

INTEGRATED
ANNUAL
REPORT

20
24

SAMWUM+ED
Real Heritage. Real People. Real Health Care.



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1.

INTRODUCTION



BASIS OF PREPARATION AND PRESENTATION

SAMWUMED's Integrated Annual Report follows the conventions of the IIR Framework. It combines financial and non-financial information to showcase how the Scheme creates, distributes, and captures (preserves or erodes) value for its stakeholders, considering its short-term, medium-term, and long-term interest.

This comprehensive document demonstrates the organisation's strategy, governance, performance, and prospects within the context of its operating environment (Medical Aid industry).

The report identifies and discusses material themes and matters that could significantly impact value-creation or erosion such as the performance of its benefit options and risks associated with these activities as well as those faced by the health industry, if not managed well.

The Scheme conducted a materiality review and assessment to identify, prioritise and validate the Scheme's material themes and material matters. To this end, the magnitude of a matter's effect on SAMWUMED's ability was evaluated to create value, as well as SAMWUMEDs impact on society and the environment
(assessment by the Board and Executive).

MATERIAL MATTERS INCLUDE:

OPPORTUNITIES

- Steady income base as member fees are paid for by municipalities.
- Broaden base of potential members by showing them the benefits that SAMWUMED offers.
- Look at utilities as a base of member recruitments.
- Improve stakeholder management processes.
- Efficiency Discounted Options to counter the lack of LCBO.
- Opportunity to partner with the private sector where funding is available in primary health care.
- Introduce low-cost product that does not require MSA exemption.
- Exemption application for prescribed investment portfolio.
- Introduce reinsurance arrangements to address high-risk claims.
- Provide options for younger members.
- Encourage SAMWU members to join SAMWUMED.

POTENTIAL RISKS



IT Infrastructure

Ageing servers and Wi-Fi impacting service delivery



Cybersecurity Threats

Data breach, ransomware, phishing, financial data loss



Member Demographics

Failure to attract younger, low-risk members



Solvency Risk

Declining solvency ratio with regulatory implications

MATERIAL THEMES AGAINST THE SCHEME'S FOUR STRATEGIC OBJECTIVES

Our material themes are ranked by their impact on SAMWUMED, society and the environment.

- Effective stakeholder management and member satisfaction:
 - Management of business partnerships to ensure optimal customer service, and
 - Brand-positioning and reputation-management.
- Promote effective governance for risk and compliance:
 - Keep abreast with regulatory and /or industry changes and health-care ecosystem, and
 - Compliance with procurement principles (supply chain).
- Achieve operational excellence through leveraging technology:
 - To modernise technology infrastructure,
 - Cybersecurity (data security) and innovation,
 - High-performance culture through a motivated workforce, and
 - To automate and integrate business processes to enhance operational efficiency.
- Maintain the financial sustainability of the Scheme:
 - Grow membership by attracting new members to the Scheme and retaining the existing membership base,
 - Achieve positive clinical outcomes, and
 - Implement an evidence-based design benefit model.

PERFORMANCE AT A GLANCE



Membership & Claims

- Total membership stood at **32,885** by year-end, below the budgeted target
- **Chronic programme enrolment** increased to **3,831** members (**32%** of total), with hypertension showing the largest growth
- Claims ratio was **100.33%**, slightly better than the budgeted **104%**



Financial performance

- Contribution income reached **R1.9 billion**, slightly under the **R2 billion** budget
- Net healthcare deficit was **R144 million**, significantly better than the budgeted **R244 million**
- Investment income outperformed expectations, delivering **R161 million** against a budget of **R80 million**



Risk & Governance

- Strategic risks were actively reviewed, with new risks added for:
 - Cybersecurity threats
 - Climate change
 - Lack of business intelligence reporting
 - Contract and SLA enforcement weaknesses
- A dedicated **Business Continuity Management Policy** was approved to strengthen resilience



Service Enhancements

- New service providers were appointed for:
 - Dental network
 - Optical network
 - Wellness programmes
 - National market research
- A **co-ordination of care strategy** was implemented to improve clinical outcomes and reduce costs



Operational Maturity

- Performance contracts were rolled out across departments
- Q1 performance appraisals were underway by March
- Emphasis was placed on moving from planning to implementation mode

WHO WE ARE

SAMWUMED has a long history of working to improve people's health and quality of life. Operating under the philosophy that all South Africans are entitled to affordable quality health care, SAMWUMED has evolved from a simple trade union scheme to one of the largest, fully funded, self-administered medical aid schemes for workers in local government and associated agencies nationally.

At the core of SAMWUMED's values is an unwavering commitment to service excellence, which is what guides daily operations.

SAMWUMED was established in 1952 by the Cape Town Municipal Workers' Association (CTMWA), which is one of the founding organisations of the South African Municipal Workers' Union (SAMWU). It was originally a Benefit fund for its members. At the time, the benefit structure of the Scheme was simple and most of its health-care services were offered by provincial hospitals.

After obtaining accreditation as a self-administered medical scheme, SAMWUMED offers more than merely medical aid. The scheme is a passionate advocate for members' right to a healthy life. This deep-rooted commitment drives SAMWUMED's pledge to remain one of the most cost-effective schemes in its category, without compromising on quality or care.

SAMWUMED is particularly focused on giving back to the communities in which it operates. The Scheme's core existence is underpinned by its purpose statement: "To inspire and support communities to live healthy and happy lives". This notion has not only been applied internally among SAMWUMED employees, in how we support each other and our communities, but also in how we engage with our members, one of our most valued stakeholders.

The Scheme offers comprehensive cover that includes preventative care, chronic disease management, and wellness programmes, which are tailored to the needs of working-class South Africans.



SAMWUMED's value proposition is rooted in four pillars:

- 1. Affordability without compromise:** SAMWUMED delivers high-value benefits at competitive contribution rates, so ensuring that members receive quality care without financial strain.
- 2. Integrated, member-first service:** Through simplified processes, digital innovation, and a focus on "service in the moment," SAMWUMED aims to delight members at every touchpoint.
- 3. Sustainability and resilience:** With strong reserves and prudent financial management, SAMWUMED remains financially sound and future-ready, even in the face of sector-wide challenges.
- 4. Ethical governance and transparency:** SAMWUMED upholds the highest standards of governance, with a Board of Trustees that is elected by members and appointed by the union, SAMWU and a clear commitment to compliance, fairness, and accountability.

As SAMWUMED continues to implement its 2023–2027 Strategic Plan, the focus remains on growing membership - particularly among younger, healthier individuals - while enhancing operational efficiency and clinical outcomes. We are investing in technology, strengthening stakeholder relationships, and building a high-performance culture to ensure that SAMWUMED remains your family's scheme of choice.

OUR MISSION, VISION AND VALUES



OUR MISSION

To provide quality, accessible and affordable community-based health care to members through:

- Empowering and supporting communities to embrace healthy living,
- Member-centric, efficient service delivery, and innovative processes,
- Preserving good relationships with all stakeholders, and
- Ensuring financial sustainability while committing to the principle of non-profit.



OUR VISION

Your family's scheme of choice committed to quality health care through service excellence, accessible and affordable healthcare and an accountable administration.



OUR VALUES

- Member Centric
- Responsibility
- Integrity
- Discipline
- Accountability
- Value of the Self, Organisation and Society
- Ubuntu

FOREWORDS

FROM THE CHAIRMAN & PRINCIPAL OFFICER

- ENGLISH
- AFRIKAANS
- SESOTHO
- ZULU



FOREWORD BY THE CHAIRPERSON OF THE BOARD

It is with great pride that I present the Chairperson's Report for the 2024 financial year. It has marked a critical turning point in SAMWUMED's journey towards long-term sustainability, operational excellence, and inclusive health-care delivery. Amid an evolving regulatory landscape and economic uncertainty, the Scheme demonstrated resilience, integrity, and a clear commitment to our founding values of solidarity and service.

POLICY OVERSIGHT

The Board of Trustees maintained rigorous oversight **not only** throughout the reporting period, **but over the past five (5) years, guided by strong ethical governance and King IV principles.** In 2024 particularly, we conducted formal evaluations of our Board and sub-committees, implemented enhancements to our governance framework, and ensured alignment with the Scheme's 2023 – 2027 Strategic Plan. These efforts have significantly strengthened our risk management and performance-monitoring systems.

FINANCIAL OVERSIGHT

One of the Scheme's most notable achievements in 2024 was the return to financial surplus, which was supported by effective cost-containment and investment strategies. This is a testament to the stewardship of the Board of Trustees, Executive Management and the commitment of all stakeholders to restoring SAMWUMED's financial health.

CHALLENGES

However, challenges remain. Membership continues to decline - particularly among younger, healthier individuals –

which places pressure on claims ratios and the long-term viability of the Scheme. The Board is actively supporting management's efforts to address this through enhanced benefit options, digital outreach, and engagement with employer groups and union structures.

REGULATORY COMPLIANCE

Looking ahead, SAMWUMED will continue to adapt to regulatory reforms, including the potential implementation of the National Health Insurance (NHI). The Scheme is well positioned to play a complementary role in the new health-care ecosystem, with its member-centric model and strong governance credentials.

In closing, I extend my sincere gratitude to my fellow Trustees, **with whom I have served since 2020**, our Principal Officer, the Executive Management team, our dedicated employees, and our members for their unwavering support. SAMWUMED's future depends on our collective commitment to ethical leadership, sound governance, and putting members first.

Mr Lindani Sibiya

Chairperson of the Board
SAMWUMED

PRINCIPAL OFFICER'S REPORT

It is my privilege to present the Principal Officer's Report for the 2024 financial year, which reflected both recovery and innovation across the Scheme. We emerged from a challenging period of financial strain with renewed purpose, a strong solvency position, and a strategic agenda that positions SAMWUMED for long-term impact.

During the year under review, SAMWUMED recorded a net surplus of **R14.3 million** and maintained a solvency ratio of **68.19%**, which is well above the statutory threshold. These achievements were driven by disciplined cost-management, improved claims oversight, and an **11.24%** return on investments. Our operational performance also improved significantly, with **93%** of member queries being resolved within five business days.

We continued to implement our 2023 – 2027 Strategic Plan, advancing efforts in four core areas: financial sustainability, operational excellence, governance and compliance, and stakeholder engagement. Key milestones included the rollout of a redesigned Option A with a medical savings account, the expansion of our national walk-in centre footprint, and the launch of digital tools such as our mobile app and SAMMY, our AI chatbot.

We remain acutely aware of the challenges ahead. The decline in overall membership, particularly among younger individuals, has impacted the Scheme's risk profile and long-term growth trajectory. We are responding with targeted marketing campaigns, new benefit offerings, and enhanced employer engagement.

We also intensified efforts to reduce fraud, waste, and abuse. To this end, we investigated over 700 cases and recovered more than **R12 million** in negotiated settlements. These interventions, alongside our managed care initiatives, contributed to a **3.5%** reduction in curative care costs.

Our strategic focus for 2025 includes accelerating member acquisition, deepening partnerships with providers and employer groups, and preparing for NHI reforms. At the heart of our approach is a commitment to placing members at the centre of everything we do through responsive service, responsible benefit design, and ethical administration.

I wish to thank the Board of Trustees for their guidance, our Executive team and staff for their dedication, and our members for their continued trust. Together, we are building a more sustainable, responsive, and resilient SAMWUMED.



Ms Francina Mosoeu
Principal Officer
SAMWUMED





VOORSITTERSVERSLAG

Dit is met groot trots dat ek die Voorsitter se Verslag vir die 2024-boekjaar aanbied. Dit het 'n kritieke keerpunt in SAMWUMED se reis na langtermynvolhoubaarheid, operasionele uitnemendheid en inklusiewe gesondheidsorglewering gemerk. Te midde van 'n ontwikkelende regulatoriese landskap en ekonomiese onsekerheid het die Skema veerkragtigheid, integriteit en 'n duidelike verbintenis tot ons stigtingswaardes van solidariteit en diens getoon.

BELEIDSOORSIG

Die Raad van Trusteese het streng toesig gehandhaaf, nie net dwarsdeur die verslagtydperk nie, maar ook oor die afgelope vyf (5) jaar, gelei deur sterk etiese bestuur en King IV-beginsels. Veral in 2024 het ons formele evaluering van ons Raad en subkomitees uitgevoer, verbeterings aan ons bestuursraamwerk geïmplementeer en belyning met die Skema se Strategiese Plan vir 2023 – 2027 verseker. Hierdie pogings het ons risikobestuur- en prestasiemoniteringstelsels aansienlik versterk.

FINANSIËLE TOESIG

Een van die Skema se mees noemenswaardige prestasies in 2024 was die terugkeer na finansiële surplus, wat ondersteun is deur effektiewe kostebeperkings- en beleggingstrategieë. Dit is 'n bewys van die rentmeesterskap van die Raad van Trusteese, Uitvoerende Bestuur en die toewyding van alle belanghebbendes om SAMWUMED se finansiële gesondheid te herstel.

UITDAGINGS

Uitdagings bly egter steeds bestaan. Lidmaatskap bly afneem - veral onder jonger, gesonder individue - wat druk plaas op eisverhoudings en die langtermyn lewensvatbaarheid van die

Skema. Die Raad ondersteun aktief die bestuur se pogings om dit aan te spreek deur verbeterde voordeelopsies, digitale uitreik en betrokkenheid by werkgewersgroepe en vakbondstrukture.

REGULERINGSNAKOMING

SAMWUMED sal aanhou aanpas by regulatoriese hervormings, insluitend die moontlike implementering van die Nasionale Gesondheidsversekering (NGV). Die Skema is goed geposisioneer om 'n aanvullende rol te speel in die nuwe gesondheidsorg-ekosisteem, met sy lede-gefokusde model en sterk bestuursgeloofsbriewe.

Ten slotte wil ek my opregte dank betuig aan my mede-Trusteese, saam met wie ek sedert 2020 dien, ons Hoofbeampte, die Uitvoerende Bestuursplan, ons toegewyde werknemers en ons lede vir hul onwrikbare ondersteuning. SAMWUMED se toekoms hang af van ons kollektiewe toewyding aan etiese leierskap, gesonde bestuur en om lede eerste te stel.

Mnr Lindani Sibiya
Voorsitter van die Raad
SAMWUMED

HOOFBEAMPTSE VERSLAG

Dit is my voorreg om die Hoofbeampte se Verslag vir die 2024-boekjaar aan te bied – 'n jaar wat herstel en innovasie regdeur die Skema weerspieël het. Ons het sterker en doelgerig uit 'n uitdagende tyd van finansiële druk gekom, met 'n gesonde solvensieposisie en 'n strategiese agenda wat SAMWUMED vir langtermyn-impak posisioneer.

Gedurende die verslagjaar het SAMWUMED 'n netto surplus van **R14.3 miljoen** aangeteken en 'n solvensieverhouding van **68.19%** gehandhaaf – aansienlik bo die wetlike minimum vereiste. Hierdie prestasies is moontlik gemaak deur streng kostebestuur, verbeterde toesig oor eise, en 'n opbrengs van **11.24%** op beleggings. Ons operasionele werkverrigting het ook betekenisvol verbeter, met **93%** van lidnavrae wat binne vyf werksdae opgelos is.

Ons het voortgegaan met die implementering van ons 2023–2027 Strategiese Plan en vordering gemaak in vier kernareas: finansiële volhoubaarheid, operasionele uitnemendheid, goeie bestuur en nakoming, en belanghebbertebetrokkenheid. Sleutelmylpale sluit in die bekendstelling van 'n hersiende Opsie A met 'n mediese spaarrekening, die uitbreiding van ons nasionale netwerk van instapkantore, en die bekendstelling van digitale hulpmiddels soos ons soos ons mobiele toepassing en SAMMY, ons KI-geselsbot.

Ons bly ten volle bewus van die uitdagings wat voorlê. Die afname in algehele lidmaatskap – veral onder jonger individue – het 'n impak op die Skema se risikoprofiel en langtermyn-groei gehad. Ons spreek dit aan met geteikende bemarkingsveldtogte, nuwe voordeelopsies, en versterkte betrokkenheid by werkgewers.

Ons het ook ons pogings verskerp om bedrog, vermorsing en misbruik te verminder. In hierdie verband het ons meer as 700 sake ondersoek en meer as **R12 miljoen** in onderhandelingskikkinge verhaal. Hierdie ingrypings, tesame met ons bestuursorganisiatiewe, het bygedra tot 'n **3.5%-verlaging** in kuratiewe sorgkoste.

Ons strategiese fokus vir 2025 sluit in die versnelde werwing van nuwe lede, die verdieping van vennootskappe met diensverskaffers en werkgewersgroepe, en voorbereiding vir die hervormings wat met die Nasionale Gesondheidsversekering (NGV) gepaardgaan. Sentraal tot ons benadering is ons verbintenis om ons lede in die middelpunt van alles wat ons doen te plaas – deur responsiewe diens, verantwoordelike voordele, en etiese administrasie.

Ek spreek my opregte dank uit teenoor die Raad van Trusteas vir hul leiding, ons Uitvoerende Span en personeel vir hul toewyding, en ons lede vir hul volgehoue vertroue. Saam bou ons aan 'n meer volhoubare, responsiewe en veerkragtige SAMWUMED.



Me Francina Mosoeu
Hoofbeampte
SAMWUMED





TLALEHO YA MODULASETULO

Ke motlotlo haholo ho hlalisa Tlaleho ya Modulasetulo bakeng sa selemo sa ditjhelete sa 2024. Selemo sena e bile ntlha ya phetoho e kgolo lebaleng la SAMWUMED, e supang tsela e yang ho botsitso ba nako e telele, bokgabane tshebetsong, le phano ya tlhokomelo ya bophelo e kenyeletsang bohle. Le ha maemo a taolo a ntse a fetoha le moruo o sa tsitsang, Lenaneo le bontshitse mamello, botshepehi, le boitlamo bo hlakileng ho ditekanyetso tse thehileng mokgatlo wa rona: bonngwe le tshebeletso.

TLHOKOMELO EA LEANO

Boto ya Batsamaisi e ile ya tswela pele ho etsa boitlhokomelo bo matla, **eseng feela** nakong ya tlaleho ena, **empa le ho feta le dilemo tse hlano (5) tse fetileng, e tataiswa ke melao-motheo e matla ya botsamaisi bo nang le boitshwaro hammoho le ditataiso tsa King IV**. Ka 2024 haholoholo, re entse ditlhalobelo tse hlophisitsweng tsa Boto le dikomiti tsa rona, ra kenya dintlafatso morerong wa taolo ya mokgatlo, hape ra tiisa hore re latela Morero wa Leano la SAMWUMED wa 2023 – 2027. Mehato ena e matlafaditse haholo tsamaiso ya taolo ya dikotsi le ditshebetso tsa ho lekola tshebetso.

TLHOKOMELO EA LICHELETE

E nngwe ya dintlafatso tse hlalhelletseng tsa Lenaneo ka 2024 e bile ho kgutlela pusong ya ditjhelete e ntle, e tsheheditsweng ke maano a sebetsang a taolo ya ditshenyehelo le matsete. Sena ke bopaki ba boetapele bo hlokolosi ba Boto ya Batsamaisi, Tsamaiso e Phahameng, le boitlamo ba bankakarolo bohle ho tsosolosa bophelo ba ditjhelete ba SAMWUMED.

MATHATA

Leha ho le jwalo, mathata a ntse a le teng. Palo ya ditho e ntse e fokotseha — haholoholo hara batjha ba phetseng hantle — mme sena se kenya kgateello ho sekgahla sa ditlalebo le botsitso ba nako e telele ba Lenaneo. Boto e tshehetsa ka mafolofolo boiteko ba tsamaiso ba ho tobana le sena ka ho ntlafatsa dikgetho tsa melemo, puisano ya dijithale, le tshebedisano le dihlopha tsa bahiri le meaho ya mekgatlo ya basebetsi.

TUMELLANO EA TAOLO

Ha re shebile bokamoso, SAMWUMED e tla tswela pele ho ikamahanya le diphetoho tsa molao, ho kenyeletsa le ho ka kengwa tshebetsong ha National Health Insurance (NHI). Lenaneo le maemong a matle ho papala karolo e tlatseletsang lebaleng le letjha la tlhokomelo ya bophelo, ka lebaka la mokgwa wa lona o shebaneng le ditho le boiphihlelo bo matla ba botsamaisi.

Qetellong, ke rata ho leboha ka boikokobetso balekane ba ka ba Boto, **ba ke sebeditseng le bona ho tloha ka 2020**, Mookamedi wa rona ya ka Sehloohong, sehlopha sa Tsamaiso e Phahameng, basebetsi ba rona ba inehetseng, le ditho tsa rona ka tshehetso ya bona e sa fetoheng. Bokamoso ba SAMWUMED bo ipapisitse le boitlamo ba rona bo kopaneng ho boetapele bo nang le boitshwaro, botsamaisi bo tiileng, le ho beha ditho pele.

Monghadi Lindani Sibiya
Modulasetulo wa Boto
SAMWUMED

TLALEHO YA MOOKAMEDI YA KA SEHLOOHONG

Ke tlotla e kgolo ho nna ho hlahisa Tlaleho ya Mookamedi ya ka Sehloohong bakeng sa selemo sa ditjhelete sa 2024, e bontshang ho hlaphohelwa hammoho le boqapi ho pholletsa le Lenaneo. Re tswile nakong e thata ya mathata a ditjhelete re ena le sepheo se ntjhafaditsweng, boemo bo matla ba botsitso ba ditjhelete, hammoho le leano le hlakileng le behang SAMWUMED tseleng ea tshusumetso ya nako e telele.

Selemong se hlalojwang, SAMWUMED e tlalehile tjhelete e setseng ya **R14.3 milione** le sekgahla sa botsitso sa **68.19%**, se fetang hole moedi o behilweng ke molao. Diphetho tse na di finyelleditswe ka taolo e matla ta ditshenyehelo, tlhokomelo e ntlafaditsweng ya ditlitlebo, le puseletso ya **11.24%** ho matsete. Tshebetso ya rona e ntlafetse haholo, ka **93%** ya dipotso tsa ditho tse rarollwang nakong ya matsatsi a mahlano a kgwebo.

Re ile ra tswela pele ka ho kenya tshebetsong Morero wa Rona wa Leano la 2023 – 2027, ka ho ntshetsa pele mesebetsi mafapheng a mane a mantlha: botsitso ba ditjhelete, bokgabane tshebetsong, tsamaiso le ho latela melao, le puisano le bankakarolo. Melemo e meholo e akarelletsa ho tsebiswa ha Option A e ntjha e nang le akhaonte ya polokelo ya bongaka, katoloso ya ditsi tsa rona tsa naha tsa kamohelo ya batho, le ho qala disebediswa tsa dijithale tse kang app ya rona le SAMMY, moemedi wa rona ya bohlale wa maiketsetso.

Re ntse re hlokomela ka matla mathata a tlang. Ho fokotseha ha ditho ka kakaretso, haholo-holo hara batjha, ho ama boemo ba kotsi ba Lenaneo le kgolo ya nako e telele. Re arabela ka matsholo a ho bapatsa a lebisitsweng hantle, melemo e metjha ya boipaballo, le puisano e matlafaditsweng le bahiri.

Re boetse re matlafaditse boiteko ba ho fokotsa bomenemene, tshenyo le tlhekefetso. Mabapi le sena, re tsetetse dinyewe tse fetang 700 mme ra kgutlisa tjhelete e fetang **R12 milione** ka tumellano e fihletswe. Mehato ena, hammoho le maano a rona a tlhokomelo e laolwang, e kentse letsoho phokotsong ya **3.5%** diitshenyehelong tsa tlhokomelo ya ho fodisa.

Tsepamiso ya rona ya leano bakeng sa 2025 e kenyelletsa ho potlakisa ho fumana ditho tse ntjha, ho tebisa tshebedisano le bafani le dihlopha tsa bahiri, le ho itokisetša diphetoho tse amanang le NHI. Botebong ba mokgwa ona ho na le boitlamo ba ho beha ditho bohareng ba sohle seo re se etsang ka tshebeletso e arabelang, moralo wa melemo o nang le boikarabello, le tsamaiso e nang le boitshwaro.

Ke leboha Boto ya Batsamaisi ka tataiso ya bona, sehlopha sa Phethahatso le basebetsi ka boinehelo ba bona, le ditho tsa rona ka tshepo ya bona e sa fetohe. Hammoho, re aha SAMWUMED e tsitsitseng, e arabelang, le e matla kgahlano le mathata.



Mof. Francina Mosoeu
Mookamedi ya ka Sehloohong
SAMWUMED





UMBIKO KASIHLO

Ngokuziqhenya okukhulu ngethula Umbiko kaSihlalo wonyaka wezimali wezi-2024. Kube noshintsho olubalulekile ohambweni lwe-SAMWUMED olubheke ekusimameni kwesikhathi eside, ukusebenza kahle, kanye nokulethwa kwezinsizakalo zezempilo ezibandakanya wonke umuntu. Naphezu kwezinguquko kumthetho-nqubo nezingqinamba kwezomnotho, Uhlelo lukhombise ukuqina, ubuqotho, nokuzibophezela okucacile emithethweni yethu esekelwe kubumbano nokuletha usizo.

