strategy.

In addition, it also has the following responsibilities:
- To ensure that the service levels provided to members by the administrator meet the targeted levels as agreed to by the Board of Trustees ("the Board");
- To monitor and drive strategies for the retention of members;
- To work with the administrator to assess market developments and provide regular feedback to the Board;
- To support and to contribute to the finalisation of the scheme's product offerings; and
- To oversee communication with members and to play the leading role in the preparation and efficient running of meetings of members.

The Committee during the year under review and meeting attendance was as follows:

Name	Meeting attendance	
	A	**B**
W. Modisapodi - Chairperson of Committee	4	4
W. Mosetlhe - term of office ended 8 December 2023	4	4
Adv. G. Tlali (Principal Officer)	4	4

A - total possible number of meetings which could have attended
B - actual number of meetings attended

Dr. G. Goolab
Chairperson

Date: 02 May 2024

THEBEMED
MEDICAL AID SCHEME

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THEBEMED MEDICAL AID SCHEME
(Registration Number 1592)

REPORT OF THE AUDIT, RISK AND INVESTMENT COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2023

THEBEMED MEDICAL AID SCHEME
REGISTRATION NUMBER 1592

REPORT OF THE AUDIT, RISK AND INVESTMENT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2023

The report and schedules set out below comprise the Report of the Audit, Risk and Investment Committee presented to the members of Thebemed Medical Aid Scheme.

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THEBEMED MEDICAL AID SCHEME
REGISTRATION NUMBER 1592

REPORT OF THE AUDIT, RISK AND INVESTMENT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2023

1. AUDIT, RISK AND INVESTMENT COMMITTEE

During 2023 the Committee comprised: M. Tonjeni (chairperson), S. Maharaj, T. Mochatsi, Dr G. Goolab (trustee) and W. Modisapodi (trustee).

The Committee met on four occasions during the year:
1 February 2023
12 May 2023
1 August 2023
3 November 2023

The CEO of the administrator, the scheme Principal Officer and the external auditors attend all Audit Committee meetings and have unrestricted access to the chairperson of the Committee.

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. The external auditors formally report to the Committee on critical findings arising from audit activities.

The Committee has a critical role in terms of detailed analysis and management of service provider inputs, and operates as an overseer and a maker of recommendations to the Board for consideration and final approval.

The Committee does not assume the responsibility for risk management which remain the responsibility of the Board. The Committee merely ensures the detailed analysis is conducted in order to provide recommendations and advice to the Board.

The Committee acts in terms of the delegated authority of the Board as recorded in these terms of reference. It has the power to investigate any activity within the scope of its terms of reference. The Board should be kept informed at all times as to the activities and investigations being undertaken by the Committee. This will be via the trustee meetings (and minutes as such) or via written communication on an ad hoc basis.

The Audit, Risk and Investment Committee is pleased to report that:

- It has carried out its duties in terms of the Medical Schemes Act;
- The external auditors have confirmed their independence;
- The assurances provided by management, external auditors and the internal auditors have satisfied the Committee that the controls are adequate and effective;
- It has had oversight of the financial reporting process; and
- It has reviewed the Annual Financial Statements and the audit report thereon and recommended the acceptance thereof by the Board of Trustees.

THEBEMED MEDICAL AID SCHEME
REGISTRATION NUMBER 1592

REPORT OF THE AUDIT, RISK AND INVESTMENT COMMITTEE - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

2. MEETING ATTENDANCE AND REMUNERATION

The following schedule sets out the attendance at meetings and meeting fees received by members of the audit, risk and investment committee.

Name	Audit, Risk and Investment Committee Meetings		Meeting fees	Expenses
	A	**B**	**R**	**R**
Dr. G. Goolab - Chairperson of Board *	4	4	-	-
W. Modisapodi *	4	4	-	-
M. Tonjeni	4	4	122 840	2 462
S. Maharaj	4	4	92 130	1 170
T. Mochatsi	4	4	77 130	-
Adv. G. Tlali (Principal Officer)	4	4	-	-
Total	24	24	292 100	3 632

* - Trustee
A - total possible number of meetings could have attended
B - actual number of meetings attended

Mr. Ishmael Tau of Old Mutual Wealth attends all the audit, risk and investment committee meetings.

M. Tonjeni
Chairperson

Date: 18. 04. 2024

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MEDICAL AID SCHEME

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