UKUBHEKWA KWENQUBOMGOMO

Ibhodi Labameleli ligcine ukuqapha okuqinile **hhayi** ngalesi sikhathi sokubika, **kodwa naseminyakeni emihlanu (5) edlule, liholwa ubuholi obuqotho nemigomo ye-King IV**. Ngonyaka wezi-2024 ikakhulukazi, senze ukuhlolwa ngokusemthethweni kweBhodi lethu namaKomiti alo, senza izinguquko ohlelweni lwethu lokuphatha, futhi saqinisekisa ukuhambisana noHlelo Lwecebo Lwamasu lowezi-2023 – 2027. Le mizamo iqinise kakhulu izinhlelo zethu zokulawulwa kobungozi nokuqapha ukusebenza.

UKUBHEKWA KWEZEZIMALI

Enye yezinto zoHlelo eziphawuleka kakhulu kowezi-2024 kube wukubuyela ekubeni nemali eyevile, eyasekelwa izindlela eziphumelelayo zokulawula izindleko kanye nezamasu okutshalwa kwezimali. Lokhu kungubufakazi bokuphatha okuhle kweBhodi Labameleli, AbaPhathi Abaphezulu kanye nokuzibophezela kwabo bonke ababambiqhaza ekubuyiseni impilo yezezimali ye-SAMWUMED.

IZINSELELE

Nokho, izinselele zisekhona. Ubungako kobulungu buyaqhubeka nokuncipha – ikakhulukazi kubantu abasebasha, abaphilile – okubangela ingcindezi kuzilinganiso

zezicelo zokukhokhelwa kanye nokuzinza kwesikhathi eside koHlelo. Ibhodi lisekela ngenkuthalo imizamo yabaphathi yokubhekana nalokhu ngokuthuthukisa izinketho zezinzuzo, ukufinyelela ngedijithali, nokuxhumana namaqembu abaqashi kanye nezinhlaka zenzlangano yezinyunyana.

UKUTHOBELA UMTHETHO

Ukuyaphambili, i-SAMWUMED izoqhubeka nokuzivumelanisa nezinguquko zemithetho-nqubo, kuhlenganise nokuqaliswa ukusetshenziswa okungenzeka koMshwalense Wezempilo kaZwelonke (i-NHI). Uhlelo lukulungele ukudlala indima yokwesekela ohlelweni olusha lwezempilo, ngenxa yendlela yalo yokugxila kumalungu kanye nohlelo lwalo oluqinile lokuphatha.

Ngiphetha, ngibonga ngobuqotho ozakwethu Babameleli, **engisebenzisane nabo kusukela kowezi-2020**, iSikhulu Esiyinhloko, ithimba labaPhathi Abaphezulu, izisebenzi zethu ezinokuzinikela, kanye namalungu ethu ngenxa yokuseseka kwabo okungashintshi. Ikusasa le-SAMWUMED lincike ekuzibophezeleni kwethu ngokuhlanganyela ebuholini obuqotho, ukuphatha okuqinile, nokubeka amalungu phambili.

Mnu. Lindani Sibiya
USihlalo weBhodi
SAMWUMED

UMBIKO WESIKHULU ESIYINHLOKO

Ngithatha leli thuba ngenhlonipho enkulu ukwethula Umbiko Wesikhulu Esiyinhloko wonyaka wezimali wezi-2024, obonise ukubuyela esimweni esingcono kanye nokuqamba okusha kuzo zonke izigaba zoHlelo. Siphume esikhathini esinzima sezimali sinenhloso evuselelekile, isikhundla esiqinile sokukwazi ukuhlangabezana nezibopho, kanye necebo le-ajenda izokwenza i-SAMWUMED ibe nomthelela wesikhathi eside.

Phakathi nonyaka obuyekwezwayo, i-SAMWUMED ibe nesamba esingaphezu **kuka-R14.3 million** njengenzuzo eyevile, futhi yagcina isilinganiso sokukwazi ukuhlangabezana nezibopho **esingu-68.19%** — okudlula kakhulu umkhawulo obekwe ngomthetho. Lezi zimpumelelo zitholwe ngenxa yokuphathwa kwezimali okuqinile, ukuqapha kahle izicelo zokukhokhelwa okuthuthukisiwe, kanye nenzuzo **engu-11.24%** kutshalomali. Ukusebenza kwethu kwansuku zonke nakho kuthuthuke kakhulu, njengoba **u-93%** wemibuzo yamalungu ixazululwe zingakapheli izinsuku ezinhlanu zokusebenza.

Siqhubekile nokuqalisa ukusebenzisa uHlelo Lwamasu lowezi-2023 – 2027, siqhubekisela phambili imizamo ezindaweni ezine eziyisisekelo: ukusimama kwezezimali, ukusebenza kahle, ukuphatha ngendlela efanele nokuthobela nemithetho, kanye nokuxhumana nababambiqhaza. Izinto ezisemqoka zifaka ukwethulwa kwe-Option A esiyiklanywe kabusha ehlanganisa i-akhawunti yokonga kwezempilo, ukwandisa izikhungo zethu ezamukela abantu kuzwelonke, kanye nokwethulwa kwamathuluzi edijithali afana nohlelo lweselula i-mobile app kanye noSAMMY, i-AI chatbot yethu.

Siyazi kahle ukuthi kusekhona izinselelo esizobhekana nazo. Ukwehla kobulungu, ikakhulukazi phakathi kwabantu abasebasha, kuthinta iprofayela yobungozi yoHlelo kanye nendlela yokukhula kwesikhathi eside. Siphendula ngokwethula imikhankaso yokumaketha eqondisiwe, izinzuzo ezintsha, kanye nokuxhumana okuthuthukisiwe nabaqashi.

Siye saqinisa nemizamo yokunciphisa ubugebengu bokukhohlisa, ukuchitha imali, nokusebenzisa kabi izinsiza. Kuze kube manje, siphanye amacala angaphezu kwangama-700 futhi sabuyisa imali engaphezu **kuka-R12 million** ekuxoxisaneni ngezivumelwano zokukhokha. Lezi zinyathelo, kanye nezinhlelo zokunakekela ezilawulwayo, zibe nomthelela ekwehliseni izindleko zokunakekelwa kwezifo **ngo-3.5%**.

Ukugxila kwethu kusu lwezamasu lowezi-2025 kufaka nokukhulisa izinga lokutholwa kwamalungu, ukujulisa ubudlelwane nabahlinzeki kanye namaqembu abaqashi, kanye nokulungiselela izinguquko ze-NHI. Ummongo wendlela yethu unokuzibophezela ekubekeni amalungu ethu eqhulwini, ngokuhlinzeka ngosizo olusheshayo, izinzuzo eziklanywe kahle, kanye nokuphatha ngobuqotho.

Ngifisa ukubonga iBhodi Labameleli ngokusihola, ithimba labaPhathi Abaphezulu nabasebenzi ngomsebenzi wabo omuhle, kanye namalungu ethu ngokusethemba kwabo okuqhubekayo. Ngokubambisana, sakha i-SAMWUMED esimeme, ephendulayo, neqinile.



Nkk. Francina Mosoeu
Isikhulu Esiyinhloko
SAMWUMED





CFO'S REPORT

The Scheme has ended the year with an improved performance in the context of the challenges within the operating environment as well as its internal dynamics. Despite not having achieved all the operational and strategic goals, the performance for the reporting period has been the launching pad for the achievement of the strategic plans that are aimed at turning around the Scheme.



KEY HIGHLIGHTS



- Higher Contribution Income despite a lower membership
- Success in the reduction of the health-care costs
- Improved performance on the Investments
- Containment of the operational costs
- Achievement of surplus after three years of deficits

OVERVIEW OF THE FINANCIAL RESULTS

The Scheme started the year with three themes on the finance front, i.e. the improvement of the Contribution Income, management of health-care cost as well as operational expenditure. Despite the lower membership, the Insurance Revenue was **6%** higher than the prior year, which is a factor of both the yield increase and an improved collection processes. It is acknowledged that more needs to be done to improve and stabilise the membership situation to increment the increases in the Contribution Income.



Although the Scheme has been struggling with insurance service costs in the past financial years, there has been an improvement in the current year where the overall costs were **2.3%** below budget. This bodes well for the underwriting results and can be attributed to various programmes aimed at improving the overall service to members in the most efficient ways while focusing on reducing fraud, waste and abuse within the insurance service. Also, the Scheme's efforts in managing its operational costs have yielded the required results in that the overall costs were **13.33%** below budget, which have contributed to the overall positive results that have been seen for the year.

SAMWUMED's investment portfolio has withstood the market uncertainties (fluctuations) and delivered an **11.24%** return, which was **22.83%** above that of the prior year. This is even though there was a lower capital base, which is an affirmation of the Scheme's design and application of its investment strategy. The performance of the portfolio has provided the required supplementary support to the insurance business, which does not always yield the expected positive outcomes.

The net result has been a surplus, or amount attributable to future members of **R14.312 million** for the year **(-R73.70 million)** which was a **119.42%** improvement on the results on the prior year. This stemmed from the negative results experienced over the last two years. These positive results have contributed to the stable solvency ratio, which is at **68.19%**, and remains in excess of the statutory minimum required level of **25%**.

Mr Zukisani Samsam
Chief Financial Officer SAMWUMED



2.

OPERATING CONTEXT AND BUSINESS MODEL

OPERATING CONTEXT AND BUSINESS MODEL

SAMWUMED exists to protect and support its members by funding access to private health-care services through a regulated, not-for-profit medical scheme model.

Medical schemes in South Africa play a vital role in the health-care financing system by providing members with access to private health-care services through structured benefit options. Governed by the Medical Schemes Act (No. 131 of 1998) and regulated by the Council for Medical Schemes (CMS), medical schemes operate on the principles of mutuality and solidarity to pool contributions to fund members' health-care needs.

As not-for-profit entities, medical schemes are owned by their members and administered in accordance with registered rules. Contributions are collected monthly and allocated to risk and savings pools, from which claims for medical services are paid. The business model is centred on long-term financial sustainability, equitable access to health-care benefits, and prudent risk management.

SAMWUMED'S VALUE PROPOSITION

SAMWUMED is more than a medical scheme. It is a trusted health-care partner rooted in the values of solidarity, service, and Ubuntu.

SAMWUMED's value proposition is rooted in four pillars:

- 1. Affordability Without Compromise**
SAMWUMED offers high-value benefits at competitive contribution rates, thus ensuring that members receive quality care without financial strain. The benefit design is informed by the lived realities of working-class South Africans.
- 2. Integrated, member-first service**
Through simplified processes, digital innovation, and a focus on "service in the moment", SAMWUMED's aim to delight members at every touchpoint. The service model is designed to be responsive, accessible, and empathetic.
- 3. Ethical Governance and Transparency**
SAMWUMED upholds the highest standards of governance, with a Board of Trustees elected by members and appointed by the union, SAMWU and a clear commitment to compliance, fairness, and accountability.
- 4. Community-Based Health Advocacy**
SAMWUMED is deeply embedded in the communities it serves. The Scheme support preventative care, chronic disease management, and wellness programmes that are tailored to the needs of municipal workers and their families.

As SAMWUMED implements its 2023 - 2027 Strategic Plan, it remains focused on growing its membership particularly among younger, healthier individuals while enhancing operational efficiency and clinical outcomes. Investments in technology, stakeholder relationships, and a high-performance culture ensure that SAMWUMED remains your family's scheme of choice.



SAMWUMED'S HEALTH-CARE MODEL

SAMWUMED's health-care model is built on a foundation of coordinated, member-centric care that prioritises accessibility, affordability, and quality. As a self-administered, not-for-profit scheme, SAMWUMED leverages strategic partnerships and business process outsourcing to deliver optimal health-care services while maintaining cost-efficiency. Through capitation agreements with key service providers - including **DENIS** for dental care, **PPN** for optometry, **Netcare 911** for emergency medical services, and Tshela Healthcare for maternity care - SAMWUMED ensures that members receive consistent, high-quality treatment without depleting their savings. These partnerships allow us to manage provider networks effectively, reduce administrative overhead, and enhance the member experience by offering seamless access to essential services. This integrated approach supports SAMWUMED's broader care coordination strategy, which includes family practitioner nomination, referral protocols, and managed care programmes. These are designed to improve clinical outcomes and ensure long-term sustainability.

BENCHMARKING SAMWUMED IN THE MUNICIPAL MEDICAL SCHEME SPACE

SAMWUMED operates in a highly competitive municipal health-care environment, contending with schemes such as Bonitas, KeyHealth, LA Health, and Sizwe Hosmed. Despite this, SAMWUMED distinguishes itself through its unique value proposition as a self-administered, not-for-profit scheme with deep roots in the local government sector. SAMWUMED's strategic focus on affordability, ethical governance, and community-based, health-care positions it as a trusted partner for municipal workers and their families.

Benchmarking efforts have revealed several key differentiators:

- **Affordability and Value:** SAMWUMED consistently offers high-value benefits at competitive contribution rates that are tailored to the needs of working-class South Africans.
- **Operational Efficiency:** Through business process outsourcing and capitation agreements with providers such as DENIS (dental), PPN (optometry), Netcare 911 (emergency services), and Tshela Healthcare (maternity), SAMWUMED ensures cost-effective, high-quality service delivery.

- **Strategic Recruitment:** Recognising the ageing membership profile, SAMWUMED is actively recruiting younger, healthier members through targeted marketing and revised benefit structures.
- **Governance and Compliance:** SAMWUMED's governance model, which is anchored in member representation and King IV principles, ensures transparency and accountability. This is an area where many competitors rely on third-party administrators.
- **Community Engagement:** Unlike many competitors, SAMWUMED maintains a strong presence in member communities through wellness days, preventative care campaigns, and municipal partnerships.

While challenges such as declining employment in local government and affordability pressures persist, SAMWUMED's integrated strategy and member-first approach continue to reinforce its position as a leading scheme in the municipal space.

KEY STAKEHOLDERS AND RELATIONSHIPS

SAMWUMED recognises that strong stakeholder relationships are essential to deliver on its mission of providing accessible, affordable, and quality health care to municipal workers and their families. The Scheme's stakeholder engagement strategy is guided by the principles of transparency, mutual respect, and shared value creation.

Members and Potential Members

Our members are at the heart of everything we do. We engage them through quarterly newsletters, SMS updates, digital platforms, and in-person interactions at walk-in centres and community events. We also conduct satisfaction surveys to ensure our services align with their evolving needs.



Regulators and Government Bodies

SAMWUMED engages regularly with the Council for Medical Schemes (CMS) and other regulatory bodies to ensure compliance and contribute to policy development including National Health Insurance (NHI) planning.

Employer Groups and Municipalities

As a restricted scheme serving the Local government sector, SAMWUMED maintains close relationships with municipal employers. Regular engagement sessions, HR forums, and targeted campaigns help us align benefit offerings with workforce needs and support member recruitment and retention.

Service Providers and Managed Care Partners

We partner with a range of healthcare providers and administrators-including DENIS (dental), PPN (optometry, Netcare 911 (emergency services), and Tshela Healthcare (maternity) - under capitation and service-level agreements. These partnerships are monitored through robust contract and SLA management processes to ensure quality and efficiency.

Internal Stakeholders (Employees and Governance Structures)

Our employees, Board of Trustees, and committee members are key to operational excellence and governance. We invest in staff development, performance management, and internal communication to foster a high-performance culture aligned with our strategic goals.



Trade Unions (e.g. SAMWU)

Our historical and strategic relationship with SAMWU remains a cornerstone of our stakeholder network. We continue to strengthen this partnership through structured dialogue and collaboration on member advocacy and benefit design.

ENGAGEMENT WITH REGULATORS AND GOVERNMENT BODIES

SAMWUMED maintains proactive and transparent relationships with key regulatory stakeholders, including the Council for Medical Schemes (CMS), the Department of Health, and other relevant government entities. These engagements are guided by our commitment to ethical governance, compliance, and sectoral collaboration.

ENGAGEMENT APPROACH

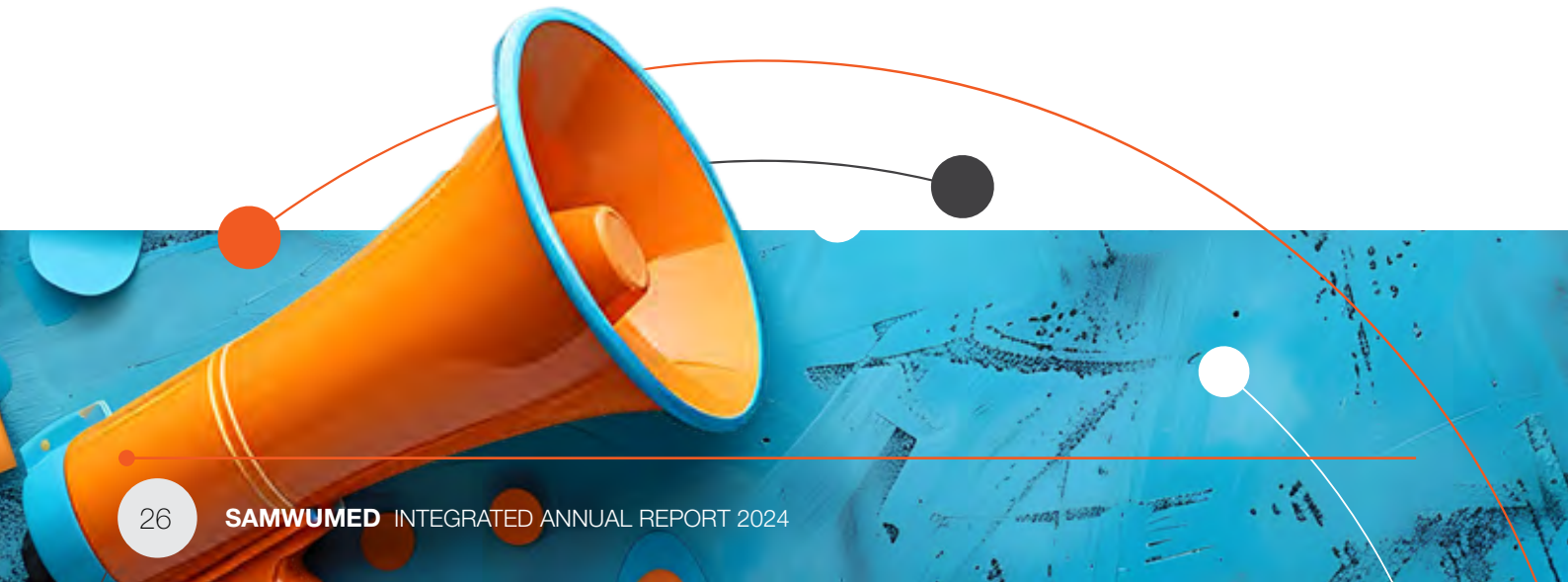
- Formal Submissions:** SAMWUMED submits all statutory returns - including Annual Financial Statements, benefit changes, and governance disclosures - in line with the Medical Schemes Act.
- Strategic Dialogues:** The Scheme participates in structured engagements with CMS, such as the 2024 strategic overview session, where SAMWUMED presented progress on curatorship recommendations, governance reforms, and operational improvements.
- Policy Participation:** SAMWUMED contributes to public consultations and policy-development processes, including National Health Insurance (NHI) discussions, to ensure alignment with national healthcare priorities.



KEY CONCERNS AND RESPONSES

CONCERN	SAMWUMED'S RESPONSE
Governance and Compliance	Strengthened Board and committee structures. Implemented King IV principles. Enhanced internal audit and risk oversight.
Financial Sustainability	Stable solvency ratio (68.19% in 2024). Achieved a surplus after two years of deficits and implemented cost-containment strategies.
Operational Efficiency	Migrated to digital platforms (e.g., Nexus), automated business processes, and improved claims and member servicing turnaround times.
Member Protection and Value	Introduced evidence-based benefit design, expanded provider networks, and enhanced communication on member rights and benefits.

SAMWUMED's ongoing engagement with regulators reflects its commitment to transparency, accountability, and continuous improvement in delivering value to members so contributing to the broader health-care system.



ENGAGEMENT WITH INTERNAL STAKEHOLDERS: EMPLOYEES, BOARD OF TRUSTEES, AND COMMITTEES

SAMWUMED recognises that its employees, Board of Trustees (BOT), and committee members are critical to the Scheme's success. Engagement with these internal stakeholders is guided by principles of transparency, accountability, and shared purpose.

ENGAGEMENT APPROACH

- **Employees** are engaged through structured communication platforms, performance management systems, and continuous professional development programmes. Internal communication is supported by the SAMWUMED intranet, regular staff briefings, and wellness initiatives.
- **Board of Trustees** engagement is formalised through scheduled meetings, strategic planning sessions, and governance training. Trustees are supported by a dedicated SharePoint Teams site for collaboration and access to documents.
- **Committee Members** participate in governance through clearly defined charters and reporting lines. Committees - such as **Audit & Risk, Finance & Investment, Remuneration, Social & Ethics** and **Clinical Governance & Ex-Gratia** - meet regularly and are empowered to provide oversight and strategic input.



KEY CONCERNS AND RESPONSES

STAKEHOLDER GROUP	KEY CONCERNS	SAMWUMED'S RESPONSE
Employees	Clarity on benefit structures, career development, and internal communication	Implemented staff training on benefit options. Launched a performance management system and improved internal communication channels
Board of Trustees	Strategic alignment, governance compliance, and risk oversight	Adopted King IV principles, enhanced risk reporting, and conducted strategic reviews to align with the 2023 - 2027 plan
Committee Members	Operational efficiency, data access, and policy clarity	Introduced data analytics tools, streamlined reporting processes, and updated committee charters and policies

This integrated engagement model ensures that SAMWUMED's internal stakeholders are informed, empowered, and aligned with the Scheme's mission to deliver quality, affordable health care to its members.

ENGAGEMENT WITH SERVICE PROVIDERS AND MANAGED CARE PARTNERS

SAMWUMED’s partnerships with service providers and managed care organisations are central to delivering high-quality, cost-effective health care to its members. These relationships are governed by formal contracts, service-level agreements (SLAs), and regular performance reviews to ensure alignment with the Scheme’s strategic goals.

ENGAGEMENT APPROACH

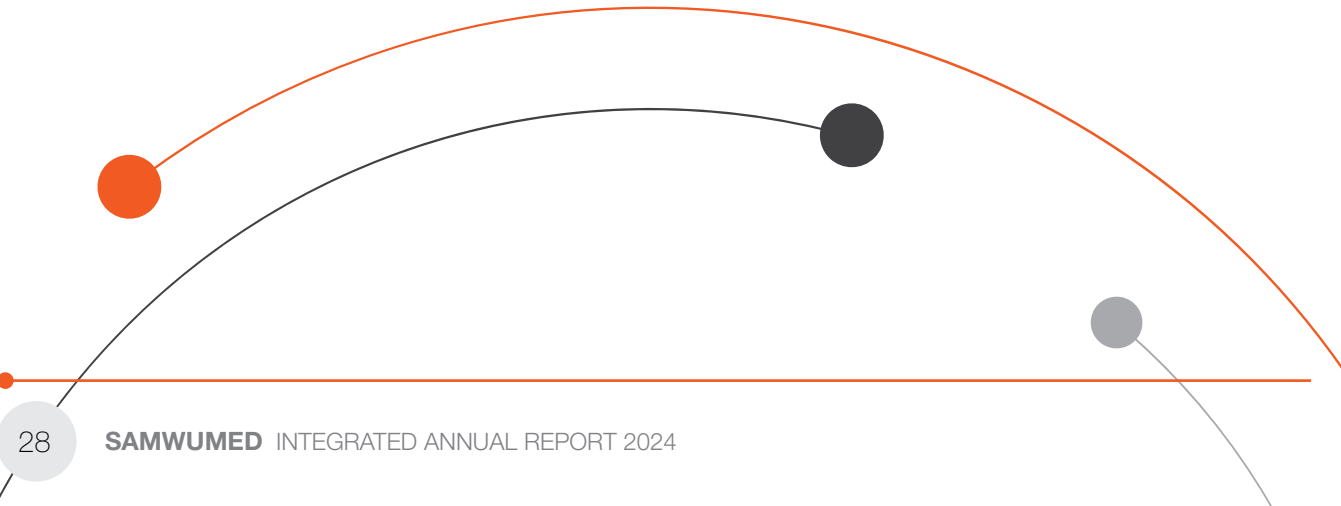
- **Capitation and Outsourcing Agreements:** SAMWUMED has entered into capitation arrangements with key providers including DENIS (dental), PPN (optometry), Netcare 911 (emergency medical services), and Tshela Healthcare (maternity care). These partnerships ensure predictable costs and consistent service quality.
- **Contract Management and Monitoring:** The Scheme maintains structured engagement through contract management processes, including regular SLA reviews, performance dashboards, and issue-resolution forums.
- **Collaborative Planning:** Service providers are involved in benefit design discussions, clinical governance forums, and strategic-planning sessions to ensure their services remain aligned with member needs and regulatory requirements.



KEY CONCERNS AND RESPONSES

CONCERN	SAMWUMED’S RESPONSE
System Integration and Data Access	SAMWUMED has invested in a data warehouse as a service solution and is developing APIs to improve interoperability between its systems and those of managed care partners.
Claims-Processing Complexity	The Scheme is streamlining claims workflows to reduce duplication and improve turnaround times.
Clarity on Benefit Rules and Limits	SAMWUMED has enhanced communication with providers through updated rulebooks, training sessions, and real-time benefit verification tools.
Performance-Monitoring	Providers are evaluated against agreed KPIs, with underperformance addressed through structured feedback and corrective action plans.

This collaborative and transparent engagement model ensures that SAMWUMED’s service providers are empowered to deliver value while supporting the Scheme’s commitment to operational excellence and member satisfaction.



ENGAGEMENT WITH EMPLOYER GROUPS AND MUNICIPALITIES

SAMWUMED's relationship with employer groups, especially municipalities, is central to its role as a restricted medical scheme serving the local government sector. These engagements are designed to ensure alignment between the Scheme's offerings as well as the evolving needs of municipal employers and their employees.

ENGAGEMENT APPROACH

- **Direct Engagement and Forums:** SAMWUMED maintains regular contact with municipal HR departments, finance units, and union representatives through structured forums, wellness days, and benefit briefings.
- **Digital and On-Site Support:** The Scheme supports municipalities through walk-in centres and on-site visits by servicing consultants.
- **Strategic Collaboration:** SAMWUMED works closely with municipalities to align benefit design with workforce needs, particularly in the context of affordability and access for lower-income employees.



KEY CONCERNS AND RESPONSES

CONCERN	SAMWUMED'S RESPONSE
Affordability of contributions for lower-income employees	Introduced Option A with a savings component and flexible benefits tailored to younger and lower-income members
Administrative burden and clarity on benefits	Streamlined onboarding and claims processes and provided employer training and digital tools for HR teams
Recruitment and retention of employees	Positioned SAMWUMED as a "value-adding benefit" with wellness initiatives and preventative care to reduce absenteeism
Alignment with collective agreements	Ensured compliance with SALGA and union agreements and maintained transparent communication with all stakeholders
Support for Expanded Public Works Programme (EPWP) workers	Exploring low-cost benefit options and advocacy for broader access to health care for contract and temporary workers

SAMWUMED's employer engagement strategy is underpinned by a commitment to service excellence, operational efficiency, and mutual value creation. These partnerships are essential to sustaining membership and delivering on the Scheme's mission to provide quality, affordable health care to municipal workers and their families.

ENGAGEMENT WITH MEMBERS AND PROSPECTIVE MEMBERS

SAMWUMED places its members at the centre of its operations that are guided by a mission to provide accessible, affordable, and quality health care. Engagement with members and prospective members is structured, responsive, and aligned with the Scheme’s values of Ubuntu, integrity, and service excellence.

ENGAGEMENT APPROACH

- **Multi-Channel Communication:** SAMWUMED engages members through digital platforms (website, WhatsApp, and real-time chat), printed materials (member guides, brochures), and in-person support at walk-in centres and municipal wellness days.
- **Education and Onboarding:** New and prospective members are supported through Freedom of Association (FOA) campaigns, onboarding sessions, and simplified application processes via the HR department and online platforms.
- **Feedback and Surveys:** Member satisfaction surveys and feedback mechanisms are used to inform benefit design, service improvements, and communication strategies.
- **Preventative Health Campaigns:** The Scheme promotes wellness through free health screenings, chronic disease management, and the coordination of care initiatives such as GP nomination and specialist-referral protocols.



KEY CONCERNS AND RESPONSES

CONCERN	SAMWUMED'S RESPONSE
Understanding of benefits and options	Developed simplified member guides, hosted benefit education sessions, and trained internal staff to align messaging
Affordability and value	Introduced a new savings option (Option A) and expanded provider networks to reduce out-of-pocket costs
Access to quality care	Contracted new providers for dental, optometry, maternity, and emergency services. Expanded hospital and specialist networks.
Service responsiveness	Launched real-time website chat, improved call centre turnaround times, and digitised member self-service tools.
Loyalty recognition	Strategic plans include exploring incentives and loyalty programmes to reward long-standing members.

SAMWUMED’s member engagement strategy is continuously evolving to meet the needs of a diverse and dynamic membership base, ensuring that every interaction reinforces trust, value, and care.

STAKEHOLDER ENGAGEMENT: PRINCIPLES AND OUTCOMES

SAMWUMED's approach to stakeholder engagement is rooted in our mission values of transparency, accountability, and Ubuntu. Recognising that strong relationships are essential to achieving its mission, the Scheme engages with stakeholders through structured, inclusive, and responsive communication channels.





3.

STRATEGY AND RESOURCE ALLOCATION

STRATEGY AND RESOURCE ALLOCATION

STRATEGIC FRAMEWORK

SAMWUMED’s strategic framework is centred on ensuring the delivery of quality, accessible, and affordable health care to its members, primarily local government and related support industry employees and their dependents. The framework is structured around several core components. This strategic framework reflects SAMWUMED’s commitment to providing quality health care while ensuring financial sustainability and operational efficiency:

OUR STRATEGIC GOALS

SAMWUMED has four strategic goals that will provide focus for the entire organisation:



To ensure financial sustainability



To achieve operational excellence



To promote effective governance for risk and compliance, including the NHI



To ensure effective stakeholder management and member satisfaction

STRATEGIC GOAL 1: ENSURE FINANCIAL SUSTAINABILITY	
STRATEGIC OBJECTIVE	STRATEGIC INITIATIVES
Grow Scheme membership by attracting new and younger members while retaining existing ones	Targeted marketing interventions for optimal demographics
	Develop a servicing and retentions division
	Review sales model, develop and implement optimal model
	Conduct a research study for employer groups and members
Implement an evidence-based benefit design model that promotes members taking responsibility for their own health	Work with Administrator's managed care partners and actuaries to improve data driven processes
Achieve positive clinical outcomes through efficient, coordinated clinical risk management	Align, and implement, the clinical risk management strategy to the scheme's strategy
	To develop clinical strategy that responds to NHI requirements

STRATEGIC GOAL 2: ACHIEVE OPERATIONAL EXCELLENCE THROUGH LEVERAGING TECHNOLOGY	
STRATEGIC OBJECTIVE	STRATEGIC INITIATIVES
Automated business processes and integrated systems to increase operational efficiencies (department doing a good job in supporting the organisation in strengthening all resources)	Develop process automation and an Integrated Cloud IS System through robotic solutions on Microsoft platforms
	Revise and implement a comprehensive ICT strategy that supports the integration, automation and optimisation of key business processes
High performance culture through a motivated and engaged workforce	Implement a performance management system
Modernise technology infrastructure to ensure confidentiality, security and data integrity	Implementation of IS and Cyber Security Frameworks

STRATEGIC GOAL 3: PROMOTE EFFECTIVE GOVERNANCE FOR RISK AND COMPLIANCE, INCLUDING THE NHI	
STRATEGIC OBJECTIVE	STRATEGIC INITIATIVES
Embrace a risk-management culture that promotes compliance with rules and regulations	Define and develop a regulatory universe of rules and regulations
	Training and engagement to entrench risk-management culture
	Integrate risk management into performance management
	Participate in NHI public participation and contribute to the NHI Policy development

STRATEGIC GOAL 4: EFFECTIVE STAKEHOLDER MANAGEMENT AND MEMBER SATISFACTION

STRATEGIC OBJECTIVE	STRATEGIC INITIATIVES
Build effective stakeholder relationships through advocacy, brand positioning and reputation management	Develop and implement a stakeholder management plan, which will include regular engagement with employer groups and members
Effective management of business partners to offer a seamless service to members	Put in place contracts and monitor agreed metrics through contract management and regular engagement
Compelling value proposition to drive member engagement that is informed by member needs	Design surveys to collect data and develop appropriate actions to increase member satisfaction actions

STRATEGY CYCLE

Following the conclusion of the previous strategic cycle, the 2023 - 2027 Strategy was approved by the Board of Trustees.

Since its adoption, the strategy has evolved in response to shifts in both internal and external environmental factors, including developments in the policy landscape such as the progression of the National Health Insurance (NHI) framework.

STRATEGY REVIEW

This is a five-year strategy that is reviewed on an annual basis to ensure that it remains relevant to the needs of the members, business, the legislative requirements and operating environment.

RESOURCE ALLOCATION

Resource allocation is achieved through a detailed budgeting process that is led by executive management and the Board Of Trustees.

STRATEGIC EXECUTION AND PROGRESS IN 2024

SAMWUMED's strategic framework is anchored in four long-term strategic pillars or goals, each supported by clearly defined objectives and performance indicators. These goals - financial sustainability, operational excellence, governance and compliance, and stakeholder satisfaction - form the backbone of the Scheme's Strategy Matrix, which guides execution and performance monitoring across the organisation.

STRATEGIC OBJECTIVE	KPI	2024 TARGET	2024 ACTUAL
Grow and retain membership, particularly among younger members	Membership growth rate	5% increase	15% decline
Automate business processes and modernise technology infrastructure	Query resolution within SLA	90% within five days	93% within five days
Maintain full compliance with regulatory universe and internal rules	Regulatory compliance rate	100% compliance	100% compliance
Strengthen stakeholder engagement and improve member satisfaction	Member satisfaction score	70% satisfaction	60% satisfaction

In terms of membership growth and stakeholder engagement improvements, the Scheme have put in place various measures to improve, including a three year marketing strategy, and also developed a stakeholder relations strategy. These are both in implementation stage.

COST-CONTAINMENT AND VALUE-REALISATION THROUGH STRATEGIC INTERVENTIONS

SAMWUMED continues to prioritise financial sustainability through proactive cost-containment strategies, with a particular focus on reducing unnecessary expenditure and improving clinical outcomes. In 2024, the Scheme achieved measurable savings through targeted fraud, waste, and abuse (FWA) interventions as well as the implementation of managed care initiatives.

FRAUD, WASTE AND ABUSE (FWA) INTERVENTIONS

The Scheme enhanced its fraud-detection and intervention processes, including the rollout of a claims washing pilot, improved chronic medicine adherence monitoring, and the refinement of its fraud intervention protocols. These efforts contributed to a notable reduction in the claims ratio from 110% in July 2023 to 103% by the end of 2024. While the exact monetary value of savings is still being finalised, early estimates suggest that these interventions helped to avoid millions in potential overpayments.

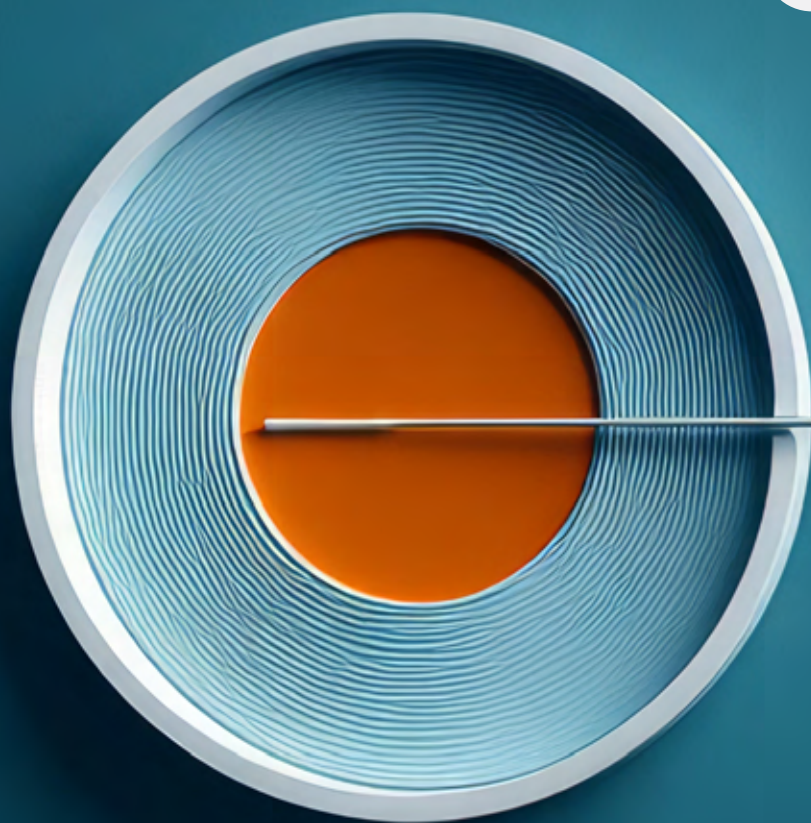
MANAGED CARE INITIATIVES

SAMWUMED's managed care strategy was strengthened through the implementation of a Designated Service Provider (DSP) specialist network, GP nomination and pay-for-performance models as well as the introduction of a maternity programme and chronic disease management enhancements. These initiatives led to a 3.5% reduction in curative care costs and a measurable decline in hospital, allied health professional, and specialist claims.

DIGITAL ENABLEMENT AND AUTOMATION

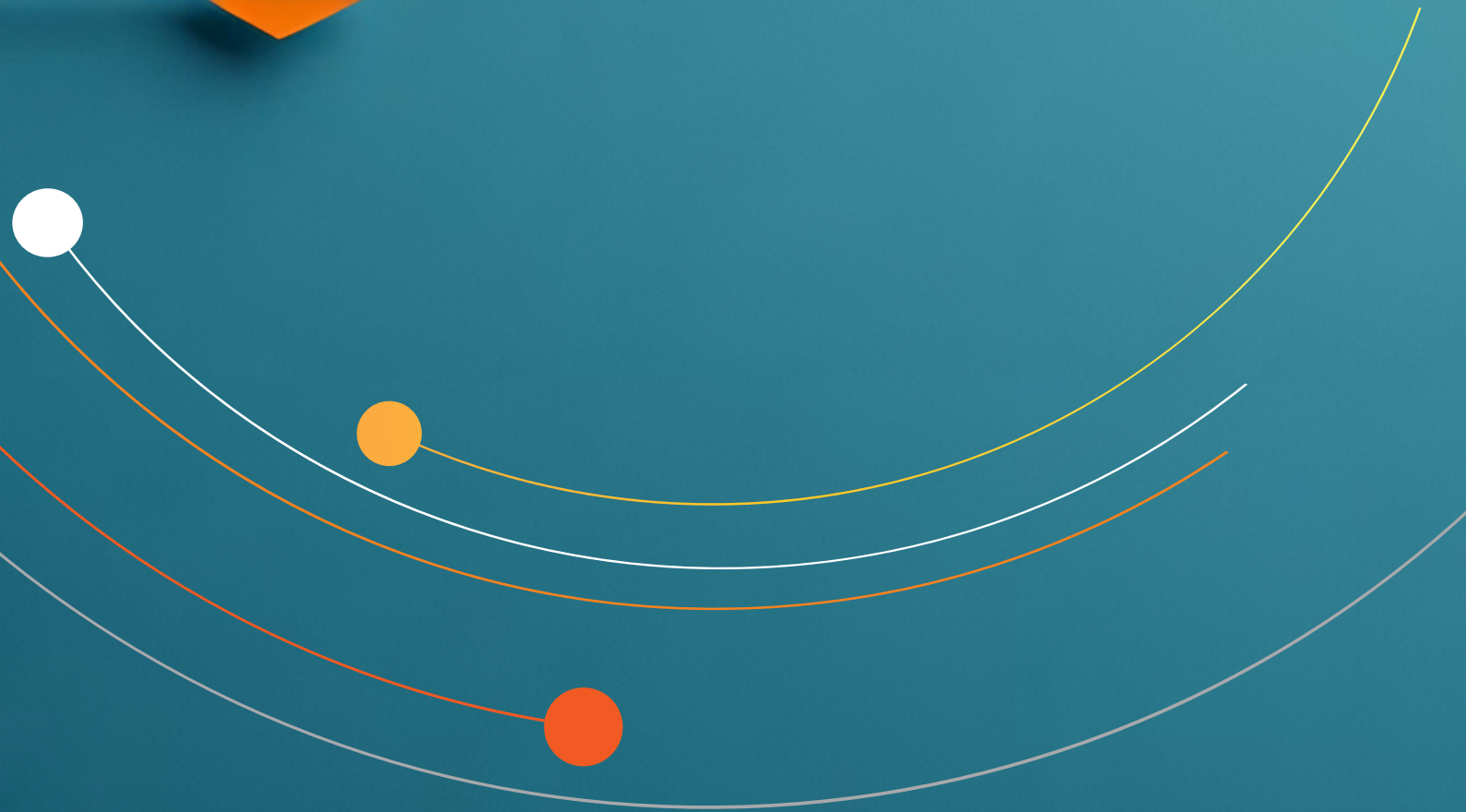
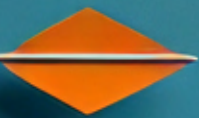
The Scheme also leveraged automation and digital tools to improve operational efficiency and reduce administrative overheads. The introduction of Microsoft Power Automate workflows, a new AI chatbot (SAMMY), and enhanced reporting tools supported faster claims-processing and improved fraud-detection capabilities.

Together, these interventions reflect SAMWUMED's commitment to delivering value to members while safeguarding the Scheme's financial health. As the health- care landscape continues to evolve, these cost-containment strategies will remain central to SAMWUMED's long-term sustainability agenda.



4.

RISK AND OPPORTUNITIES



SAMWUMED INTEGRATED RISK REPORT

1. EXECUTIVE SUMMARY

In 2024, SAMWUMED made measurable strides in embedding risk management across operational and strategic levels, with particular focus on IT infrastructure, cybersecurity readiness, and stakeholder continuity-planning. This Integrated Risk Report reflects the Scheme's evolving maturity, aligning practices with ISO 31000, COSO, and King IV principles to support governance, resilience, and value delivery.

Amid heightened sector-wide cyber risks and demographic shifts in membership, SAMWUMED has adopted a Risk Neutral posture - accepting risks only when strategically justified - and is actively advancing from a preliminary to an integrated risk maturity level. This report highlights the Scheme's key exposures, response strategies, and its commitment to transparent, accountable risk oversight in pursuit of long-term sustainability.

2. GOVERNANCE AND OVERSIGHT

Risk governance within SAMWUMED is structured around three tiers: the Board of Trustees, the Audit and Risk Committee, as well as the Risk Management Forum.

The Board of Trustees holds ultimate accountability for governance and risk oversight. It approves the organisation's risk appetite and ensures that risk practices align with the Scheme's strategic objectives.

The Audit and Risk Committee is responsible for overseeing the implementation of risk management across the organisation. It monitors emerging and residual risk trends, reviews reports from management and internal audit and ensures that effective control measures are in place through independent oversight.

The Risk Management Forum, chaired by the Head of Compliance, serves as the operational engine of risk governance. It reviews departmental risk submissions, maintains and updates the Risk Register, as well as monitors the progress of mitigation strategies.

3. RISK APPETITE AND MATURITY

SAMWUMED has adopted a Risk-Neutral posture, meaning that it will only accept risks that are justifiable in terms of potential value or strategic alignment. The Scheme's current risk maturity is rated as "Ad Hoc to Preliminary", with a clear roadmap to progress to an integrated level of maturity by 2028. This transition will involve embedding risk ownership, improving information flows, and ensuring decision-making is consistently informed by robust risk assessments.

4. KEY RISKS IDENTIFIED IN 2024

OPERATIONAL RISKS

RISK AREA	RESIDUAL RATING	KEY ISSUES	ACTIONS PLANNED/UNDERWAY
IT Infrastructure	13	Ageing servers and Wi-Fi impacting service delivery	Budget request for infrastructure upgrade or migration to hybrid cloud
Cybersecurity Threats	13	Data breach, ransomware, phishing, financial data loss	Darktrace implementation, firewall upgrade, penetration testing, cyber-awareness training
Member Demographics	8	Failure to attract younger, low-risk members	Enhanced retention strategy, sales restructuring
Solvency Risk	8	Declining solvency ratio with regulatory implications	Clinical strategy, disease risk management, risk-based capital model integration

STRATEGIC RISKS

RISK AREA	RESIDUAL RATING	KEY ISSUES	ACTIONS PLANNED/UNDERWAY
Stakeholder Interruption	13	Third-party business disruptions impacting Scheme continuity	DR/BCP testing, contractual assurances, engagement with Medscheme and WAR providers
Cybersecurity	10	Sector-wide cyber vulnerabilities impacting operations	Enhanced AI detection, PAM implementation, patch management, third-party monitoring
Reputation Risk	10	Social media backlash and poor online presence	Digital agency support, improved complaints handling
Membership	10	Members influenced to leave SAMWUMED	Improved communication and value demonstration to key employer groups
Regulatory Risk	8	Fraud, waste, and abuse (FWA) across departments	Monitoring via monthly FWA forums and adjusted benefit structures
Customer Anti-selection	7	Inability to underwrite under collective bargaining agreement	Revised underwriting strategy for new joiners in 2024, with reporting to BoT

5. RISK MANAGEMENT PERFORMANCE

The Risk Register was maintained and reviewed quarterly, with updated entries reflecting emerging trends and departmental inputs. Risk workshops were conducted with both the Board and senior management to refine risk perspectives and align mitigation efforts. Staff training remained ongoing, with increased emphasis on cybersecurity awareness and data protection protocols. Business Continuity Management (BCM) and Disaster Recovery (DR) plans are currently under development, with stakeholder-validation processes underway. Post-assessment reviews have led to measurable improvements in IT and cyber readiness through strategic software deployments and enhanced monitoring.

6. EMERGING RISKS AND TRENDS

Several evolving risk themes are actively being monitored within SAMWUMED. The increasing reliance on AI and automation demands more adaptive cybersecurity and data governance practices to protect against new vulnerabilities. Furthermore, upcoming reforms in the health care and medical scheme environments are expected to introduce new compliance burdens, thus making it critical for the Scheme to stay ahead of regulatory changes. The evolution of the workforce, particularly with the rise of remote work, presents challenges in maintaining service quality and employee engagement, which will require ongoing attention. Finally, climate and environmental risks, including extreme weather events, have the potential to disrupt operations and the health-care supply chain, thus demanding proactive mitigation strategies.

7. OUTLOOK AND RECOMMENDATIONS

Looking ahead, the Audit and Risk Committee has proposed the following key actions:

- Accelerate investment in IT infrastructure and cybersecurity systems to ensure resilience against emerging threats.
- Strengthen stakeholder engagement, particularly around disaster recovery and business continuity-planning.
- Promote risk ownership and accountability across all departments.
- Allocate strategic resources to support SAMWUMED's transition to an integrated risk maturity level by 2028.

8. CONCLUSION

SAMWUMED continues to adopt a proactive and forward-looking approach to risk management. The Scheme's commitment to transparency, sound governance, and continuous improvement ensures it is well-positioned to navigate future uncertainty while delivering long-term value to its members and broader stakeholder community.





5.


PERFORMANCE

PERFORMANCE

VALUE-CREATION AND PROTECTION ACROSS THE SIX CAPITALS


SAMWUMED's business model is designed to create sustainable value for its members and stakeholders by effectively managing and integrating six key capitals: financial, intellectual, manufactured, social and relationship, human, and natural capital.

1. Financial Capital



SAMWUMED maintains a strong financial position through prudent risk management, cost containment and investment performance. Strategic initiatives such as capitation agreements and benefit redesign have helped stabilize claims and improve affordability. Furthermore, a robust investment strategy is in place and implemented by management in collaboration with Asset Managers as directed by the Board. The strategies implemented considered the risk and returns of various instruments, surplus funds available and compliance with the Medical Schemes Act. The Scheme's investment portfolio delivered a return of **12,69%** for the year which far exceeded the Scheme's investment return target. The exceptional investment returns and savings from other strategic initiatives contributed to an overall surplus of **R14,3 million** for 2024 and a solvency ratio of **68,19%**, which is well above the statutory minimum.

2. Intellectual Capital



The Scheme invests in systems, processes, and institutional knowledge to drive innovation and operational excellence. Key initiatives include:

- A central knowledge repository to retain institutional memory
- Enhanced data analytics and reporting capabilities
- Continuous improvement of benefit design through actuarial and clinical insights

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3. Manufactured Capital

SAMWUMED's infrastructure supports efficient service delivery through:

- A national footprint of over 19 walk-in centres
- A hybrid IT environment with cloud migration and cybersecurity enhancements
- Facilities management that ensures compliance, safety, and sustainability at the Athlone head office

A circular icon with a white border containing an orange heart with two hands shaking inside it. A yellow line starts from the bottom of this icon and curves down the left side of the page, passing through the other icons.

4. Social and Relationship Capital

The Scheme fosters trust and loyalty through strong stakeholder relationships:

- Partnerships with municipalities, SAMWU, and service providers
- Community outreach initiatives such as wellness days, vaccination drives, and Mandela Day soup kitchens
- Member engagement through digital platforms, surveys, and education campaigns

A circular icon with a white border containing an orange silhouette of a person wearing a suit and tie. A yellow line starts from the bottom of this icon and curves down the left side of the page, passing through the other icons.

5. Human Capital

SAMWUMED nurtures a high-performance culture through:

- Targeted training and development programmes
- A performance management system aligned with strategic goals
- Diversity and inclusion, with a workforce that reflects South Africa's demographics

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6. Natural Capital

The Scheme is committed to environmental sustainability through:

- Energy-efficient infrastructure and LED lighting
- E-waste recycling and paper reduction initiatives
- Sustainable procurement practices and environmental risk mitigation in facilities management



6.

SCHEME OUTLOOK





SCHEME OUTLOOK

The current economic climate is characterised by major fluctuations on one hand and uncertainty on the other. These will have major implications for our members such as economic challenges affect their disposable income. Such a call for the Scheme to continue to ensure that it provides the desired benefit and service to members as there is always an alternative use for their limited resources.

SECTOR

The Scheme operates in a tough environment where there are financial challenges for employers (local government) owing to the pressures on the national government finances which in part are linked to the general economic difficulties. A consequence of the above is the limited ability to employ more staff, thus affecting membership growth in the sector.

Also, there is a challenge of ageing and an increase in disease burden which have negative consequences for the health-care costs for schemes in the sector. The above challenges call for measures to attract healthier members while sustaining the current pool of (healthy members).

SCHEME

The Scheme will continue to review its benefits and offering to our members to ensure that it is still aligned to their needs and offer the best value for money

As SAMWUMED enters the third year of its 2023 – 2027 strategic cycle, the Scheme's priorities for 2025 are focused on accelerating transformation, so deepening member value, and strengthening institutional resilience in the face of a rapidly evolving health-care landscape.

1. Membership Growth and Retention



The Scheme will intensify efforts to attract and retain members, particularly within the younger demographic. This includes the launch of new benefit options that are tailored to lifestyle and affordability needs, enhanced digital marketing campaigns, and the rollout of loyalty and referral programmes. A key focus will be on improving visibility at municipality level and leveraging SAMWU structures to drive recruitment.

2. Clinical Risk and Benefit Design Innovation



SAMWUMED will continue refining its benefit design to promote preventative care and member accountability. The Scheme plans to expand its Designated Service Provider (DSP) networks, implement a risk-sharing model with pharmacy partners, and enhance chronic disease management protocols. These initiatives aim to reduce curative care costs and improve health outcomes.

3. Digital Transformation and Automation



Building on the successful deployment of Microsoft Power Automate workflows and the NEXUS platform, 2025 will see the full rollout of the SAMMY AI chatbot and further automation of member onboarding and claims processes. These enhancements are expected to improve turnaround times, reduce administrative costs, and elevate the member experience.

4. Governance and Risk Maturity



The Scheme will prioritise the appointment of a dedicated Risk Specialist to drive the transition from an “Integrated” to a “Mature” risk management maturity level. This includes embedding risk metrics into performance contracts and expanding the regulatory universe to include emerging compliance areas.

5. Stakeholder Engagement and NHI Readiness



SAMWUMED will finalise and implement its stakeholder engagement plan, with a focus on employer groups, SAMWU leadership, and health-care providers. The Scheme will also continue participating in NHI policy forums and scenario-planning exercises to ensure strategic alignment with national reforms.

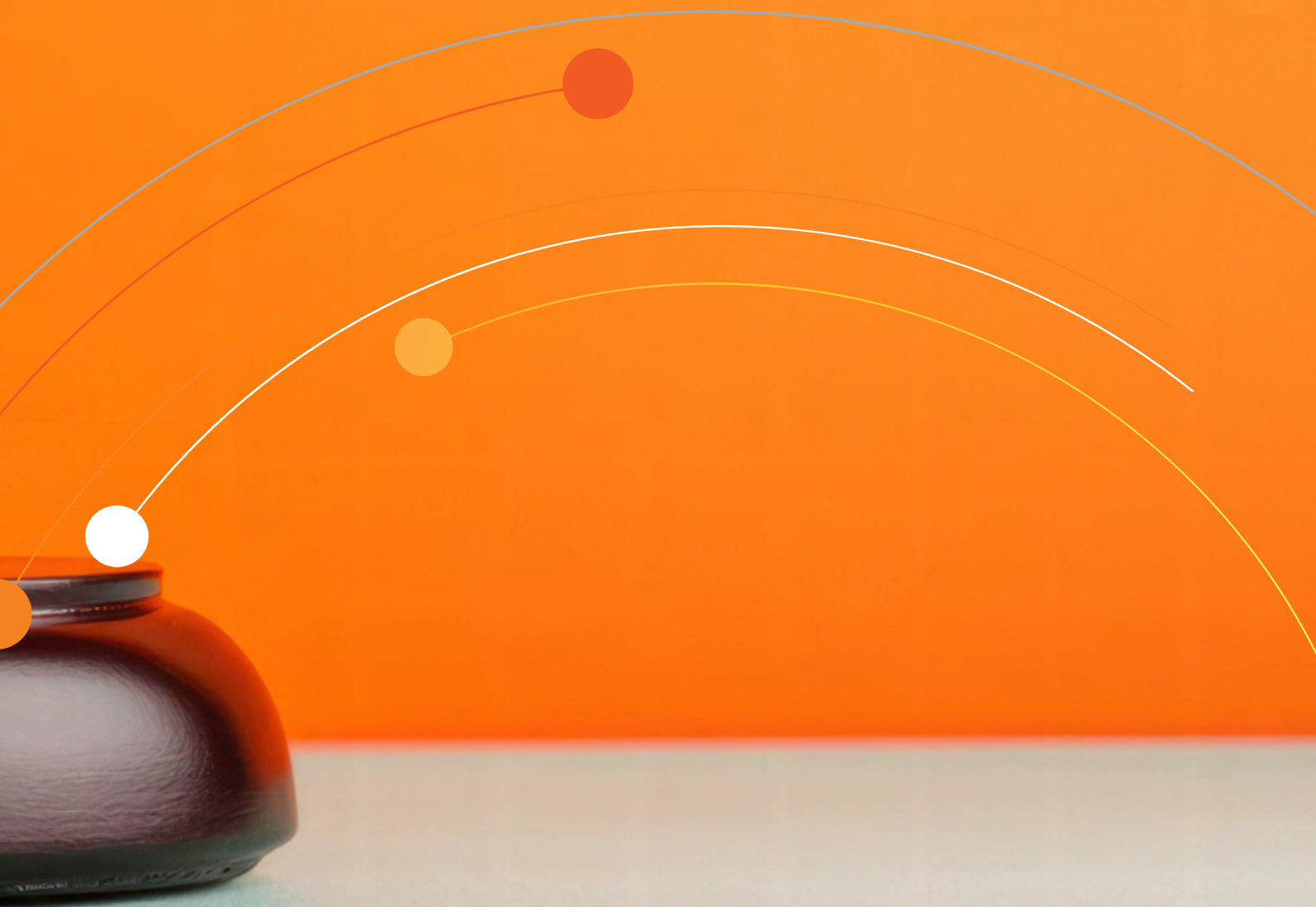
These priorities reflect SAMWUMED's commitment to delivering affordable, accessible, and high-quality health care while safeguarding the Scheme's long-term sustainability and relevance.



7.



GOVERNANCE



GOVERNANCE

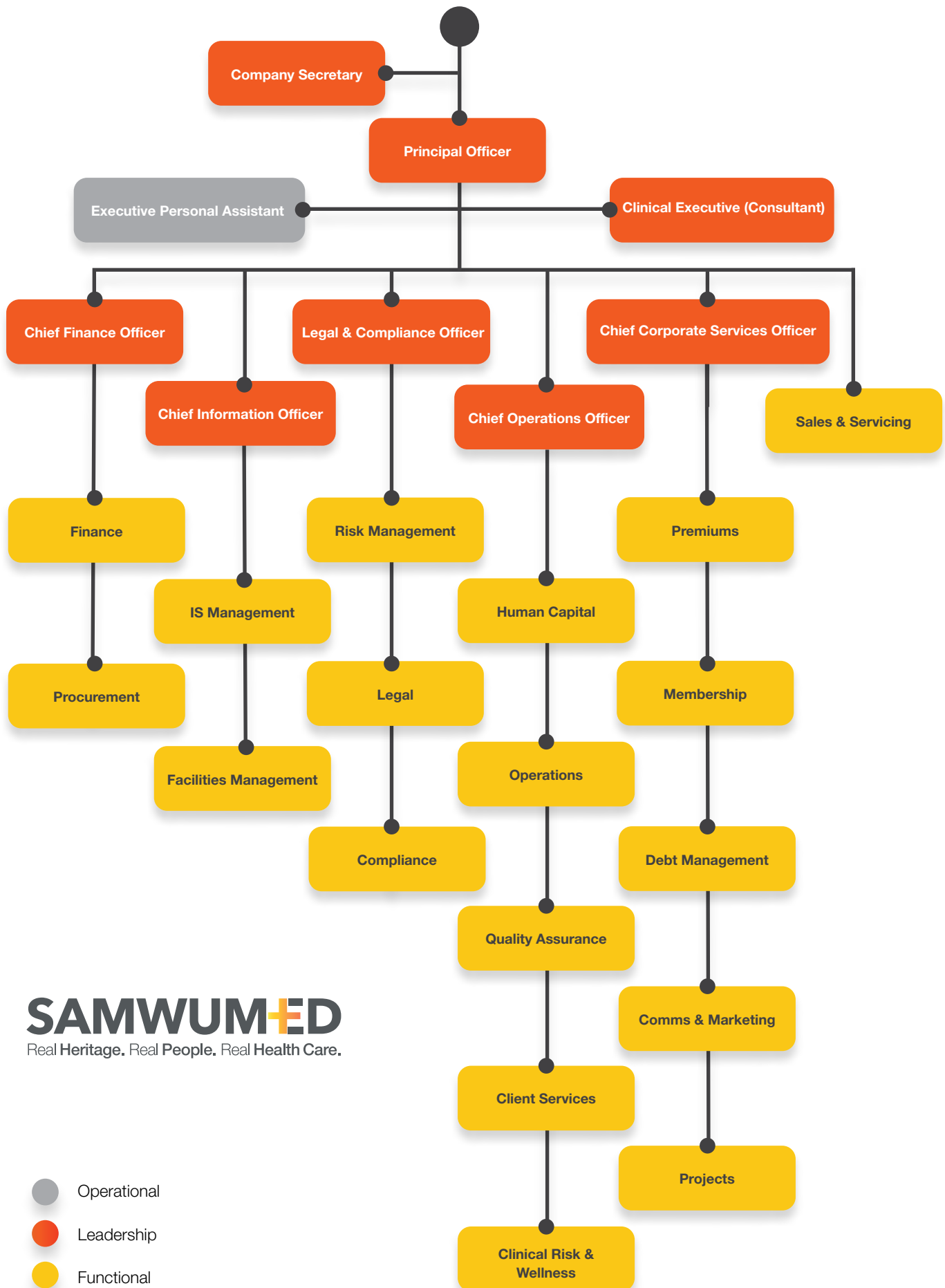
The Board of Trustees is entrusted with the fiduciary responsibility of governing the Scheme in accordance with the provisions of the Medical Schemes Act (No. 131 of 1998), its Regulations, the Registered Rules of the Scheme, and the principles of sound corporate governance.

The Board is committed to ethical leadership, transparency, and accountability in ensuring the long-term sustainability of the Scheme as well as the protection of members' interests. In fulfilling its oversight responsibilities, the Board is supported by a number of Board Committees, each established with specific mandates to address key governance areas. These include the **Audit and Risk Committee (ARC)**, **Benefit Review Committee (BENCOM)**, **Clinical Governance and Ex-Gratia Committee (CGC)**, **Finance and Investments Committee (FINCOM)**, as well as **Remuneration, Social and Ethics Committee (REMSEC)**, among others. Each Committee operates within a formally approved framework and reports regularly to the Board.

The reports that follow provide insight into the activities, deliberations, and outcomes of each Committee over the reporting period, demonstrating how governance mechanisms have supported the achievement of the Scheme's strategic objectives while ensuring compliance and effective risk management.



BOARD OF TRUSTEES



SAMWUM+ED
Real Heritage. Real People. Real Health Care.

BOARD OF TRUSTEES

The Board of Trustees is appointed in terms of the Scheme Rules. Six (6) members are member elected and four (4) are Union appointed. The below sets out the composition of the SAMWUMED Board of Trustees.



Lindani Sibiya
Chairperson
(Member elected)



Mampho Marule
Deputy Chairperson
(Member elected)



Molwanta Ishmael Solomon
(Trade Union appointed)



John Simphiwe Mcanjana
(Trade Union Appointed)



Monwabisi Langa
(Trade Union appointed)



Mthokozisi Nzuza
(Member elected)



Nandipha Bhozo
(Member elected)



Rose Letsoalo
(Member elected)



Sharon Dube
(Member elected - Pensioner
Trustee)



Siyabonga Dladla
(Trade Union appointed)

REPORT OF THE AUDIT AND RISK COMMITTEE

PURPOSE

SAMWUMED's Audit and Risk Committee is a committee of the Board of Trustees. The Board is responsible for setting principles, policies and parameters. The Audit and Risk Committee is responsible for overseeing the strategic implementation of such principles, policies and parameters, as well as advising the Board accordingly. The Committee has adopted formal Terms of Reference approved by the Board of Trustees and has satisfied its responsibilities for the year, in compliance with the Terms of Reference. One of the significant responsibilities of this Committee is to oversee the financial reporting process and the audit. SAMWUMED implements the functions of an Audit Committee and those of a Risk Committee in an integrated manner.

COMPOSITION

The Audit and Risk Committee has three Independent Members who are not Members of the Board nor employees of SAMWUMED, and two Members who are also Members of the Board of Trustees. The Chairperson and the Independent Members of the Audit and Risk Committee are specialists in this field. The table below summarises the qualifications and experience of the Committee Members.

Qualifications and experience of independent Audit and Risk Committee Members

INDEPENDENT MEMBERS	HIGHEST QUALIFICATION	YEARS OF EXPERIENCE
Mr CM Phehlukwayo (Chairperson as from November 2020)	<ul style="list-style-type: none"> B. Compt (Unisa) PGDA (Natal) CA (SA) 	33
Ms Fikile Mkhize (Member as from November 2020)	<ul style="list-style-type: none"> B. Comm (Natal) MBL (Unisa), Applied Directorship Programme (Sirdar) 	30
Mr Patrick Ganesan (Member as from November 2020)	<ul style="list-style-type: none"> BSC (UKZN) CISA, CRISC, CISM, CGEIT, CDPSE 	23

TRUSTEE MEMBERS	HIGHEST QUALIFICATION	YEARS OF EXPERIENCE
Mr Mthokozisi Nzuza (Member as from September 2020)	<ul style="list-style-type: none"> B. Admin (Hons - University of Zululand, Project Management Certificate (University of Pretoria), Municipal Finance Management Programme (University of Pretoria) 	23
Mr Ishmael Solomon (Member as from September 2020)	<ul style="list-style-type: none"> National Certificate: Water and Wastewater Treatment Process Operations Former PR Councillor for Frances Baard District Municipality Former ANC Branch Chair and SAMWU Provincial Chair 	23

The Principal Officer and Senior Management are standing invitational Members of the Committee. The Committee operates

REPORT OF THE AUDIT AND RISK COMMITTEE (CONTINUED)

in accordance with written Terms of Reference that are approved by the Board of Trustees.

The Committee met five times during 2024. All meetings were held virtually:

- 28 February 2024
- 27 June 2024
- 28 June 2024
- 9 September 2024
- 12 November 2024

ROLES AND RESPONSIBILITIES OF THE SAMWUMED AUDIT AND RISK COMMITTEE

The roles and responsibilities of the SAMWUMED Audit and Risk Committee are as follows:

- Overseeing the financial reporting process to ensure credibility, integrity and objectivity. The Audit and Risk Committee seeks reasonable assurance that financial disclosures made by Management are objective, complete and timely. This indicates SAMWUMED's financial position as well as the results of operations, plans and long-term commitments.
- Overseeing that the Internal Audit Division performs its responsibilities effectively and efficiently.
- Ensuring that the External Audit process maintains integrity and ensuring that the external auditors are independent
- Reviewing and monitoring the Scheme's risk management progress and maturity, the effectiveness of risk management activities, the key risks faced by the institution, and the responses to such risks.
- Ensuring that a combined assurance model is applied to provide a coordinated approach to all assurance activities.
- Ensuring that the Board of Trustees is aware of any matters that may have a significant impact on the financial situation or affairs of SAMWUMED and reports.
- Monitoring and determining whether the internal control recommendations made by the internal and external auditors were implemented by Management.

The Committee complied with its legal, regulatory and all other responsibilities during the period under review. The Committee has a transparent and good working relationship with the Chief Financial Officer who is the Executive in charge of the Finance function.

AUDITOR INDEPENDENCE

The Audit and Risk Committee is satisfied that SAMWUMED external auditors were sufficiently independent of the institution.

ANNUAL FINANCIAL STATEMENTS AND ACCOUNTING PRACTICES

The Audit and Risk Committee is satisfied that the Annual Financial Statements for the year ending 31 December 2024 were fairly presented and that appropriate accounting policies were applied and accordingly recommended them to the Board of Trustees for their approval.

INTERNAL FINANCIAL CONTROLS

The Audit and Risk Committee continually monitors that all internal control recommendations by the auditors are implemented timeously. In this regard, the Committee is satisfied that the internal financial control environment is adequate, effective and sufficiently responsive to identified weaknesses.

ENTERPRISE-WIDE RISK MANAGEMENT

SAMWUMED established an Enterprise-wide Risk Management Function during 2022.

A Risk Management Forum was established during 2022 and continues in the successful execution of its intended activities to date. This Forum is responsible for the maintenance and upkeep of the Scheme's Operational Risk Register and discusses operational risks during its monthly meetings.

The Scheme's approved Risk Management Framework is reviewed on an annual basis and acts as the over-arching guide for the roll out of the Scheme's Enterprise Risk Management Function. Additionally, the Scheme's Strategic Risk Register is updated quarterly upon evaluation by the Scheme's Executive Committee before presentation to the Audit and Risk Committee.



MR CM PHEHLUKWAYO

CHAIRPERSON: Audit and Risk Committee

BENEFIT REVIEW COMMITTEE: BENCOM

PURPOSE

BENCOM serves as a technical advisory body to the Board and is responsible for recommending annual rule amendments that are related to benefits and contributions. Using data and relevant information, it ensures that changes balance member needs with the Scheme's financial sustainability.

The Committee supports the Board in maintaining appropriate benefit structures and pricing, aligned with the Scheme's long-term philosophy and solvency targets. It convenes from June to August each year to finalise recommendations so ensuring compliance with the Council for Medical Schemes' 30 September submission deadline.

COMPOSITION AND MEETING ATTENDANCE:

- The Committee's Charter states that BENCOM consists of the following:
 - Clinical Risk Manager (who serves as the Chairperson of BENCOM)
 - The Chairperson of the Board of Trustees
 - Four trustees
 - Principal Officer
 - Compliance Officer (ex-officio)
- The Committee met four (4) times during 2024, on the following dates:
 - 17 May 2024
 - 20 June 2024
 - 11 July 2024 and
 - 26 August 2024

NAME	ROLE	DATE OF APPOINTMENT	MEETINGS ATTENDED
Dr A Good	Chairperson/Clinical Executive	September 2020	4/4
Mr L Sibiya	Member/ Board of Trustees Chairperson	September 2020	4/4
Ms N Bhozo	Member/Trustee	September 2020	4/4
Ms MR Letsoalo	Member/Trustee	September 2021	4/4
Mr S Dladla	Member/Trustee	May 2023	3 ¹ / ₄
Mr N Langa	Member/Trustee	May 2023	4/4
Ms M F Mosoeu	Ex Officio/Principal Officer	September 2020	4/4
Ms A Le Roux	Ex Officio/Compliance Officer	September 2020	4/4

KEY FOCUS AREAS IN FY2024

BENCOM reviewed proposed contribution increases and benefit changes for 2025. Key resolutions included the implementation of a Specialist Network that was contracted at the Scheme rate, the introduction of a new Dialysis Network with a 25% non-network co-payment, and a tariff increase for network Obstetricians and Gynecologists. No changes were made to the Over-The-Counter (OTC), Oncology, or Vitamin Benefits. Upon the recommendation of BENCOM, supported by the Scheme's actuaries and Managed care partners, the Scheme combined General Practitioner (GP) and Specialist benefits on Option A and it limited the overall family spend to R3 000 on Option A and R5 000 on Option B. Option A was converted to a Savings Option.

¹Absent – 20 June 2024

BENEFIT REVIEW COMMITTEE: BENCOM (CONTINUED)

BENCOM conducted its annual self-assessment to evaluate its effectiveness, identify areas for improvement, and ensure alignment with governance of best practices and organisational goals. The assessment is a tool used to promote accountability, support continuous improvement, and ensure that the committee remains responsive to the evolving needs of the Board and the Scheme.

PLANNED FOCUS AREAS IN FY2025

In 2025, BENCOM will continue to strengthen patient safety, health-care quality, and clinical risk management. Key focus areas or activities for the committee include overseeing clinical audits, reviewing clinical policies, monitoring adverse events, supporting professional development and credentialing, as well as promoting a culture of ethics, transparency, and evidence-based practice.

Priority areas for 2025 include advancing care coordination and promoting community-centric models that address social determinants of health. The Scheme will focus on implementing an evidence-based benefit design that empowers members to take greater responsibility for their

health, while maintaining members' choice of health-care providers with clear communication regarding any cost implications.

It will also focus on promoting member health through wellness and disease prevention initiatives that will also remain a key focus area, alongside stronger collaboration with employers, national health services, and broader healthcare infrastructure.

Affordability and care coordination will continue to be emphasised, so ensuring specialist access that will be managed through primary care referrals and benefit design that is targeted at essential, cost-effective health-care services.

Robust clinical and member risk management strategies will continue to be enhanced, with strict compliance to the Scheme Rules and regulatory requirements. The Scheme will strive to uphold strong partnerships with practitioners and facilities. This will continue to be fostered to secure member benefits and manage health-care costs effectively.

CLINICAL GOVERNANCE COMMITTEE: CGC

PURPOSE

The Clinical Governance Committee (CGC) supports the Board by assessing, approving, and reporting on ex gratia payments, in line with Rule 26.14 of the Scheme's Rules. The CGC also serves as the Scheme's clinical governance framework, so promoting continuous quality improvement and maintaining high standards of care. Additionally, the Committee advises on benefit design, informed by clinical trends identified through ex gratia applications.

COMPOSITION AND MEETING ATTENDANCE:

- The Committee's Charter states that CGC shall consist at a minimum of the following members:
 - One Independent member
 - One Board of Trustee Member
 - The Principal Officer (ex officio)
 - The Scheme's Clinical Risk Executive
- The Committee met five times during 2024, on the following dates:
 - 7 March 2024
 - 19 March 2024 (continuation of 7 March 2024)
 - 26 June 2024
 - 29 August 2024 and
 - 30 October 2024

NAME	ROLE	DATE OF APPOINTMENT	MEETINGS ATTENDED
Dr M Majatladi	Chairperson/Independent Committee Member	November 2020	3 ² /5
Dr A Good	Acting Chairperson/Clinical Executive	May 2022	4 ³ /5
Ms S Dube	Trustee	September 2020	5/5
Ms F Mosoeu	Ex Officio/Principal Officer	September 2020	4 ⁴ /5
Ms A Le Roux	Ex Officio/Compliance Officer	September 2020	5/5
Dr V Mamela	Acting Chairperson/Independent Committee Member	October 2024	1 ⁵ /5

KEY FOCUS AREAS IN 2024

In 2024, the Clinical Governance Committee (CGC) addressed several key clinical risks and operational challenges. Claims, hospital, and specialist costs continued to rise above inflation, placing pressure on Scheme reserves. Additional concerns included rising costs in pathology, radiology, mental health, dialysis, cancer, and remedial therapy services, as well as the financial impact of Prescribed Minimum Benefits (PMB) interpretations.

The Scheme focused on improving chronic disease outcomes, managing member behaviour and anti-selection, so optimising managed care processes; strengthening fraud, waste, and abuse (FWA) controls; enhancing operational integration and preparing for future pandemics. Member education around clinical risk management also remained a priority.

²Resigned after meeting of 26 June 2024

³Appointed Acting Chairperson for the meeting of 29 August 2024 however subsequently passed away

⁴Absent 26 June 2024

⁵Appointed as Acting Chairperson at the meeting of 30 October 2024

CLINICAL GOVERNANCE COMMITTEE: CGC (CONTINUED)

CGC monitored key projects that included claims ratio monitoring, masterfile management, FWA interventions, the PMB mandate, data management (Big Data project), referral process improvements, Scheme Rule updates, a General Practitioner (GP) model framework, underwriting enhancements, and support for the annual benefits review, which is driven by the Benefit Review Committee (BENCOM).

The Scheme continued to implement its Clinical Risk Management (CRM) Strategy, so emphasising provider choice with associated cost responsibility, member health promotion, collaboration with health-care infrastructure, care coordination (notably through GP nomination and a specialist network), evidence-based funding aligned to Scheme Rules, and ensuring long-term affordability.

PLANNED FOCUS AREAS IN 2025

- In 2025, CGC will continue to oversee key managed care activities to ensure clinical quality, cost-efficiency, and member well-being. Monitoring priorities including the following:
 - Tracking Scheme demographics and higher chronic disease registrations
 - Reviewing hospital admissions, utilisation rates, and hospital-related costs
 - Monitoring the Scheme's top three cost drivers on a quarterly basis
 - Assessing hospital network performance, efficiency scores, and overall savings
 - Evaluating family practitioner and pharmacy network access and efficiency
 - Reviewing outcomes-based disease management, focusing on diabetes interventions, adherence, and clinical results
 - Analysing quarterly actuarial reports covering financial results, claims experience across options, hospital and professional fee trends, high-cost cases, day-to-day claims, and ex gratia applications

FINANCE AND INVESTMENT COMMITTEE REPORT

PURPOSE

The Finance and Investment Committee is a committee of Board of Trustees with a mandate to assist the Board with fulfilling its oversight responsibilities, including monitoring the Scheme's investment decisions and activities and its financial performance. The Committee's mandate is outlined in a written Charter.

The Committee consists of five Members, three being Members of the Board of Trustees and two Independent Committee Members who are not officers of the Scheme. The Chairperson of the Committee is the Board of Trustees Chairperson as per the approved Committee Charter.

COMPOSITION OF THE FINANCE AND INVESTMENT COMMITTEE:

NAME	DATE OF APPOINTMENT
Mr L Sibiya (Chairperson – Trustee)	Appointed September 2020
Mr M Marule (Committee Member – Trustee)	Appointed March 2022
Mr J Mcanjana (Committee Member – Trustee)	Appointed September 2023
Mr J. Mbonani (Independent Committee Member)	Appointed November 2020
Mr A. Wakaba (Independent Committee Member)	Appointed November 2020

FINANCE AND INVESTMENT COMMITTEE REPORT (CONTINUED)

The Committee met four times during the year where the Executive Team and Management were invited to all the meetings. The meetings of the Committee were held on the following dates:

- 12 March 2024 (quarterly meeting)
- 22 May 2024 (quarterly meeting)
- 13 August 2024 (quarterly meeting)
- 4 November 2024 (quarterly meeting)

ROLES AND RESPONSIBILITIES OF THE FINANCE AND INVESTMENT COMMITTEE

INVESTMENT POLICY STATEMENT

The Committee monitored the investment activities of Scheme against the Investment Policy Statement taking into consideration the circumstances of the Scheme, the operational environment and the investment portfolio performance during the year under review.

Below are the investment objectives as detailed in the Investment Policy Statement:

- Maintain sufficient liquidity levels to pay all benefits and operating expense commitments as these fall due.
- Investment in instruments approved by the Scheme.
- Make adequate provision for possible long-term adverse claims experience.
- Minimise the risk of capital loss or fluctuations in capital values during any 12 months.
- Achieve an annualised overall investment return above the Consumer Price Index ("CPI").
- Maintain an appropriately diversified investment strategy.
- Be compliant with the Act and the Regulations of the Act.
- Maximise investment returns through a prudent investment strategy.
- Maximise investment returns within the accepted risk profile.

The Committee is comfortable that these objectives have been observed in the conduct of the Scheme's investment activities.

MONITORING OF INVESTMENT PERFORMANCE

The Committee reviewed the investment portfolio with particular focus on the structure, the asset managers and the performance of the portfolio. It was comfortable with structure and balancing of portfolio and believes that it is aligned to the strategic objectives of the Scheme, the Investment Policy Statement and MSA regulations.

As part of the review of the asset managers, the Scheme terminated the mandate of the asset manager, Allan Gray and replaced it with Coronation Fund Managers. With respect to the performance of the portfolio, the Committee received and reviewed various report by Management, the asset managers and the Investment advisor.

Despite major fluctuations in the market, the Scheme's investment portfolio performed well and delivered against the set budgets.

The performance of the various asset managers and the Investment advisor was reviewed, and the Committee is comfortable that they have delivered on their mandates and performed their duties with due care and professionalism within the prescribed regulatory requirements.

REVIEW OF FINANCIAL ACTIVITIES/ OPERATIONS

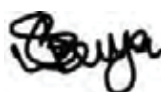
The Committee received and reviewed various financial reports, including the Annual Financial Statements. The Committee is pleased with the financial results of the Scheme where a surplus was achieved against a budgeted deficit, which ended two consecutive years of deficits. While this is a major milestone, the Committee will continue to monitor the performance to ensure that the positive financial results are sustained, and the fortunes of Scheme are improved. As part of its mandate, the Committee reviewed and recommended the budgets of the following year to ensure that they aligned with the Scheme's strategy.

SUBMISSION OF STATUTORY RETURNS

The Committee has confirmed that the Scheme has submitted all due statutory returns in compliance with the Medical Schemes Act, 131 of 1998.

CONCLUSION

The Committee believes that it has successfully discharged its mandated duties and served the best interests of the Scheme and its Members ethically and lawfully, and in accordance with the principles and values that the Scheme seeks to affirm and promote.



LINDANI SIBIYA

CHAIRPERSON: Finance and Investment Committee

REMUNERATION, SOCIAL AND ETHICS COMMITTEE

PURPOSE

The Committee is tasked with assisting the Board of Trustees to set out guidelines and have an open and transparent model of remuneration which is in line with the legislative framework and the rules of the Scheme. The Committee leads a formal process to establish fair, reasonable, and transparent models of remuneration for employees and independent Committee members in the short-, medium-, and long-term interest of the Scheme.

It is also mandated to assist the Board with creating value in a sustainable manner taking into consideration the triple context of the economy, society, and natural environment within which the Scheme operates. The Committee consists of three members. The Chairperson of the Committee and the two other members of the Committee are independent members and not officers of the Scheme.

COMPOSITION OF THE REMUNERATION, SOCIAL AND ETHICS COMMITTEE:

NAME	DATE OF APPOINTMENT
Ms L Ndziba (Independent Member)	Appointed July 2023
Ms N Madiba (Independent Member)	Appointed November 2020
Mr N Qwabe (Independent Chairperson)	Appointed November 2020

The Committee held quarterly meetings and special meetings virtually as well as a workshop, which was a physical meeting:

- 20 March 2024 (quarterly meeting)
- 13 June 2024 (quarterly meeting)
- 5 August 2024 (special meeting)
- 8 August 2024 (special meeting)
- 20 August 2024 (quarterly meeting)
- 11 September 2024 (special meeting)
- 24 October 2024 (quarterly meeting)
- 2 December 2024 (workshop)

The Committee carried out its duties by:

Reviewing and overseeing the implementation of the remuneration policy and other human resources policies.

The Committee reviewed the remuneration policy of the Board of Trustees and several other Human Resources policies. It recommended these policies for approval by the Board of Trustees. During the committee workshop with management, a total of 10 HR policies were reviewed. The committee considered and recommended the BOT and committees fee adjustments. The Committee also reviewed management's salary increase proposals that formed part of the wage negotiations with the union.

Compiling the job descriptions of senior staff members directly employed by the Scheme.

Management embarked on a project to rewrite job descriptions for all staff and monitored the job description project until it was completed.

REMUNERATION, SOCIAL AND ETHICS COMMITTEE (CONTINUED)

Reviewing the performance measures of the BOT and senior staff

The Committee considered the BOT self-assessment that measures its performance against the BOT charter. It conducted its own assessment and identified areas of improvement including ongoing skills development of the committee members. The committee also considered and made recommendations regarding the conversion of indefinite contracts of executives to fixed-term contracts.

Evaluating the balance of skills, knowledge and experience on the BOT.

A skills audit for the BOT and committees was conducted by management. help identify skill gaps for the BOT and committee members.

Ensuring that plans are in place in respect of succession of appointments.

The Committee was given assurance by management that a succession plan was being finalised and would be presented in the following year. The Committee considers succession as a critical aspect of the future sustainability of the Scheme.

Developing an annual work plan

The committee developed an annual work plan which guided the committee's work.

Monitoring the Scheme's activities in relation to Social and Economic development, good corporate citizenship, the environment and health

The Committee considered and provided input to the Scheme's Broad Based Black Economic Empowerment (BBBEE) philosophy. The committee noted that the Scheme has implemented a process to monitor and evaluate the progress of the Broad Based Black Economic Empowerment initiatives. The initiatives focused on procurement and recruitment.



MR N QWABE

CHAIRPERSON: Remuneration, Social and Ethics Committee



8.

SUMMARY OF ANNUAL FINANCIAL STATEMENTS

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business	SAMWUMED is a self-administered medical scheme registered with the Council for Medical Schemes in Compliance with the Medical Schemes Act 131 of 1998.
Board of trustees	N Bhozo S Dube R Letsoalo M Marule G M Nzuzo L Sibiya M I Solomon S Dladla M Langa J Mcanjana
Registered office	Cnr. Lascelles Road and Trematon Street Athlone 7764
Postal address	P.O. Box 134 Athlone Cape Town 7760
Banker	First National Bank a division of First Rand Bank Limited
Auditor	PricewaterhouseCoopers Inc. Registered Auditor
Scheme Registration number	394
Attorney	Malatji and Co. Attorneys
Level of assurance	These summarised financial statements have been audited in compliance with the applicable requirements of the IFRS® Accounting Standards and the Medical Scheme's Act (No.131 of 1998) of South Africa.

INDEX

The reports and the statements set out below comprise the Summarised financial statements presented to the members of the Scheme:

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REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees hereby presents its report for the year ended 31 December 2024.

Registration number: 394

1. DESCRIPTION OF THE MEDICAL SCHEME

1.1. Terms of registration

SAMWUMED (the Scheme) is a non-profit restricted medical scheme registered in terms of the Medical Schemes Act 131 of 1998 (the Act) as amended.

1.2. Benefit options within SAMWUMED

The Scheme issues two benefit options to members:

- Option A
- Option B

The risk management strategy of the scheme is to manage the scheme and the benefit options as a whole while adhering to the Medical Schemes Act of South Africa no 131 of 1998 as amended (MSA). Scheme management applied their judgement and concluded that based on the risk management and how the benefit options are managed and priced that the scheme has one portfolio in terms of IFRS 17 and that it is a Mutual entity for the purposes of financial reporting.

2. INVESTMENT STRATEGY OF THE MEDICAL SCHEME

The Scheme's investment objectives are to maximise the return on its funds on a long-term basis at minimal risk. The investment strategy takes into consideration both the requirements set by legislation and those imposed by the Board of Trustees.

All investments decisions are approved by the Board of Trustees based on the following holding true:

- the Scheme remains liquid.
- investments are placed at a minimum risk and the best possible rate of return.
- investments are made in compliance with the Regulations of the Act; and
- premised on our commitment and contribution to a just and fair society.

During the year under review the Scheme has placed a portion of its funds under asset management and in call deposits. The Schemes investment policy is reviewed taking into consideration compliance with the Act, the risk and returns of various investment instruments and the surplus funds available.

3. MANAGEMENT OF INSURANCE RISK

The primary insurance activity carried out by the Scheme assumes the risk of loss from members and their dependents that are directly subject to the risk. This risk relates to the healthcare needs of Scheme members. As such the Scheme is exposed to the uncertainty surrounding the timing and severity of claims under the insurance contract.

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

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

4. MANAGEMENT

4.1. Board of Trustees

The Board of Trustees is appointed in terms of the Scheme Rules. There were no changes in the composition of the Board of trustees during the year under review.

TRUSTEES	DESIGNATION
L Sibiya	(Chairperson - member elected)
S Dube	(Pensioner trustee)
M Marule	(Member elected)
N Bhozo	(Member elected)
R Letsoalo	(Member elected)
M Nzuza	(Member elected)
MI Solomon	(Trade union Appointed)
S Dladla	(Trade union Appointed)
M Langa	(Trade union Appointed)
J Mcanjana	(Trade union Appointed)

Governance matters

The Scheme Board of Trustees are elected as per Scheme rule number 24.1 to 24.8

4.2. Principal Officer

M.F. Mosoeu

Cnr. Lascelles Road and Trematon Street
Athlone
7764

P.O Box 134
Athlone
7760

4.3. Registered office address and postal address

Cnr. Lascelles Road and Trematon Street
Athlone
7764

P.O Box 134
Athlone
7760

4. Management (continued)

4.4. Actuaries

Insight Actuaries & Consultants	Private Bag X17
2 nd Floor Gateway West	Halfway House
22 Magwa Crescent	1685
Waterval City Midrand	
2066	

4.5. Auditor

PricewaterhouseCoopers Inc.	P.O Box 2799
5 Silo Square	Cape Town
V & A Waterfront	8000
Cape Town	
8002	

4.6. Asset managers

4.6.1. Coronation Life Assurance Company Limited

7 th Floor	P.O. Box 44684
Montclare Place	Claremont
Cnr Campground & Main Roads	7735
Claremont	
7708	
FSP 49893	
Appointed – 01 November 2024	

4.6.2. Argon Asset Management (Proprietary) Limited

1 st Floor - Colinton House
The Oval
1 Oakdale Road
Newlands
7700
FSP 835

4. Management (continued)

4.6.3. M & G Investments Southern Africa (Pty) Ltd

5th Floor - Protea Place
Protea Place
40 Dreyer Street
Claremont
7700
FSP 45199

P.O. Box 44813
Claremont
7735

4.6.4. Ninety-One Fund Managers SA (RF) (Proprietary) Limited

36 Hans Strijdom Avenue
Cape Town
8001
FSP 587

P.O. Box 1826
Cape Town
8000

4.6.5. Mazi Asset Management (Proprietary) Ltd

4th Floor North Wing
90 Rivonia Road
Sandton
2196
FSP 46405

P.O. Box 784583
Sandton
2146

4.6.6. Allan Gray Life Limited

1 Silo Square
V&A Waterfront
Cape Town
8001
FSP 6663
Terminated – 31 October 2024

P.O. Box 51318
Cape Town
8002

4.6.7. STANLIB Collective Investments (RF) (Proprietary) Ltd

17 Melrose Boulevard
Melrose Arch
2196
FSP 719

P.O. Box 202
Melrose Arch
2076

4. Management (continued)

4.6.8. Aluwani Capital Partners (Proprietary) Ltd

EPPF Office Park	Private Bag 9959
24 Georgian Crescent East	Sandton
Bryanston East	2152
2152	
FSP 46196	

4.6.9. Investment Consultant

Old Mutual Corporate Consultants	PO Box 2444
2 Oxbow Crescent	Saxonwold
The Estuaries	2132
Century City	
7441	

4.7. Fixed and Call Account Managers

4.7.1. Rand Merchant Bank

1 Merchant Place
Cnr. Fredman Dr & Rivonia
Sandton
2196
FSP 624

4.7.2. Standard Bank Limited

10th Floor The Tower
Tower North
Cape Town
8001
FSP 11287

5. ACTUARIAL SERVICES

During the financial year the Scheme’s actuaries were Insight Actuaries & Consultants. They were consulted in the determination of the contribution increases and the benefit levels of the Scheme. The actuarial services were secured on a retainer basis for the year under review. The work also included conducting risk assessments claims analysis budget reviews; and the IFRS 17 requirements for Best Estimate of Liabilities (BEL) Risk Adjustments (RA) thereon and the Liability for Incurred Claims (LIC) and Liability for Remaining Coverage (LRC); and finally, the IAS 19 valuation of the retirement benefit obligations.

6. GUARANTEES RECEIVED BY THE SCHEME FROM A THIRD PARTY

There are no guarantees received by the Scheme from a third party.

7. INVESTMENT IN AND LOANS TO PARTICIPATING EMPLOYERS AND OTHER RELATED PARTIES

The Scheme holds no investment in the participating employers of the Scheme’s members.

8. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The liability for future members increased R14 312 008 as of 31 December 2024. This represented an increase of 119.36% compared to a deficit of R73 769 759 in the prior year.

The Scheme's insurance revenue increased by 6.09% from R1 836 522 553 in the prior year, to R1 948 447 950 for the period ending 31 December 2024.

8.1. Operational statistics per option

2024	OPTION A	OPTION B	TOTAL
Number of members at year end	12 868	20 017	32 885
Number of dependents at year end	12 268	23 755	36 023
Number of beneficiaries at year end	25 136	43 772	68 908
Average number of members for the year	12 979	20 338	33 317
Average number of dependents for the year	12 378	24 397	36 775
Average number of beneficiaries for the year	25 357	44 734	70 091
Number of new members	367	623	990
Number of members leaving the Scheme	813	1 428	2 241
Average age of principal members	49	50	49
Average age of beneficiaries	35	35	35
Insurance revenue (IR) pabpm*	1 928	2 540	2 317
Insurance service expense (ISE) pabpm*	2 060	2 647	2 433
Relevant healthcare expenditure incurred pabpm*	2 175	2 750	2 540
Directly attributable insurance expenses (DAE) pabpm*	115	103	107
Insurance service expense (ISE) ratio	106.90%	104.20%	105.03%
Relevant healthcare ratio	97.80%	98.10%	97.98%
Directly attributable insurance expense (DAE) ratio	5.97%	4.05%	4.63%
Pensioner ratio at year end	5.06%	5.10%	5.08%
Dependent ratio to members at year end	1.0	1.2	1.1
Return on investments as percentage of investment			12.69%
Solvency Ratio			68.19%

* These figures are Rand denominated.

Averages are calculated using the sum of the 12 months' actual month-end membership divided by 12.

8. Review of financial results and activities (continued)

8.1. Operational statistics per option

2023	OPTION A	OPTION B	TOTAL
Number of members at year end	13 314	20 822	34 136
Number of dependents at year end	12 757	25 842	38 599
Number of beneficiaries at year end	26 071	46 664	72 735
Average number of members for the year	13 428	21 191	34 619
Average number of dependents for the year	12 834	26 326	39 160
Average number of beneficiaries for the year	26 261	47 517	73 779
Number of new members	1 956	3 500	5 456
Number of members leaving the Scheme	2 365	4 232	6 597
Average age of principal members	48	49	48
Average age of dependents	21	22	21
Average age of beneficiaries	35	34	34
Insurance revenue (IR) pabpm*	1 742	2 258	2 074
Insurance service expense (ISE) pabpm*	2 060	2 367	2 258
Relevant healthcare expenditure incurred pabpm*	1 956	2 277	2 163
Directly attributable insurance expenses (DAE) pabpm*	104	90	95
Insurance service expense (ISE) ratio	118.23%	104.83%	108.84%
Relevant healthcare ratio	112.3%	100.80%	104.30%
Directly attributable insurance expense (DAE) ratio	5.97%	3.98%	4.58%
Pensioner ratio at year end	4.91%	2.83%	4.62%
Dependent ratio to members at year end	2.04	1.26	1.15
Return on investments as percentage of investment			8.44%
Solvency Ratio*			73.34%

* These figures are Rand denominated.

Averages are calculated using the sum of the 12 months' actual month-end membership divided by 12.

SUMMARISED FINANCIAL STATEMENTS for the year ended 31 December 2024**8. Review of financial results and activities (continued)**

The results of operations are set out in the Summarised financial statements.

8.2. Solvency ratio

	2024	2023
	R	R
Total Insurance liabilities for future members and other reserves per Statement of Financial Position	1 380 633 641	1 366 509 403
Unrealised non-distributable property revaluation reserve	(7 750 020)	(7 750 020)
Cumulative net (gain)/loss on re-measurement to fair value of properties and investments	(32 660 330)	2 162 714
Cumulative net gain on re-measurement of post-retirement medical benefit	(11 618 830)	(11 806 599)
Accumulated funds per Regulation 29	1 328 604 461	1 349 115 498
Insurance revenue	1 948 477 950	1 836 522 553
Solvency ratio	68.19%	73.46%

In terms of Regulation 29(2) of the Act, the medical scheme must maintain accumulated funds expressed as a percentage of annual insurance revenue for the accounting period which should not be less than 25%. Per Circular 13 of 2001 cumulative unrealised losses are included in the calculation of the accumulated funds ratio. Cumulative unrealised gains are deducted from members' funds in the calculation of the solvency ratio.

The Scheme's solvency ratio has decreased to 68.19% for the year ended December 2024 compared to 73.46 % in December 2023, however, the ratio is significantly above the statutory compliance ratio of 25%. The Scheme's liability for members and other reserves has decreased by 1.06% year on year. Although the Scheme financial position has lowered due to the increasing healthcare costs, these were considered and monitored in line with the budget. The solvency ratio was forecasted to decrease to 58.14% by the year ended 31 December 2025 even though it may be lower, it is still higher than the minimum required by MSA.

8.3 Best estimate liability for incurred claims

The bases of calculation and movements on the liability for incurred claims for current members is set out in Note 10 in the Summarised financial statements.

9. AUDIT AND RISK COMMITTEE

The Audit and Risk Committee was established in accordance with Section 36 (10) of the Act. The committee is mandated by the Board of Trustees by means of written Terms of Reference as to its membership authority and duties. The committee consists of five members. The Chairperson of the committee and two other independent members are not officers of the Scheme or part of administration management. The committee met five (5) times during the year.

In accordance with 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 internal and external auditors formally report to the Audit & Risk Committee on critical findings arising from their audit activities.

10. FINANCE AND INVESTMENT COMMITTEE

The Finance and Investment Committee is also mandated by the Board of Trustees by means of written terms of reference to provide recommendations with regards to the financial operations of the Scheme and the investment of excess funds and due compliance to the Medical Schemes Act of 1998 as amended.

The committee consist of eight members. The Chairperson of the Committee is the Board of Trustees Chairperson as per the approved Scheme Charter and two independent members that are not officers of the Scheme and five members being officers and part of the administration management of the Scheme. The Committee met four (4) times during the year under review.

11. TRUSTEE MEETING ATTENDANCE

The following schedule sets out the Board of Trustees meeting attendances. Trustees' expenses are disclosed in Note 13 of the Summarised financial statements.

	Board meetings		Special board of trustees meetings		Audit & risk committee meetings		Finance & investment committee meetings		Clinical governance & Ex-gratia committee meetings		Benefit review committee meetings		Remuneration committee meetings	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
S Dube	6	6	4	4	-	-	-	-	4	4	-	-	-	-
N Bhozo	6	6	4	3	-	-	-	-	-	-	4	4	-	-
L Sibiya	6	6	4	3	-	-	4	4	-	-	4	4	7	4
M Marule	6	6	4	4	-	-	4	4	-	-	-	-	-	-
G M Nzuza	6	6	4	4	6	6	-	-	-	-	-	-	-	-
R Letsoalo	6	5	4	4	-	-	-	-	-	-	4	4	-	-
I Solomon	6	6	4	2	6	4	-	-	-	-	-	-	-	-
S Dladla	6	6	4	4	-	-	-	-	-	-	4	4	-	-
J Mcanjana	6	6	4	3	-	-	4	3	-	-	-	-	-	-
M Langa	6	6	4	4	-	-	-	-	-	-	4	4	-	-

A = Number of meetings eligible to attend

B = Total number of meetings attended

12. BOARD OF TRUSTEE – SUB-COMMITTEE MEETINGS

The table below sets out the meetings attended by the independent delegates to the Board Committees. The expenses paid to the Board of trustees' subcommittee members are disclosed in Note 13 of the Summarised financial statements.

NAME	COMMITTEE	Number of meetings Eligible to attended	Number of meetings attended
CM Phehlukwayo	Audit & Risk (Chair)	6	6
SF Mkhize	Audit & Risk	6	6
P Ganesan	Audit & Risk	6	6
AP Wakaba	Finance & Investment	4	4
JVM Mbonani	Finance & Investment	4	4
MK Majatladi	Clinical Governance & Ex Gratia (Chair)	5	3
ND Madiba	Remuneration, Social and Ethics	7	7
PN Qwabe	Remuneration, Social and Ethics (Chair)	7	7
L Ndziba	Remuneration, Social and Ethics	7	7
A V Memela	Clinical Governance & Ex Gratia (Acting Chair)	5	1
J M Mathibe	Procurement (Chair)	3	3

13. AUDITOR

PricewaterhouseCoopers Inc. was appointed as external auditor of the Scheme for 2024 financial year by the Board of Trustees in compliance with the Medical Scheme Act and the Scheme Rules.

14. MATTERS OF NON-COMPLIANCE

14.1. Contravention of Section 26(7) of the Medical Scheme Act

Nature and impact of non-compliance

In terms of Section 26(7) of the Medical Schemes Act 131 of 1998 as amended all contributions shall be paid directly to a medical scheme not later than three days after payment thereof becoming due.

Cause of non-compliance

The Scheme encounters employer groups who do not make their contribution payments within the statutory prescribed time. For the employer groups identified, causes of non-compliance range from administrative to cashflow challenges. The Scheme Management continuously follow up with these employer groups until payment is received.

Corrective action

Non-compliant employer groups are continuously notified of the non-compliance and requested to make payment of the outstanding contributions. The Scheme currently enforces the debt management policy to mitigate the risk.

14.2. Contravention of Section 33(2) of the Medical Scheme Act

Nature and impact of non-compliance

In terms of Section 33(2) of the Medical Schemes Act 131 of 1998 as amended each benefit option is required to be self- supporting in terms of membership and financial performance and be financially sound.

Cause of non-compliance

During the financial year under review Option A and Option B of the Scheme did not comply with Section 33(2) in terms of financial performance, however each benefit option had a membership base of above 6000 and maintained accumulated funds (net assets) that exceeded the minimum statutory requirements of 25% solvency ratio.

Benefit option	Net healthcare deficit	Net surplus for the year
Option A	(40 597 891)	3 375 483
Option B	(57 466 878)	10 936 525
	(98 064 769)	14 312 008

Corrective action

The financial performance, risk profile and claims experience of all benefit options are monitored and evaluated on a continuous basis through risk management, monitoring of fraud and waste outcomes from Claims Experience analysis. Strategies are formulated to address loss making benefit option through benefits and contributions increase review process whereby affordability, chronic prevalence and ageing are considered.

Benefits and Contribution review was completed for 2025 and Pricing Report submitted to Council for Medical Schemes (CMS). An average 9.07% contribution increase was proposed and approved. The Scheme proposed minimal benefit enhancements for the 2025 to allow the Scheme to return to a sustainable level of financial performance.

14.3. Contravention of Section 35(8) of the Medical Scheme Act**Nature and impact of non-compliance**

Section 35 (8) of the Act states: "A medical scheme shall not invest any of its assets in the business of or grant loans to:

- (a) an employer who participates in the medical scheme or an administrator or any arrangement with the medical scheme
- (b) any other medical scheme;
- (c) any administrator; and
- (d) any person associated with any of the above mentioned".

At 31 December 2024 the Scheme indirectly holds investments in the holding company of an Administrator including Discovery Limited and Momentum Metropolitan Health Ltd. This is in contravention of section 35(8)(c) of the Act.

Cause of non-compliance

The Funds in this specific portfolio are structured at the sole discretion of the asset manager in a manner that maximises returns. Therefore, the Scheme does not make inputs into the structuring of the portfolio.

Corrective action

The Scheme has been granted exemption by the Council for Medical Schemes in terms of Section 35(8) and is therefore allowed to hold these shares. The exemption is valid for a period of three years effective 1 December 2022 until 30 November 2025 subject to renewal.

15. GOING CONCERN

We draw attention to the fact that on 31 December 2024 the Scheme's liability for future members is available to cover insurance of R1 361 264 791. The Scheme is solvent and stable with a solid business strategy to improve.

The financial statements have been prepared on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Scheme to continue as a going concern for the next 12 months is dependent on several factors. The most significant is the Scheme's ability to grow its membership base, collect contribution income and yield investment returns to pay for claims and other obligations as they fall due.

16. EVENTS AFTER THE REPORTING PERIOD

There were no material events after the reporting period that would require disclosure or adjustment in the Summarised financial statements.

STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES

The Board of Trustees of the Scheme is responsible for the preparation, integrity and fair presentation of the summarised financial statements of SAMWUMED. The summarised financial statements accounting policies and notes to the summarised financial statements presented on pages 88 to 160 have been prepared in accordance with IFRS® Accounting Standards in the manner required by the Medical Schemes Act and Regulations thereto and include amounts based on estimates and judgments made by management.

The Board of Trustees considers that in preparing the summarised financial statements they have used the most appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

The Board of Trustees has the responsibility for ensuring that appropriate accounting records are maintained. The accounting records disclose with reasonable accuracy the financial position of the Scheme which enables the Board of Trustees to ensure that the summarised financial statements comply with the relevant legislation.

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

The going concern basis has been adopted in preparing the summarised financial statements. Based on forecasts and available cash resources, the Trustees have no reason to believe that the Scheme will not be a going concern in the foreseeable future. These summarised financial statements support the viability and sustainability of the Scheme.

The Scheme's external auditor is responsible for independently auditing and reporting on the Scheme's summarised financial statements in terms of International Standards on Auditing and their report is presented on pages 86 to 87.

The summarised financial statements and notes to the summarised financial statements set out on pages 88 to 160 were adopted and signed by the Board of Trustees on 18 August 2025.



M. F Mosoeu
Principal Officer



G.M. Nzuza
Trustee



L. Sibiya
Chairperson

Cape Town
18 August 2025

STATEMENT OF CORPORATE GOVERNANCE BY THE BOARD OF TRUSTEES

SAMWUMED is committed to the principles and practice of fairness, transparency, integrity and accountability in all dealings with its stakeholders.

1. BOARD OF TRUSTEES

The Board of Trustees has full control of the management of operations and financial affairs of the Scheme. It meets regularly to monitor the administration of the Scheme. The Board of Trustees met with management to address a range of strategic and operating matters and to ensure that policies, strategy and performance are critically informed and constructive, and implemented.

The Board of Trustees has access to the advice and services of the Principal Officer and where appropriate may seek independent professional advice at the expense of the Scheme. The Board of Trustees meet regularly and monitors the performance of the Scheme and other service providers.

2. RISK MANAGEMENT AND INTERNAL CONTROL

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

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.

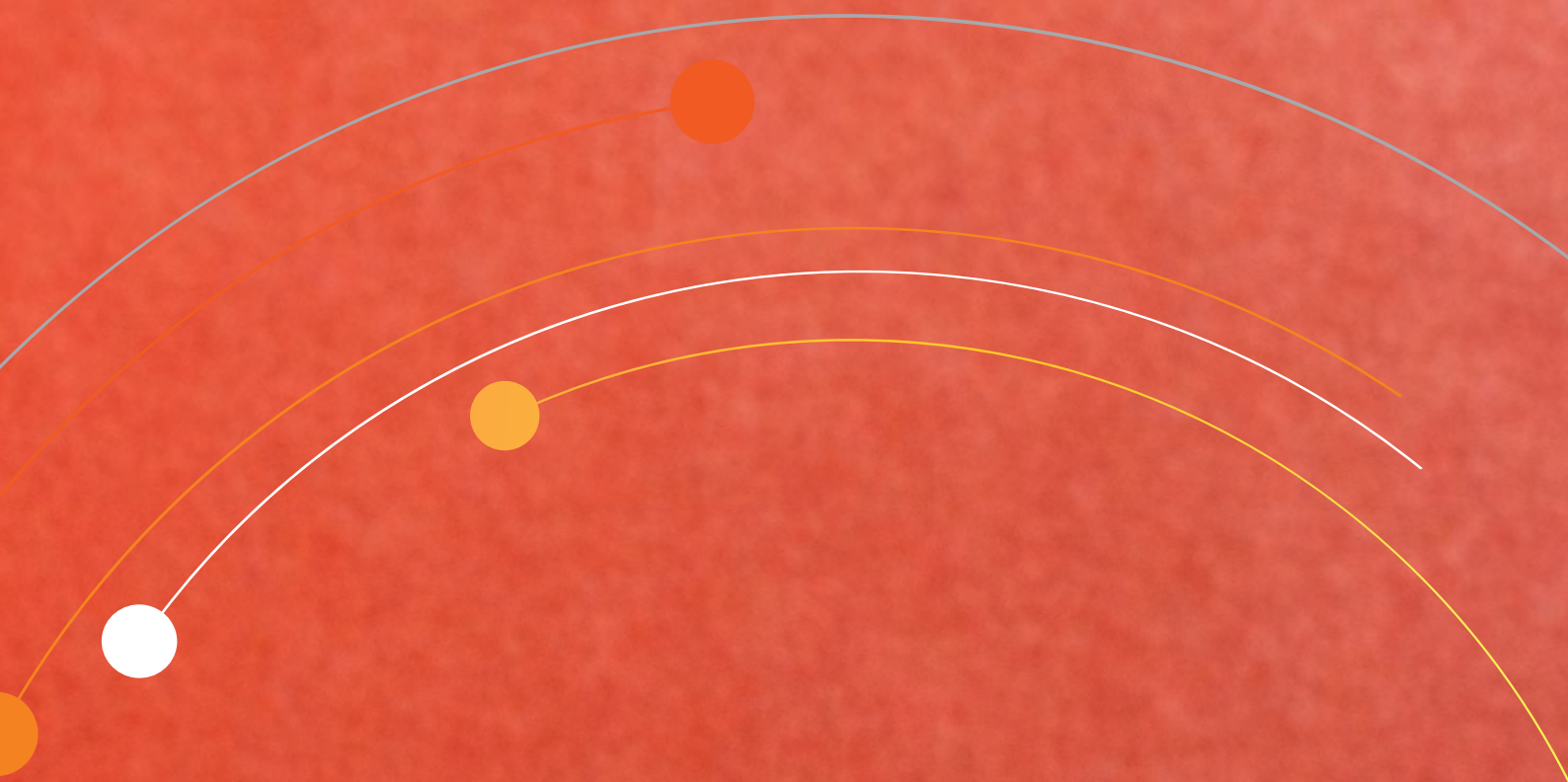


L. Sibiyi
Chairperson

Cape Town
18 August 2025



INDEPENDENT AUDITOR'S REPORT





Independent auditor's report on the summary financial statements

To the members of SAMWUMED

Opinion

The summary financial statements of SAMWUMED, set out on pages 88 to 160, which comprise the summary statement of financial position as at 31 December 2024, the summary statements of surplus or deficit and other comprehensive income, changes in funds and reserves and cash flows for the year then ended, and related notes, are derived from the audited financial statements of SAMWUMED for the year ended 31 December 2024.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the content and disclosure requirements of Circular 6 of 2013 issued by the Council for Medical Schemes as applicable to summary financial statements.

Summary financial statements

The summary financial statements do not contain all the disclosures required by IFRS Accounting Standards and the requirements of the Medical Schemes Act of South Africa as applicable to annual financial statements. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 30 April 2025. That report also includes communication of 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.

Trustee's responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance with the content and disclosure requirements of Circular 6 of 2013 issued by the Council for Medical Schemes as applicable to summary financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: S Gierdien
Registered Auditor
Cape Town, South Africa
19 August 2025

STATEMENT OF FINANCIAL POSITION

	NOTES	2024	2023
ASSETS		R	R
Non-Current Assets			
Property plant and equipment	2	26 391 473	25 408 125
Intangible assets	3	60 098	19 576
Financial assets at fair value through profit or loss	4	637 563 767	570 563 926
		664 015 338	595 991 627
Current Assets			
Cash and cash equivalents	5	64 836 750	66 325 313
Financial assets at fair value through profit or loss	4	733 356 073	841 302 711
Trade and other receivables	6	8 595 222	11 289 795
		806 788 045	918 917 819
TOTAL ASSETS		1 470 803 383	1 514 909 446
EQUITY			
Other reserves	7	19 368 850	19 556 619
		19 368 850	19 556 619
LIABILITIES			
Non-Current Liabilities			
Post retirement medical aid benefit	9	5 565 947	4 660 108
Lease liability	8	-	771 144
Insurance contract liabilities to future members	10	1 249 900 941	1 177 441 856
		1 255 466 888	1 182 873 108
Current liabilities			
Insurance contract liabilities to current members	10	76 784 324	132 629 726
Insurance contract liabilities to future members	10	111 363 850	169 511 226
Trade and other payables	11	7 364 965	9 665 004
Lease liability	8	454 506	673 763
		195 967 645	312 479 719
Total Liabilities		1 451 434 533	1 495 352 827
TOTAL EQUITY AND LIABILITIES		1 470 803 383	1 514 909 446

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

	NOTES	2024	2023
		R	R
Insurance revenue (risk pool)	12	1 948 447 950	1 836 522 553
Insurance service expenses	12	(2 060 824 726)	(1 925 076 639)
Incurring claims and other directly attributable expenses		(2 044 389 123)	(2 019 961 114)
Changes that relate to past service		204 619	22 325 879
Insurance acquisition cash flows		(2 328 214)	(1 211 163)
Amounts attributable to future members		(14 312 008)	73 769 759
Insurance service result		(112 376 776)	(88 554 086)
Investment income	14	161 302 252	131 261 440
Interest and dividend revenue from financial assets		105 345 385	109 188 352
Other realised gain on financial assets		55 956 867	22 073 088
Other income and expenses		(48 925 476)	(42 707 354)
Sundry income		193 750	293 796
Other realised gain on property plant and equipment		1 324 551	256 580
Investment management fees		(4 908 420)	(4 885 117)
Interest paid		(90 381)	(227 086)
Other operating expenses	13	(45 444 976)	(37 858 027)
Expenses paid on sale of property		-	(287 500)
Net surplus / (deficit) for the year		-	-
Other comprehensive income			
(Loss)/gain on remeasurements of net post-retirement liability	7 and 9	(187 769)	1 555 198
Total comprehensive income for the period		(187 769)	1 555 198

STATEMENT OF CHANGES IN FUNDS AND RESERVES

	NOTES	Reserve from Revaluation of Property	Reserve for Valuation of Liabilities	Total Members Funds and Reserves
		R	R	R
Balance as at December 2022		7 750 020	10 251 401	18 001 421
Re-measurement of post-retirement medical aid liability	9	-	1 555 198	1 555 198
Balance as at December 2023		7 750 020	11 806 599	19 556 619
Re-measurement of post-retirement medical aid liability	9	-	(187 769)	(187 769)
Balance as at December 2024	7	7 750 020	11 618 830	19 368 850

STATEMENT OF CASH FLOWS

	NOTES	2024	2023
		R	R
Cash flow from operating activities			
Cash receipts from members – contribution	10.3	1 937 918 010	1 825 722 726
Cash (paid)/receipts from members and providers – other		(3 777 733)	(3 941 904)
Cash paid to providers and employees – claims	10.3	(2 006 835 155)	(1 892 174 675)
Cash paid to providers and employees - non healthcare expenditure	10.3	(125 186 718)	(126 965 225)
Cash used in operations		(197 881 598)	(197 359 078)
Interest received	14	5 001 268	4 255 010
Net cash used in operating activities		(192 880 330)	(193 104 068)
Cash flow from investing activities			
Purchase of property plant and equipment	2	(2 361 498)	(1 010 176)
Proceeds on sale of property plant and equipment		395 000	79 950
Purchase of other intangible assets	3	(81 370)	(20 217)
Proceeds on sale of assets classified as held for sale		-	4 712 500
Purchase of financial assets		(331 668 917)	(140 000 000)
Sale of financial assets		526 668 917	335 000 000
Net cash from investing activities		192 952 133	198 762 057
Cash flow from financing activities			
Capital lease payments		(1 469 985)	(1 054 404)
Interest paid on lease		(90 381)	(253 892)
Net cash used in financing activities		(1 560 366)	(1 308 296)
Net increase/(decrease) in cash and cash equivalents		(1 488 563)	4 349 693
Cash and cash equivalents at the beginning of the year		66 325 313	61 975 620
Cash and cash equivalents at the end of the year	5	64 836 750	66 325 313



NOTES TO THE SUMMARISED FINANCIAL STATEMENTS



GENERAL INFORMATION

1. BASIS OF PREPARATION

(a) Compliance with IFRS® Accounting Standards

The principal accounting policies applied in the presentation of these summarised financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The summarised financial statements have been prepared in accordance with IFRS Accounting Standards and IFRIC® Interpretations applicable to Schemes reporting under IFRS Accounting Standards. The financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). The summarised financial statements are also prepared in accordance with the Medical Schemes Act 131 of 1998 (the Act) which requires additional disclosures for registered medical schemes.

The preparation of summarised financial statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the accounting policies. The notes to the summarised financial statements set out those areas involving a high degree of judgment or complexity or areas where assumptions and estimates are significant to the Scheme's summarised financial statements.

a) Historical cost

The summarised financial statements have been prepared on a historical cost basis except for the following:

- Certain financial assets and liabilities (including derivative instruments) - measured at fair value.
- Insurance assets and liabilities - measured in terms of IFRS 17 current estimates.
- Land and buildings – measured in terms of IAS 16 (revaluation method used).
- Post-retirement medical aid benefit obligation – measured in terms of IAS 19 (projected unit credit method)

b) New and amended standards adopted by the Scheme.

- IAS 1: Presentation of financial statements.

These financial statements are presented in Rands (R) which is the Scheme's functional currency.

1.1. Material accounting judgments, estimates and assumptions

Consistent with other IFRS Accounting Standards, financial reporting under IFRS 17 is to a larger extent based on estimates, judgements and models rather than exact depictions. The IFRS Conceptual Framework establishes the concept that underlies those estimates, judgements and models. Where an application of a particular standard requires judgements or provides options, it is expected that the preparers of financial information will choose among the alternatives in a way that achieves the objectives of financial reporting: to provide financial information about the reporting entity that is useful to the Trustees and Council for Medical Schemes and members.

In addition to the existing requirements in IFRS Accounting Standards to disclose critical judgements made in applying accounting policies (IAS 1(122)) and major sources of estimation uncertainties (IAS 1(125)) IFRS 17 requires the following specific disclosures with respect to contracts in the scope of the standard:

- The methods used to measure insurance contracts, and the processes used for estimating inputs to those methods including quantitative information about those inputs when practicable and especially approaches used to determine the risk adjustment for non-financial risk; and
- Any changes in the above method and process together with an explanation of the reason for each change and the type of contracts affected.

If an entity uses a technique other than the confidence-level technique for determining the risk adjustment, it is required to disclose a transition of the result of that technique into a confidence level to allow users of financial statements to see how the entity's own assessment of its risk aversion compares to that of other entities.

SAMWUMED used the confidence level to determine the risk adjustment.

1.1.1 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 paragraph BC265 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 MSA 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 MSA 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 MSA 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 SAMWUMED 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" (IFRS 17.2). Therefore, based on customary business practices the remaining assets of SAMWUMED 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.

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 SAMWUMED meets the definition of a mutual entity in IFRS Accounting Standards.

SAMWUMED 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 profit or losses 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 Surplus or Deficit and Other 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 a mutual entity the assessment of onerous contracts is also affected.

1.1.2 Unit of Account

Judgement has been applied to how SAMWUMED determined the unit of account for the measurement of its insurance contracts. Management has assessed their portfolio as the scheme as a whole due to the holistic pricing methodologies and risk management strategy that manage the risk 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.
- Pricing and benefit option changes are determined at a scheme level to manage member migration between different benefit options to ensure each option is suitable.
- Risk (utilisation and concentration) is managed holistically.

SAMWUMED decided to apply the exemption to grouping as allowed by paragraph 20: law or regulation specifically constrains the entity's practical ability to set different prices or levels of benefits for members with different characteristics. The MSA prohibits the scheme from setting different prices for its members. As such, SAMWUMED does not group contracts in various profitability groupings.

1.1.3 Risk adjustment – liability for incurred claims (LIC)

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation SAMWUMED requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as SAMWUMED fulfils insurance contracts. Because 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 SAMWUMED's degree of risk aversion. SAMWUMED estimates an adjustment for non-financial risk separately from all other estimates.

The risk adjustment was calculated at the portfolio level. 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 not changed in 2023 and 2024.

1.1.4 Initial recognition of onerous contracts

SAMWUMED considers that sufficient information is available each year immediately after the freedom of choice period in relation to the next year. Therefore, when the group is considered onerous, the loss component for the cohort is recognised at this date.

For initial measurement of the loss component refer to note 1.3.8.

1.2 Significant estimates

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. This note provides an overview of items that are more likely to be materially adjusted due to changes in estimates and assumption 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. The present value of future cash flows is estimated using deterministic scenarios.

For the sensitivities regarding the assumptions made that have the most significant impact on measurement under IFRS 17 refer to note 21.

1.2.1 Estimates of future cash flows to fulfil insurance contracts

Included in the measurement of the portfolio are all the cash flows within the boundary of each group of 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 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 range of scenarios.

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

The assumptions used to develop estimates about future cash flows are re-assessed at each reporting date and adjusted where required.

1.2.2 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 combination of the Chain ladder and the Bornhuetter - Ferguson methods.

The chain ladder method 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 claims cost for each healthcare year. The chain ladder method is the most appropriate for this claim pattern.

The Bornhuetter-Ferguson method is a hybrid method which incorporates the outstanding proportion of claims predicted by the chain ladder method with the total claims for a month to be paid as estimated using the Health Monitor model to arrive at an estimate for total outstanding claims to be paid.

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 considered when estimating the LIC:

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

1.2.3 Property plant and equipment

Judgement and estimates are used in determining the useful life, revaluation and residual values of property plant and equipment as set out in Note 1 and Note 2.

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

1.2.4 Post-retirement medical aid benefit

The Scheme provides post-retirement healthcare benefits to retired employees. An independent qualified actuary carries out valuations of the obligations every three years. Refer to Note 9 for detailed disclosure.

1.2.5 Financial instruments

The Scheme's business model is to its financial assets on a fair value basis and are classified as financial assets at fair value through profit or loss. The use of estimates and valuation techniques that use observable market inputs are crucial in determining the fair value of these financial instruments. These financial instruments are measured at fair value at the end of each and are all categorised as level 1 and level 2. Refer to Note 4 and Note 20 for detailed disclosure.

1.3 Material Accounting Policies

Given the financial performance and the position of the Scheme currently, the Scheme considers all accounting policies as material as they will provide the Scheme with information to develop the necessary processes and strategies to improve operations and activities, hence all the policies are included in the summarised financial statements.

In the new year, the Scheme will review all processes to determine whether some need to be prioritized above others, the outcome of which could also impact on the prioritization of the accounting policies in the coming years.

1.3.1 Insurance contracts

Insurance contracts are contracts under which SAMWUMED 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. SAMWUMED uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which SAMWUMED has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

1.3.2 Unit of account

SAMWUMED has assessed their portfolio to be at a scheme level.
Please refer to note 1.1. 2 for the assessment.

Before the Scheme accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that must be accounted for separately:

- cash flows relating to embedded derivatives that are required to be separated;
- cash flows relating to distinct investment components; and
- promises to transfer distinct goods or distinct non-insurance services.

SAMWUMED does not have any contracts that require separation or combination of insurance contracts.

1.3.3 Contract boundary

SAMWUMED 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 every reporting period.

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 SAMWUMED has a substantive obligation to provide the member with insurance coverage or other services.

A substantive obligation ends when both of the following criteria are satisfied:

- SAMWUMED 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 SAMWUMED are considered; other risks such as lapse or surrender and expense risk are not included.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

SAMWUMED has assessed all its contracts and determined all contracts have a boundary of one year.

1.3.4 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.

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 17.72.

If the modification does not comply with all the requirements of IFRS 17.72 the Scheme shall treat the changes in cash flow as changes in estimates of fulfilment cash flows (FCF).

1.3.5 Initial and subsequent measurement

For insurance contracts issued on initial recognition SAMWUMED measures the Liability for remaining coverage (LRC) at 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.

Liability for incurred claims (LIC) is an entity's obligation to:

- (a.) investigate and pay valid claims for insured events that have already occurred including events that have occurred but for which claims have not been reported and other incurred insurance expenses; and
- (b.) pay amounts that are not included in (a) and that relate to:
 - (i) insurance contract services that have already been provided; or
 - (ii) any investment components or other amounts that are not related to the provision of insurance contract services and that are not in the liability for remaining coverage.

Liability for remaining coverage (LRC) is an entity's obligation to:

- (a.) investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred (i.e. the obligation that relates to the unexpired portion of the insurance coverage) and
- (b.) pay amounts under existing insurance contracts that are not included in (a) and that relate to:
 - (i) insurance contract services not yet provided (i.e. the obligations that relate to future provision of insurance contract services); or
 - (ii) (any investment components or other amounts that are not related to the provision of insurance contract services and that have not been transferred to the liability for incurred claims.

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 group 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 Scheme has made an accounting policy choice to expense the acquisition cash flows when incurred.

SAMWUMED has elected to include premium debtors in the LIC. For insurance contracts issued at each of the subsequent reporting dates the LIC is:

- (a.) best estimate of fulfilment cash; and
- (b.) risk adjustment .

Refer to notes 1.1 and 1.2 for the significant judgements and estimates used to determine the LIC and the estimates to determine the fulfilment cash flow.

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

- (a.) increased by net surpluses for the period; and
- (b.) decreased by the net deficits for the period.

Discounting in the PAA

IFRS 17.59(b) allows a policy choice whether to adjust the measurement 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 made the choice not to discount the group of contracts as they are viewed as short-term in nature.

1.3.6 Onerous contract assessment

In the consideration of whether facts and circumstances indicate that a group of insurance contracts is onerous, SAMWUMED 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.

1.3.7 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.

1.3.8 Insurance service 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); and
- (d.) changes that relate to future service (i.e. losses / reversals on onerous groups of contracts from changes in the loss components).

Cash flows that are not directly attributable to a group of insurance contracts such as some 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:

- (a.) costs directly attributable to individual contracts; and
- (b.) costs directly attributable to the group of insurance contracts which are allocated on a consistent basis.

Insurance acquisition costs are expensed by the Scheme when it incurs the cost.

1.4 Property plant and equipment

Property plant and equipment are tangible assets which the scheme holds for its own use which are expected to be used for more than one year.

Plant and equipment are reflected at cost less accumulated depreciation and accumulated impairments. Depreciation is charged on the straight-line basis over the estimated useful lives of the assets after taking into account the assets' residual values except for land and building which is reflected at revalued amount.

Land and buildings are revalued every three years by a qualified appraiser and appropriate adjustments are reflected accordingly in the revaluation reserve and Statement of Surplus or Deficit and Other Comprehensive Income as other comprehensive income.

Any revaluation increase is recognised in Other Comprehensive Income and other reserves in the Statement of Financial Position except to the extent that it reverses a revaluation decrease previously recognised in profit and loss. A decrease in the carrying amount arising from revaluation is recognised in profit and loss to the extent that it exceeds the balance held in the revaluation reserve relating to previous revaluations.

An item of property plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the scheme and the cost of the item can be measured reliably.

Property consists of land and buildings held for administrative purposes and is stated in the Statement of Financial Position at its revalued amount being the fair value at the date of valuation less any subsequent accumulated depreciation and accumulated impairment. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at year end.

The estimated maximum useful lives are:

ITEM	USEFUL LIFE MINIMUM	USEFUL LIFE MAXIMUM	RESIDUAL VALUE
Land	not depreciated	not depreciated	0%
Buildings	50 years	50 years	0%
Computer equipment and software	3 years	3 years	0%
Furniture and fittings	10 years	15 years	0%
Motor vehicles	3 years	5 years	20%
Office equipment	5 years	10 years	10%
Canteen equipment	6 years	10 years	10%
Right of use of assets	3 years	5 years	0%

The useful lives and residual values are assessed annually and adjusted appropriately. Maintenance and repairs which neither materially add to the value of assets nor appreciably prolong their useful lives are recognised in the Statement of Comprehensive Income. An item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use. Any gain or loss arising from the disposal is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in Statement of Comprehensive Income.

Where components of an item of property and equipment have different useful lives, they are accounted for as separate items.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is measurable, and it is probable that future economic benefits associated with the property plant and equipment will flow to the Scheme. Expenditure incurred to replace a component of an item of equipment is capitalised to the cost of the item of equipment and the part that is derecognised.

- (a.) Right-of-use assets separately from other assets: If a lessee does not present the right-of-use assets separately in the Statement of Financial Position the lessee shall:
 - (i) Include right of use assets within the same line item as that within which the corresponding underlying assets would be presented if they were owned; and
 - (ii) Disclose which line items in the statement of financial position include those right-of-use assets.
- (b.) Lease liabilities separately from other liabilities if the lessee does not present lease liabilities separately in the statement of financial position the lessee shall disclose which line items in the Statement of Financial Position include those liabilities.

Impairment

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

Carrying amounts of all items of property and equipment are reduced to their recoverable amount where this is lower than the carrying amount.

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

1.5 Intangible assets

These are assets which the scheme holds for its own use which are expected to be used for more than one year. An item is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the scheme and the cost of the item can be measured reliably.

Costs associated with maintaining computer software programs are recognised as an expense as incurred.

All intangible assets are subject to amortisation and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Amortisation is provided to write down the intangible assets on a straight-line basis as follows:

ITEM	USEFUL LIFE
Warranties and computer software	3 years

Impairment losses

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

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

1.6 Financial instruments

Financial instruments are recognised when the Scheme becomes a party to the contractual provisions of the instrument. Financial assets are classified based on the cash flow characteristics of the financial asset and the Scheme's business model for managing the financial assets. Purchases and sales of financial instruments are recognised on the trade date which is the date on which the Scheme commits to purchase the financial asset or assume financial liability. The Scheme discloses accrued investment income as a separate asset rather than including it in the fair value of the asset.

Classification

IFRS 9 introduces a classification approach for financial assets which is based on the cash flow characteristics of the financial assets and the entity's business model for managing the financial assets. The Scheme classifies and measures financial assets at amortised cost, fair value through profit or loss. Financial assets at amortised cost and debt instruments at fair value through profit or loss are subject to the impairment requirements of IFRS 9.

Financial assets at amortised cost consists of cash and cash equivalents for which the credit risk is considered to be very low and the remaining insurance receivables are accounted for within the scope of IFRS 17 and are not subject to the IFRS 9 expected credit loss model.

Financial assets at fair value through profit or loss consists of investments in listed equities, listed bonds, properties and cash. The portfolios are managed on a fair value basis and the business objective is achieved through trading to realise gains, with collection of contractual cash flows being incidental to the primary objective. The Scheme's focus is on the fair value information of these assets to assess their performance and to make decisions. These financial assets are exposed to market risks, credit risk, equity price risk and interest rate risk. The Scheme's risk management strategies seek to minimise potentially adverse effects on the performance and capital value of the investment portfolio.

Measurement

I. A financial asset is measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

- (a.) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or it is not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell; or
- (b.) At initial recognition it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at fair value through profit or loss are initially recognised at fair value and the transaction costs are expensed in the statement of surplus or deficit and other comprehensive income. Gains or losses arising from subsequent changes in fair value are recognised in other income in the Statement of Comprehensive Income within the period in which they arise.

II. Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets classified at amortised cost are initially measured at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest method less impairments.

Cash and cash equivalents

Cash and cash equivalents are short-term highly liquid instruments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Included in this balance is cash on hand, deposits held in call and current accounts with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are subsequently measured at amortised cost.

Impairment of the financial assets

For other receivables the Scheme applies the IFR 9 simplified approach to measuring ECLs which uses a lifetime ECL allowance. To measure the ECLs the trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Scheme makes use of a provision matrix based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Financial liabilities consist of trade and other payables. Trade and other payables are initially recognised at fair value net of transaction costs and are subsequently measured at amortised cost using the effective interest rate method. The Scheme does not have any long-term borrowings or other long-term financial liabilities.

Offsetting

The Scheme does not offset financial assets and liabilities because it does not have a legally enforceable right to offset the recognised amounts.

Derecognition of financial instruments

The Scheme derecognises a financial asset or part of a financial asset when the contractual right to the cash flows from the asset expires. The Scheme retains the contractual right to receive cash flows of the asset but assumes the obligation to pay one or more third parties the cash flow without material delay. The Scheme derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

1.7 Interest in other entities (IFRS 12)

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes:

- (a.) restricted activities.
- (b.) a narrow and well-defined objective such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors.
- (c.) insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and
- (d.) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The scheme has determined that some of its investments in pooled funds and collective investment schemes ("funds") are investments in unconsolidated structured entities. The scheme invests in these funds whose objectives range from achieving medium- to long-term capital growth and whose investment strategy do not include the use of leverage. The funds are managed by unrelated asset managers and apply various investment strategies to accomplish their respective investment objectives. The change in fair value of each fund is included in the statement of comprehensive income in Net gains/ (losses) on financial instruments held at fair value through profit or loss.

1.8 Leases

IFRS 16

IFRS 16 defines a lease as a contract or part of a contract which conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration

Right of use by lessees

At the commencement date of the lease the Scheme recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. After the lease commences, the Scheme shall measure the right-of-use asset using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability.

Right of Use Assets are reflected at cost less accumulated depreciation and accumulated impairments. Depreciation is charged on the straight-line basis over the term of the lease (useful life of the asset).

The lease liability takes into consideration where appropriate fixed and variable lease payments residual value guarantee to be made by the lessee, exercise price of purchase options, and payments of penalties for terminating the lease. The lease liability is subsequently increased by interest reduced by lease payments and re-measured for reassessments or modifications.

Re-measurements of lease liabilities are affected against right-of-use assets unless the assets have been reduced to nil in which case further adjustments are recognised in profit or loss. The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset. The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.

The lease payments are discounted using the interest rate implicit in the lease if that rate cannot be readily determined which is generally the case for leases, the lessee's incremental borrowing rate is used being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with the similar terms' security and conditions.

Recognition exemption

Instead of applying the recognition requirements of IFRS 16 for all leases, the Scheme elected to account for some lease payments as an expense where the lease term is less than 12 months or less and contain no purchase option.

1.9 Unallocated funds

Unallocated funds arise on receipt of unidentified deposits and unallocated receipts to members' accounts at year end into the Scheme's bank accounts. Unallocated funds older than three years of which the prescription period has legally lapsed are written back to the Statement of Surplus or Deficit and Other Comprehensive Income.

1.10 Provisions and liabilities

Provision is:

A liability of uncertain timing or amount.

The Scheme recognises a provision if, and only if:

- a present obligation (legal or constructive) has arisen as a result of a past event (the obligating event),
- payment is probable ('more likely than not'), and
- the amount can be estimated reliably.

Contingent liability is:

- a possible obligation that arises from past events 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 entity; or
- a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle;
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent asset is:

- a possible asset that arises from past events 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 entity.

The Scheme does not recognise a contingent asset. However, when the realisation of income is virtually certain the related asset is recognised as it is not a contingent asset. Contingencies are disclosed in Note 18.

1.11 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered such as paid vacation leave and sick leave, bonuses and non-monetary benefits such as medical care) are recognised in the period in which the service is rendered and are not discounted.

Post retirement benefit plans

The Scheme provides for post-retirement medical aid benefits to its retired employees. The entitlement to post-retirement medical aid benefits is based on the employees remaining in service up to retirement age and having a minimum of five years continued service. This benefit has been limited to full time staff appointed prior to 2014.

The present value of the obligation is actuarially determined using the projected unit credit method and any deficit or surplus is immediately recognised in the Statement of Profit or Loss and Other Comprehensive Income. It is the Scheme's policy to perform this valuation once every three years. A valuation will also be performed prior to the prescribed three when any significant events that are deemed to have a material impact on post-retirement medical aid benefit have occurred. These obligations are not funded.

- Members who retire prior to the retirement age of 60 will not be eligible for a subsidy of medical scheme contributions.
- Members with at least five years' service prior to retirement qualify for a 70% subsidy of contributions.
- Dependents of eligible continuation members receive a subsidy before and after the death of the principal member.

If a member eligible for a retirement subsidy dies in service, their dependents are eligible for a subsidy of medical scheme contributions as described above.

The risks faced by the Scheme because of the post-employment healthcare obligation can be summarised as follows:

- **Inflation** – The risk that future CPI inflation and healthcare cost inflation are higher than expected and uncontrolled.
- **Longevity** - The risk that pensioners live longer than expected and thus their healthcare benefit is payable for longer than expected.
- **Open-ended long-term liability** - The risk that the liability may be volatile in the future and uncertain.
- **Future changes in legislation** - The risk that changes to legislation with respect to the post-employment healthcare liability may increase the liability for the Scheme.
- **Future changes in the tax environment** - The risk that changes in the tax legislation governing employee benefits may increase the liability for the Scheme.
- **Perceived inequality by non-eligible employees** - The risk of dissatisfaction of employees who are not eligible for a post-employment healthcare subsidy.
- **Administration** - Administration of this liability poses a burden to the Scheme.
- **Enforcement of eligibility criteria and rules** - The risk that eligibility criteria and rules are not strictly or consistently enforced.
- **National Health Insurance Bill** - The National Health Insurance Bill was signed into law. The contents of the Bill are not detailed enough at this stage for any adjustments to be made to the liability. However, this will be monitored. The NHI may change the role and operations of the Scheme.

1.12 Investment income

Investment income comprises of interest income and dividend income. Interest income is recognised on a time proportion basis considering the principal amount invested and the effective rate over the period to maturity when it is certain that such income will accrue to the Scheme. Dividend income is recognised when the right to receive payment is established.

Gains and losses on financial assets held at fair value include realised and unrealised gains and losses on disposal of assets and revaluation to fair values. These gains and losses are recognised through the Statement of Surplus or Deficit and Other Comprehensive Income.

Investment income is reinvested to the assets in accordance with the Scheme's investment policy.

1.12 Road Accident Fund (RAF) recoveries

The recoveries are only accounted for when an amount is virtually certain to be received from the RAF and the quantum of the amount is determinable.

1.14 Allocation of income and expenditure to benefit options

The following income and expenditure items are directly allocated to benefit options:

- Net contributions.
- Claims incurred.
- Managed care fees; and
- Broker fees.

The remaining items are apportioned based on the number of members on each option (or other suitable basis)

- Administration expenditure.
- Investment income.
- Other income.

1.15 The liabilities and related assets under liability adequacy test

The liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows including related cash flows such as claims handling costs and comparing this amount to the carrying value of the insurance liabilities (given the nature of the contracts and the Scheme rules in terms of which claims submitted after four months from treatment date are considered stale the effect of discounting is not considered material).

1.16 Income tax

In terms of Section 10(1)(d) of the Income Tax Act No. 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.

2. PROPERTY PLANT AND EQUIPMENT

	2024			2023		
	Cost or valuation	Accumulated depreciation & impairment	Carrying amount	Cost or valuation	Accumulated depreciation & impairment	Carrying amount
	R	R	R	R	R	R
Buildings	45 473 050	(27 725 542)	17 747 508	44 743 194	(27 928 616)	16 814 578
Land	6 793 282	(2 983 281)	3 810 001	6 793 282	(3 056 582)	3 736 700
Canteen equipment	376 874	(314 017)	62 857	376 874	(310 291)	66 583
Furniture and fittings	3 890 602	(2 775 131)	1 115 471	3 806 189	(2 617 890)	1 188 299
Motor vehicles	5 594 295	(4 353 712)	1 240 583	6 822 867	(5 245 520)	1 577 347
Office equipment	5 815 593	(4 254 521)	1 561 072	5 987 853	(4 548 323)	1 439 530
Computer equipment	2 674 431	(1 820 450)	853 981	2 857 213	(2 272 125)	585 088
Total	70 618 127	(44 226 654)	26 391 473	71 387 472	(45 979 347)	25 408 125

Reconciliation of carrying value of property plant and equipment - 2024

	Opening carrying amount	Additions	Disposals	Other adjustments	Impairment loss reversal	Depreciation	Closing carrying amount
	R	R	R	R	R	R	R
Buildings	16 814 578	729 856	-	-	891 538	(688 464)	17 747 507
Land	3 736 700	-	-	-	73 301	-	3 810 001
Canteen equipment	66 583	-	-	-	-	(3 727)	62 856
Furniture and fittings	1 188 300	89 746	-	-	-	(162 575)	1 115 471
Motor vehicles	1 577 347	552 124	(241 673)	354 787	-	(1 002 001)	1 240 583
Office equipment	1 439 530	370 528	(77 540)	125 573	-	(297 020)	1 561 071
Computer equipment	585 087	619 244	(6 084)	-	-	(344 265)	853 981
Total	25 408 125	2 361 498	(325 297)	480 360	964 839	(2 498 051)	26 391 473

2. PROPERTY PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of carrying value of property plant and equipment - 2023

	Opening carrying amount	Additions	Disposals	Other adjustments	Impairment loss reversal	Depreciation	Closing carrying amount
	R	R	R	R	R	R	R
Buildings	16 298 700	206 486	-	-	1 019 304	(709 912)	16 814 578
Land	3 600 000	-	-	-	136 700	-	3 736 700
Canteen equipment	70 309	-	-	-	-	(3 726)	66 583
Furniture and fittings	1 347 466	-	-	-	-	(159 166)	1 188 300
Motor vehicles	1 698 833	752 926	(189 301)	458 169	-	(1 143 280)	1 577 347
Office equipment	1 123 729	446 408	(2 123)	125 573	-	(254 057)	1 439 530
Computer equipment	243 277	563 768	-	-	-	(221 958)	585 087
Total	24 382 314	1 969 588	(191 424)	583 742	1 156 004	(2 492 099)	25 408 125

The Scheme's property is stated at the revalued amounts as per valuation performed by an independent qualified appraiser Siyakhula Property Valuers. Refer to Note 7. The other adjustments referred to above were changes made to the lease contracts during the year.

Land and buildings comprise the following:

Registers with details of land and buildings are available for inspection by members or their duly authorised representatives at the registered office of the Scheme.

- Erf 43717 Crawford Cape Town measuring 1128 square meters; and
- Erf 33081 Athlone Cape Town measuring 495 square meters.

The land and buildings were valued externally on 31 December 2024 (level 3) by the Siyakhula Property Valuers in accordance with the policy to revalue property every three years. For valuation purposes, the income method was applied, this considered the vacancy percentages of existing lease agreements and subsequent expected rentals to determine the fair value of the building. The capitalisation rate used on 31 December 2024 was 10% (2023:10%).

2. PROPERTY PLANT AND EQUIPMENT (CONTINUED)

Leased assets

	2024	2023
	R	R
Right of use assets		
Office equipment	73 251	60 787
Motor vehicles	233 262	989 656
Offices	97 507	211 278
	404 020	1 261 721
Lease liability		
Current	454 506	673 763
Non-current	-	771 144
	454 506	1 444 907
The Statement of surplus or deficit shows the following amounts relating to leases:		
Depreciation charge of right-of-uses assets – office equipment	297 020	93 029
Depreciation charge of right-of-uses assets – motor vehicles	1 002 000	516 792
Depreciation charge of right-of-uses assets - offices	113 771	193 908
	1 412 791	803 729
Interest paid on leases included in finance costs	90 380	253 892
Capital payments made towards lease liability	1 469 986	-
Total cash outflow for leases	1 560 366	1 054 404

3. INTANGIBLE ASSETS

	2024			2023		
	Cost or valuation	Accumulated depreciation	Carrying amount	Cost or valuation	Accumulated depreciation	Carrying amount
	R	R	R	R	R	R
Warranties	470 609	(470 174)	435	469 739	(456 261)	13 478
Computer software	515 731	(456 068)	59 663	659 914	(653 816)	6 098
	986 340	(926 242)	60 098	1 129 653	(1 110 077)	19 576

Reconciliation of Intangible assets - 2024:

	Opening Balance	Additions acquisitions	Amortisation	Total
	R	R	R	R
Warranties	13 478	870	(13 913)	435
Computer software	6 097	80 500	(26 934)	59 663
	19 575	81 370	(40 847)	60 098

Reconciliation of Intangible assets - 2023:

	Opening Balance	Additions	Amortisation	Total
	R	R	R	R
Warranties	3 625	20 217	(10 364)	13 478
Computer software	14 572	-	(8 474)	6 098
	18 197	20 217	(18 838)	19 576

Other information

The intangible assets represent the payment of warranties on electronic equipment and software. These warranties are paid for when acquiring the electronic equipment and software. The warranties are amortised on a straight-line basis over the warranty period and computer software is amortised over the useful life of the software. The remaining useful life of these intangible assets is four months for warranties and 23 months for computer software.

4. FINANCIAL ASSETS AT FAIR VALUE

	2024	2023
At fair value through profit or loss	R	R
Investment	1 370 919 840	1 411 866 637
Non-current assets		
At fair value through profit or loss	637 563 767	570 563 926
Current assets		
At fair value through profit or loss	733 356 073	841 302 711

Measurement of financial assets

The Scheme's business model is to manage these financial assets on a fair value basis and are classified as financial assets at fair value through profit or loss. Decisions are made based on the financial assets' fair values and the financial assets are managed to realise those fair values.

Fair value information

Listed equity	337 377 646	304 010 172
Bonds	681 617 589	780 221 251
Cash	287 349 961	262 262 099
Property	64 574 644	65 373 115
	1 370 919 840	1 411 866 637

Investments in asset management

Argon Asset Managers	253 665 430	321 779 507
Mazi Asset Management	154 919 966	135 900 155
Aluwani Capital Partners	150 059 926	135 803 242
M & G Investments Southern Africa (Pty) Ltd	168 322 310	151 541 289
Ninety-One Fund Managers	145 928 940	95 004 264
STANLIB Unit Trust	333 761 703	424 518 940
Allan Gray Life Limited	-	147 319 240
Coronation	164 261 565	-
	1 370 919 840	1 411 866 637

The Scheme has invested some of its funds in various Asset Managers and with Banks that have suitable credit ratings with a focus on minimizing credit risk as per Note 20. The investments earned interest income for the year at an average interest rate of 12.69% (2023: 8.44%).

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits held at call with banks and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to significant risk of changes on value.

	2024	2023
	R	R
Cash and cash equivalents consist of:		
Cash on hand	2 921	585
Call accounts	57 879 869	61 682 507
Current accounts	6 953 960	4 642 221
	64 836 750	66 325 313

Balances on current and call accounts constitute amounts available on demand. These balances earned interest income at an average interest rate of 7.66% (2023: 6.42%) for the year. The carrying amount of cash and cash equivalents approximate their fair values due to the short-term nature of these assets.

6. TRADE AND OTHER RECEIVABLES

	2024	2023
	R	R
Other prepayments and sundry receivables	988 996	906 753
Accrued investment income	7 606 226	10 383 042
Total trade and other receivables	8 595 222	11 289 795
Split between non-current and current portions		
Current assets	8 595 222	11 289 795

The carrying amount of trade and other receivables approximate their fair values due to the short-term nature of these assets. The scheme does not charge interest on the receivable amounts. The estimated cash flow receipts have not been discounted as the effect would be immaterial.

Included in the other receivables is an accrued investment income R 7 606 225 (2023: R10 383 042) which represents income on investment accrued but not yet capitalised to the total investment as of 31 December 2024. Further, this relates to Investments at fair value through profit and loss refer to Note 4.

7. REVALUATION RESERVE**Reserve on revaluation of property****Balance at the end of the year**

2024	2023
R	R
7 750 020	7 750 020

The Scheme property is stated at the revalued amounts as per valuation performed by an independent qualified appraiser Siyakhula Property Valuers. The revaluation resulted in a gain which was treated as a reversal of previous impairments in the Statement of Surplus or Deficit. Refer to Note 2.

Reserve on revaluation of a liability

Balance at the beginning of the year

(Loss)/gain on measurement of post-retirement medical aid liability

Balance at the end of the year

11 806 599	10 251 401
(187 769)	1 555 198
11 618 830	11 806 599

The Scheme's post-retirement obligation was remeasured as at 31 December 2024 by Insight Actuaries and Consultants. This resulted in actuarial loss on measurement. Refer to Note 9.

8. LEASE LIABILITIES**Minimum lease payments due**

Within one year

Years 2-5

Less: Future finance charges

Present value of minimum lease payments**Present value of minimum lease payments due**

Within one year

Years 2-5

Non-current liability portion

Current liability

2024	2023
R	R
365 235	1 140 459
119 174	435 363
484 409	1 575 822
(29 903)	(130 915)
454 506	1 444 907
454 506	673 763
-	771 144
454 506	1 444 907
-	771 144
454 506	673 763
454 506	1 444 907

8. LEASE LIABILITIES (CONTINUED)

The total lease liabilities comprise of leases for printers, motor vehicles and office buildings. The Scheme entered a three-year non-cancellable lease arrangement ending in June 2023 for printers and instalments are payable monthly. The non-cancellable lease term was 3 years and an extension option of 1 year was exercised thus now ending June 2023 (initially would have ended June 2022). The lease is linked to prime rate and therefore the rentals will increase or decrease as the Prime rate changes. The present value of the lease has been calculated on the assumption that there will not be major fluctuations in the prime interest rate for the next 12 months. The lease was extended for another 12 months to 30 June 2025.

The Scheme entered a three -year non-cancellable lease arrangement ending in November 2023 for motor vehicles and instalments are payable monthly. The lease is linked to prime rate and therefore the rentals will increase or decrease as the Prime rate changes. The present value of the lease has been calculated on the assumption that there will not be major fluctuations in the prime interest rate for the next 12 months. The contracts expired in June 2024 and then extended for six months ending 31 December 2024 and further extended to 31 April 2025.

The Scheme entered a two-year non-cancellable lease arrangement ending in October 2023 and April 2024 for regional offices and instalments are payable monthly. The lease is linked to prime rate and therefore the rentals will increase or decrease as the Prime rate changes. The present value of the lease has been calculated on the assumption that there will not be major fluctuations in the prime interest rate for the next 12 months. The contracts for the regional offices were extended but later cancelled in January 2025 and the offices were closed.



9. POST - RETIREMENT MEDICAL AID BENEFIT

	2024	2023
	R	R
Carrying value		
Non-current liability portion	5 565 947	4 660 108
Current liability	174 888	138 247
	5 740 835	4 798 355
Movement for the year		
Opening balance	4 798 355	5 531 367
Current service cost	196 872	289 704
Interest cost	695 245	693 847
Expected employer benefits	(137 406)	(161 365)
Actuarial loss/(gain) on remeasurement of liability	187 769	(1 555 198)
Closing balance at the end of the year	5 740 835	4 798 355
Post - retirement medical aid (continue)		
Change in net discount rate	(80 916)	392 864
Lower/(higher) than expected healthcare costs	34 231	(69 470)
Changes in membership	(90 418)	1 231 804
Model changes	(50 666)	-
Total remeasurements – (loss)/gain	(187 769)	1 555 198

Key assumptions used

Assumptions used for the current year projection are as follows

Expected retirement age	60 years	60 years
Discount rates used	12.30%	14.4%
Duration used to set assumptions	23.5 years	-
Expected increase in salaries	9.90%	9.90%
Healthcare cost inflation	9.00%	11.00%

No allowance for early retirement.

The benefit is unfunded and therefore there are no planned assets as per the requirements of IAS 19. The actuarial valuation was performed by Insight Actuaries Actuarial Solutions (Pty) Ltd using the Projected Unit Credit Method as prescribed by the IAS19 as of 31 December 2024 and this resulted in an actuarial loss. The next valuation will be performed as at 31 December 2025.

9. POST - RETIREMENT MEDICAL AID BENEFIT (CONTINUED)

Scheme subsidy policy:

- Members who retire prior to the retirement age of 60 will not be eligible for a subsidy of medical scheme contributions.
- Members with at least five years' service prior to retirement qualify for a 70% subsidy of contributions.
- Dependents of eligible continuation members receive a subsidy before and after the death of principal member.

If a member eligible for a retirement subsidy dies in service their dependents are eligible for a subsidy of medical scheme contributions as described above.

The liability of the Scheme is calculated to show the effect of:

- A one percentage point decrease or increase in the rate of healthcare cost inflation.
- A one percentage point decrease or increase in the discount rate.
- A one-year decrease or increase in the expected retirement age.

The table below shows the results of the sensitivity analysis to the projected liability:

31 December 2024

Scenario	Discount rate	Medical scheme contribution increase rate	Real Discount rate	Liability as at 31/12/2024	Difference (Change) (R')	Difference (Change) %
Base	12.30%	9.00%	3.03%	5 740 835		
A1	11.30%	8.00%	3.06%	5 737 245	(3 590)	-0.1%
A2	11.30%	9.00%	2.11%	6 756 953	1 016 118	17.7%
A3	11.30%	10.00%	1.18%	8 052 351	2 311 516	40.3%
B1	12.30%	8.00%	3.98%	4 933 561	(807 274)	-14.1%
B2	12.30%	9.00%	3.03%	5 740 835	-	0.0%
B3	12.30%	10.00%	2.09%	6 753 269	1 012 434	17.6%
C1	13.30%	8.00%	4.91%	4 293 337	(1 447 498)	-25.2%
C2	13.30%	9.00%	3.94%	4 941 363	(799 472)	-13.9%
C3	13.30%	10.00%	3.00%	5 744 253	3 418	0.1%

31 December 2023

Scenario	Discount rate	Medical scheme contribution increase rate	Real Discount rate	Liability as at 31/12/2023	Difference (Change) (R')	Difference (Change) %
Base	14.40%	11.00%	3.06%	4 798 355		
A1	13.40%	10.00%	3.09%	4 794 879	(3 476)	-0.1%
A2	13.40%	11.00%	2.16%	5 638 237	839 882	17.5%
A3	13.40%	12.00%	1.25%	6 706 297	1 907 942	39.8%
B1	14.40%	10.00%	4.00%	4 128 683	(669 672)	-14.0%
B2	14.40%	11.00%	3.06%	4 798 355	-	0.0%
B3	14.40%	12.00%	2.14%	5 635 929	837 573	17.5%
C1	15.40%	10.00%	4.91%	3 596 534	(1 201 821)	-25.0%
C2	15.40%	11.00%	3.96%	4 135 505	(662 850)	-13.8%
C3	15.40%	12.00%	3.04%	4 801 686	3 330	0.1%

10. INSURANCE CONTRACT LIABILITY

10.1 Insurance contract liability to future members

	2024	2023
	R	R
Total insurance liability for future members per SoFP	1 361 264 791	1 346 953 082
Non-current portion of liability	1 249 900 941	1 177 441 856
Current portion of liability	111 363 850	169 511 226

Reconciliation of the insurance liability to future members

Opening balance	1 346 952 781
Plus: surplus per statement of surplus or deficit	14 312 008
Closing balance at the end of the year	1 361 264 791

The current portion of the insurance liability to future members disclosed above relates to the Scheme's budgeted deficit for the following financial year.

10. INSURANCE CONTRACT LIABILITY (CONTINUED)

10.2 Insurance contract liability for current members 2024

Reconciliation of the liability for remaining coverage and the liability for incurred claims - 31 December 2024	LRFC	LIC		
	(Excluding loss component)	BEL	RA	TOTAL
Insurance contracts issued				
Contribution debtors reclassified to LIC	-	(104 873 669)	-	(104 873 669)
Other insurance payables (claims accruals)	-	109 573 436	-	109 573 436
Insurance liability - BEL actuarial calculation	-	122 566 727	5 363 232	127 929 959
Opening insurance contract liabilities	-	127 266 494	5 363 232	132 629 726
Net balance as at 1 January 2024	-	127 266 494	5 363 232	132 629 726
Insurance revenue				
New contracts entered during the year	(1 948 447 950)	-	-	(1 948 447 950)
Total insurance revenue	(1 948 447 950)	-	-	(1 948 447 950)
Insurance service expenses				
Incurred claims and managed care expenses	-	1 955 483 923	6 394 010	1 961 877 933
Directly attributable non-healthcare expenses	-	87 874 422	-	87 874 422
Changes that relate to past service – adjustments to the LIC	-	(204 619)	(5 363 232)	(5 567 851)
Insurance acquisition cash flows	-	2 328 214	-	2 328 214
Total insurance service expenses	-	2 045 481 940	1 030 778	2 046 512 718
Total Insurance service result	(1 948 447 950)	2 045 481 940	1 030 778	98 064 769
Other changes: Other claims accruals (2024 balance sheet movements) transferred to LIC	-	(4 533 103)	-	(4 533 103)
Other changes: Transfer of contribution receivable to LIC	3 875 426	(3 875 426)	-	-

10. INSURANCE CONTRACT LIABILITY (CONTINUED)

10.2 Insurance contract liability for current members 2024 (continued)

Reconciliation of the liability for remaining coverage and the liability for incurred claims - 31 December 2024	LRFC	LIC		
	(Excluding loss component)	BEL	RA	TOTAL
Cash flows				
Contributions received	1 944 572 524	-	-	1 944 572 524
Claims and managed care expenses	-	(2 006 835 155)	-	(2 006 835 155)
Directly attributable non-healthcare expenses	-	(85 158 511)	-	(85 158 511)
Insurance acquisition cash flows paid	-	(1 955 926)	-	(1 955 926)
Total cash flows	1 944 572 524	(2 093 949 592)	-	(149 377 068)
Net change at 31 December 2024	-	(56 876 181)	1 030 778	(55 845 403)
Contribution debtors reclassified to LIC	-	(112 980 059)	-	(112 980 059)
Other insurance payables (claims accruals)	-	60 181 354	-	60 181 354
Other accruals (directly attributable expenses)	-	3 088 199	-	3 088 199
Insurance liability - BEL actuarial calculation	-	120 100 820	6 394 010	126 494 830
Closing current insurance contract liabilities for current members	-	70 390 314	6 394 010	76 784 324
Net balance as at 31 December 2024	-	70 390 314	6 394 010	76 784 324

10. INSURANCE CONTRACT LIABILITY (CONTINUED)

10.2 Insurance contract liability for current members 2023

Reconciliation of the liability for remaining coverage and the liability for incurred claims - 2023	LRFC	LIC		
	(Excluding loss component)	BEL	RA	TOTAL
Insurance contracts issued				
Contribution debtors reclassified to LIC	-	(94 073 843)	-	(94 073 843)
Other insurance payables (claims accruals)	-	108 917 070	-	108 917 070
Insurance liability - BEL actuarial calculation	-	114 251 660	5 104 440	119 356 100
Opening insurance contract liabilities	-	129 094 887	5 104 440	134 199 327
Net balance as at 1 January 2023	-	129 094 887	5 104 440	134 199 327
Insurance revenue				
New contracts entered during the year	(1 836 522 553)	-	-	(1 836 522 553)
Total insurance revenue	(1 836 522 553)	-	-	(1 836 522 553)
Insurance service expenses				
Insurance claims and other directly attributable expenses	-	2 019 961 114	5 363 232	2 025 324 346
Changes that relate to past services - adjustments to the LIC		(22 584 671)	(5 104 440)	(27 689 111)
Insurance acquisition cash flows	-	1 211 163	-	1 211 163
Total insurance service expenses	-	1 998 587 606	258 792	1 998 846 398
Total Insurance service result	(1 836 522 553)	1 998 587 606	258 792	162 323 845
Other changes: Other claims accruals (2023 balance sheet movements) transferred to LIC	-	(793 948)	-	(793 948)
Other changes: Transfer of contribution receivable to LIC	10 799 826	(10 799 826)	-	-

10. INSURANCE CONTRACT LIABILITY (CONTINUED)

10.2 Insurance contract liability for current members 2023 (continued)

Reconciliation of the liability for remaining coverage and the liability for incurred claims - 31 December 2023	LRFC	LIC		
	(Excluding loss component)	BEL	RA	TOTAL
Cash flows				
Contributions received	1 825 722 727	-	-	1 825 722 727
Claims and other directly attributable expenses paid	-	(1 987 611 062)	-	(1 987 611 062)
Insurance acquisition cash flows paid	-	(1 211 163)	-	(1 211 163)
Total cash flows	1 825 722 727	(1 988 822 225)	-	(163 099 498)
Net change at 31 December 2023	-	(1 828 393)	258 792	(1 569 601)
Contribution debtors reclassified to LIC	-	(104 873 669)	-	(104 873 669)
Other insurance payables (claims accruals)	-	109 573 436	-	109 573 436
Insurance liability - BEL actuarial calculation	-	122 566 727	5 363 232	127 929 959
Closing insurance contract liabilities	-	127 266 494	5 363 232	132 629 726
Net balance as at 31 December 2023	-	127 266 494	5 363 232	132 629 726

All contributions debtors that relate to insurance services already rendered have been reclassified in LIC at year end. The Scheme had no debtors that paid in advance for 2024.

10. INSURANCE CONTRACT LIABILITY (CONTINUED)

10.3 Reconciliation of cash flows:

2024

R

Cash received from members – contribution income

Contributions not yet received - due from members PY 99 370 414

Plus: Contribution income per Statement of surplus and deficit 1 948 447 950

Less: Contributions not yet received - due from members CY (103 245 840)

Total cash flows as reflected in Note 10.2 1 944 572 524

Non-cash contributions from SAMWUMED staff (6 654 515)

Total cash received for healthcare services as per the statement of cash flows 1 937 918 010

Cash paid to providers of healthcare services - claims

Claims accrual plus BEL (2023) 231 838 025

Plus: Claims incurred including claims paid in respect of prior years 1 875 210 829

Managed care costs 26 424 311

Capitation fees paid 54 947 471

Enhancement fees 1 553 437

Less: Recoveries (MVA and Forensic recoveries) (2 856 743)

Less: Claims accrual plus BEL (2024) (180 282 174)

Total cash paid to providers of healthcare services as per the statement of cash flows 2 006 835 155

NOTES TO THE SUMMARISED FINANCIAL STATEMENTS for the year ended 31 December 2024

10. INSURANCE CONTRACT LIABILITY (CONTINUED)

Cash paid to providers and employees (non-healthcare expenses)	Attributable Expenses	Non-attributable expenses	Total
	R	R	R
Opening balance	-	9 527 057	9 527 057
Plus: Administration expenses per 12.3 and 13	87 874 422	45 444 976	133 319 398
Insurance acquisition cost as per 10.2	2 328 214	-	2 328 214
Less: Non-cash items	-	(9 716 223)	(9 716 223)
Depreciation and amortisation	-	2 538 898	2 538 898
Post retirement provision	-	861 806	861 806
Non-cash contributions from SAMWUMED staff	-	6 654 515	6 654 515
Impairment losses	-	(338 996)	(338 996)
Closing balance	(3 088 199)	(7 183 529)	(10 271 728)
Total cash paid to providers and employees as per the statement of cash flows	87 114 437	38 072 281	125 186 718

The administration expenses were attributed to insurance activities as guided by Circular 29 of 2023 issued by the Council of Medical Schemes.

11. TRADE AND OTHER PAYABLES

	2024	2023
	R	R
Unknown deposits	87 921	57 277
Accrued leave pay	3 989 382	4 175 904
Accrued bonus	827 737	868 208
Employees' tax and pension payable	2 486 393	1 561 368
Other payables and accrued expenses	(201 356)	2 864 000
Current portion of post-retirement medical aid subsidy benefits	174 888	138 247
	7 364 965	9 665 004

Fair value of trade and other payables

The carrying amounts of trade and other payables approximates their fair values due to the short-term nature of these liabilities (i.e. the effect of discounting is not considered material). For an analysis of ageing refer to Note 20. No interest charges have been levied against the Scheme on any of the payable amounts.

12. BREAKDOWN OF INSURANCE REVENUE AND SERVICES EXPENSES

	2024	2023
	Insurance contracts	Insurance contracts
Insurance revenue		
Insurance revenue (risk pool)	1 948 447 950	1 836 522 553
Total insurance revenue	1 948 447 950	1 836 522 553
Insurance service expenses		
Claims incurred	(1 875 415 446)	(1 918 786 670)
MVA and Forensic recoveries	2 856 743	6 652 154
Managed care services	(26 424 311)	(24 971 322)
Capitation Fees	(54 947 471)	-
Enhancement consultation fees	(1 553 437)	-
Benefit management services	(152 624)	(84 903)
Attributable expenses	(87 721 799)	(82 770 373)
Amounts attributed to future members	(14 312 008)	73 769 759
Sub-total	(2 057 670 353)	(1 946 191 355)
Changes that relate to past service	204 619	22 584 671
Risk adjustment to BEL	(1 030 778)	(258 792)
Changes to past service—adjustments to LIC	(826 159)	22 325 879
Insurance acquisition costs	(2 328 214)	(1 211 163)
Insurance service expense	(2 060 824 726)	(1 925 076 639)
Insurance service result	(112 376 776)	(88 554 086)

12. BREAKDOWN OF INSURANCE REVENUE AND SERVICES EXPENSES (CONTINUED)

12.1 Analysis of claims incurred:

2024

R

Claims incurred	1 875 415 446
Managed care services	26 424 311
Capitation fees	54 947 471
Enhancement consultation fees	1 553 437
MVA and Forensic recoveries	(2 856 743)

Total expenditure per Note 10.1

1 955 483 923

12.2 Analysis of managed care incurred:

2024

R

Medscheme Holdings (Pty) Ltd

Hospital benefit management services	7 941 894
Medscheme Network management services	830 163
Medscheme Active Disease Risk management service	2 693 418
Medscheme maternity benefit management	562 667
Medscheme Oncology benefit management services	714 863
Pharmacy benefit management services	6 166 267
Tshela Healthcare (Pty) Ltd – maternity benefit management	747 326

Aid for Aids Management (Pty) Ltd

HIV risk management services	6 767 713
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Total management care services

26 424 311

12. BREAKDOWN OF INSURANCE REVENUE AND SERVICES EXPENSES (CONTINUED)

12.3 Analysis of attributable administrative expenses:

2024

R

Post-retirement medical aid benefit	861 806
Actuarial fees	1 733 659
Workmen's Compensation	70 070
Administration system rental and claims administration	18 638 627
Managed subscription services	5 466 651
Staff uniforms	998
Computer consumables	37 431
Computer licensing	2 421 015
Salaries	58 328 074
Recruitment costs	91 381
Employee wellness management services	72 087
Sub-total	87 721 798
Benefit management services	152 624
Total attributable expenses	87 874 422

13. NET HEALTHCARE RESULTS INCLUDE THE FOLLOWING

	2024	2023
	R	R
Administration expenditure		
Advertising and public relations	5 367 923	3 984 445
Amortisation	40 847	18 838
Summarised General Meeting expenses	751 835	736 160
Audit fees: current year	2 647 899	(646 935)
Bank charges	1 205 423	1 026 168
Board of Healthcare Funders fees	570 754	559 140
Board of trustee's fees and expenses	1 770 273	1 776 699
Board of trustees' committee fees and expenses	1 063 910	1 073 721
Cleaning costs	356 432	324 961
Commercial comprehensive insurances	775 511	770 565
Consulting fees	6 143 836	4 042 776
Council for Medical Scheme levies	1 628 449	1 657 250
Depreciation	2 498 051	2 492 152
Forensic and MVA recovery services	1 992 016	1 846 208
Legal fees	729 135	1 312 847
Member communication	1 085 257	1 375 429
Other expenses	5 408 749	3 371 314
Remuneration paid to Principal Officer	3 397 522	3 018 336
Repairs and maintenance	1 571 407	1 921 285
Security	1 011 787	1 000 602
Short term rentals	519 416	381 622
Staff fidelity guarantee insurance	50 000	50 000
Telephone costs	2 987 831	3 504 845
Travelling expenses	1 870 713	2 259 598
	45 444 976	37 858 026
Principal officer remuneration		
Leave provision	295 502	298 598
Long-term benefits	376 381	353 454
Other short-term benefits	236 582	217 747
Salary and bonus	2 489 057	2 148 537
	3 397 522	3 018 336

13. NET HEALTHCARE RESULTS INCLUDE THE FOLLOWING (CONTINUED)

Board of trustees' committee fees and expenses

Name	Committee	Fees and expenses 2024 (R)	Fees and expenses 2023 (R)
A V Memela	Disputes and Complaints	33 548	18 990
AP Wakaba	Finance & Investment	64 060	38 640
CM Phehlukwayo	Audit & Risk (Chair)	179 898	197 160
J M Mathibe	Procurement (Chair)	96 848	56 970
JVM Mbonani	Finance & Investment	64 060	108 600
L Ndziba	Remuneration, Social and Ethics	76 720	37 980
MK Majatladi	Clinical Governance & Ex-Gratia (Chair)	69 630	158 464
MV Ngwenya	Remuneration, Social and Ethics	-	13 320
ND Madiba	Remuneration, Social and Ethics	76 720	62 370
P Ganesan	Audit & Risk	76 720	76 620
PN Qwabe	Remuneration, Social and Ethics (Chair)	237 627	184 560
SF Mkhize	Audit & Risk	76 720	63 960
		1 052 550	1 017 634

Board of trustees' remuneration - 2024	Retainer and meeting fees	Meeting costs	Travelling and accommodation	Telephone expenses	Total
	R	R	R	R	R
S Dube	102 029	5 375	18 088	29 876	155 368
N Bhozo	102 029	4 000	18 034	31 314	155 377
L Sibiya	198 783	6 300	44 984	31 314	281 381
M Marule	140 185	4 025	51 204	31 314	226 728
GM Nzuza	102 029	4 025	21 990	32 258	160 302
IM Solomon	103 434	3 275	18 964	30 770	156 443
M Langa	102 029	4 500	20 694	30 839	158 062
S Dladla	103 908	4 000	16 670	30 839	155 417
J Mcanjana	102 029	3 275	15 093	30 839	151 236
MR Letsoalo	102 029	4 500	30 460	32 970	169 959
	1 158 484	43 275	256 181	312 333	1 770 273

13. NET HEALTHCARE RESULTS INCLUDE THE FOLLOWING (CONTINUED)

Board of trustees' remuneration - 2023	Retainer and meeting fees	Meeting costs	Travelling and accommodation	Telephone expenses	Total
	R	R	R	R	R
S Dube	89 880	5 000	35 010	26 180	156 070
N Bhozo	93 695	4 500	6 481	30 750	135 426
L Sibiya	192 761	5 750	67 493	30 750	296 754
M Marule	109 426	4 250	97 842	30 750	242 268
GM Nzuza	82 390	4 000	47 948	30 750	165 088
A Ntuli	41 195	1 500	22 762	30 550	96 207
MI Solomon	95 669	3 000	48 383	22 995	170 047
NP Ntsuba	62 421	1 250	16 285	30 550	110 506
ST Kwanyana	42 965	1 250	3 622	31 249	79 086
MR Letsoalo	84 906	4 500	68 604	30 750	188 760
S Dladla	22 470	750	20 072	-	43 292
M Langa	33 705	500	209	-	34 414
J Mcanjana	26 215	1 000	31 766	-	58 981
	977 698	37 250	466 477	295 474	1 776 699

14. INVESTMENT INCOME

	2024	2023
	R	R
Dividends	10 872 191	9 725 009
Interest income		
Investments	89 471 926	95 208 333
Bank and cash	5 001 268	4 255 010
Other realised gain on financial assets	55 956 867	22 073 088
	150 430 061	121 536 431
	161 302 252	131 261 440

15. SOLVENCY RATIO

	2024	2023
	R	R
Total Insurance liabilities for future members and other reserves per Statement of Financial Position	1 380 633 641	1 366 509 403
Unrealised non-distributable reserve	(7 750 020)	(7 750 020)
Cumulative net gain on re-measurement to fair value of investments included in accumulated funds	(32 660 330)	2 162 714
Cumulative net gain on re-measurement of post-retirement medical aid benefit	(11 618 830)	(11 806 599)
Accumulated funds per Regulation 29	1 328 604 461	1 349 115 497
Insurance revenue	1 948 447 950	1 836 522 553
Solvency ratio	68.19%	73.46%

The Scheme's solvency ratio has decreased to 68.19% compared to 73.46% in December 2024, however the ratio is significantly above the statutory compliance ratio of 25%. The Scheme's liability for future members has decreased by 9.52 % year on year. Although the Scheme financial position has lowered due to the increasing healthcare costs these were considered and monitored in line with the budget. The solvency ratio was forecasted to decrease to 58.33% by the year ended 31 December 2024 even though it may be lower it is still higher than the minimum required by MSA.

16. MATTERS OF NON-COMPLIANCE

Contravention of Section 26(7) of Medical Schemes Act

Nature and impact of non-compliance

In terms of Section 26(7) of the Medical Schemes Act 131 of 1998 as amended all contributions shall be paid directly to a medical scheme not later than three days after payment thereof becoming due.

Cause of non-compliance

The Scheme encounters employer groups who do not make their contribution payments within the statutory prescribed time. For the employer groups identified causes of non-compliance range from administrative to cashflow challenges. The Scheme's management continuously follow up with these employer groups until the payment is received.

Corrective action

Non-compliant employer groups are continuously notified of the non-compliance and requested to make payment of the outstanding contributions. The Scheme currently enforces the debt management policy to mitigate the risk.

Contravention of Section 33 (2) of the Medical Schemes Act

Nature and impact of non-compliance

In terms of Section 33(2) of the Medical Schemes Act 131 of 1998 as amended each benefit option is required to be self-supporting in terms of membership and financial performance and be financially sound.

Cause of non-compliance

During the financial year under review Option A and Option B of the Scheme did not comply with Section 33(2) in terms of financial performance, however each benefit option had a membership base of above 6000 and maintained accumulated funds (net assets) that exceeded the minimum statutory requirements of 25% solvency ratio.

Benefit option	Insurance service result	Net surplus for the year
Option A	(40 597 891)	3 375 483
Option B	(57 466 878)	10 936 525
	(98 064 769)	14 312 008

Corrective action

The financial performance risk profile and claims experience of all benefit options is monitored and evaluated on a continuous basis through risk management monitoring of fraud and waste outcomes from Claims Experience analysis. Strategies are formulated to address loss making benefit option through benefits and contributions increase review process whereby affordability and chronic prevalence and aging are considered.

Benefits and Contribution review was completed for 2025 and Pricing Report submitted to CMS. An average 9,07% contribution increase was proposed and approved. The Scheme proposed minimal benefit enhancements for the 2024 year due to high claims experience because of previous benefit enhancements made that members are starting to understand and utilise.

Contravention of Section 35 (8) of the Medical Scheme Act**Nature and impact of non-compliance**

Section 35 (8) of the Act states that: "A medical scheme shall not invest any of its assets in the business of or grant loans:

- a) an employer who participates in the medical scheme or an administrator or any arrangement with the medical scheme;
- b) any other medical scheme;
- c) any administrator; and
- d) any person associated with any of the abovementioned.

At 31 December 2024 the Scheme indirectly holds investments in the holding company of the Administrator or any other Administrator. The companies include Discovery Limited and Momentum Metropolitan Health Ltd. This is in contravention of section 35(8)(c) of the Act.

Cause of non-compliance

The Funds in this specific portfolio are structured at the sole discretion of the asset manager in a manner that maximises returns. Therefore, the Scheme does not make inputs into the structuring of the portfolio.

Corrective action

The Scheme has been granted exemption by the Council for Medical Schemes in terms of Section 35(8) and is therefore allowed to hold these shares. The exemption is valid for a period of three years effective 1 December 2022 until 30 November 2025 subject to renewal.

17. GUARANTEES AND COMMITMENTS

Authorised capital expenditure

The Scheme has not committed to any capital expenditure nor provided any guarantees for the year under review.

Finance lease - as lessee (expense)	2024	2023
	R	R
Minimum lease payments due		
Within one year	350 709	673 763

These payments represent rentals payable by the scheme for certain rentals of regional office space. These leases are negotiated for 12 months and due for review and renewal every year.

18. CONTINGENCIES

	2024	2023
Matter: Mokoka & Ramoba vs SAMWUMED	R	R
Possible liability	200 000	200 000

There are three Civil claims with the High Court Civil that were brought by pharmacists for services allegedly rendered to Scheme members. The action is being defended, and the Scheme is awaiting a trial date. This matter has been set aside for an unspecified period (sine die). The Scheme is waiting for the Plaintiff to resume with the legal proceedings.

	2024	2023
Matter: CayiCayi and another vs SAMWUMED	R	R
Possible liability	100 000	100 000

High Court claim for services allegedly rendered to Scheme members. The action is being defended, and the Scheme is awaiting a trial date. This matter has been set aside for an unspecified period (sine die). The Scheme is waiting for the Plaintiff to resume with the legal proceedings.

18. CONTINGENCIES (CONTINUED)

	2024	2023
Matter: Ryan Construction vs SAMWUMED	R	R
Possible asset	5 113 975	5 113 975

The SAMWUMED Head Office in Athlone has been retained although the renovations seem to have been over capitalised for the location of these offices. Despite spending an estimated R29 million on building renovations, the building is still not certified for occupation since 2015 and there were more latent defects discovered. The application to obtain the required Occupancy Certificate from the City Council is in progress. A forensic investigation was carried out with a view to establish the legitimacy of Ryan Construction's claim and any irregularities which arose as a result of the maintenance agreement between SAMWUMED and Ryan Construction. The investigation established that there were overbillings by Ryan Construction for services carried out. The former Principal Officer was implicated in Ryan Construction's dealings with SAMWUMED. The billing discrepancies pertaining to the construction works were conducted by an Independent Quantity Surveyor.

Ryan Construction refused to provide SAMWUMED with bills of materials used in the renovations and instead issued summons to SAMWUMED for outstanding payments of R417 800 and the scheme is defending the matter. SAMWUMED has in turn issued summons to recover an amount of R5 113 975 based on the findings of the forensic investigations. The Regional Court matter has successfully transferred to the High Court and a High Court case number has been allocated to the Regional Court matter. The consolidation has been finalised. At the date of this report, the Scheme was awaiting a hearing date from the court.

	2024	2023
Matter: MOSO Consulting Brokers vs SAMWUMED	R	R
Possible liability	-	9 297 818

1. Matter: Moso Consulting Services v City of Johannesburg

Moso Consulting Services issued summons for alleged outstanding commissions totalling R9,297,817.75, which were served on the Scheme on 14 September 2021. The Scheme has defended the matter and filed a plea on 17 February 2022. By mutual agreement, the matter has been referred to arbitration. A preliminary meeting with the appointed arbitrator has been held, and the arbitration hearing has been scheduled to take place from 10 to 21 November 2025 in Johannesburg.

2. Matter: Moso Consulting Brokers and City of Ekurhuleni

The Scheme's sales consultants were prevented by the City of Ekurhuleni from marketing the Scheme to its employees. The City formally advised the Scheme that only Moso Brokers was accredited to market medical schemes to its employees.

In response, the Scheme sought legal counsel to determine whether it was legally permissible for the city to mandate the use of Moso Brokers for SAMWUMED members, and to identify any available remedies. Legal counsel concluded that Moso was in breach of its broker agreement with SAMWUMED and further advised that both Moso and the city of Ekurhuleni were in contravention of the Medical Schemes Act and the Competition Act. Additionally, the city was found to be in breach of the Collective Agreement of the SALGABC. On 22 December 2023, the Supreme Court of Appeal upheld SAMWUMED's appeal and substituted the orders of the lower court, directing the respondents (Moso) to pay the costs of the application, jointly and severally. The Scheme is currently proceeding with the recovery of these costs. Taxation is pending allocation of a date by the Taxing Master, and finalisation is expected by June 2025.

18. CONTINGENCIES (CONTINUED)

	2024	2023
Matter: SAPS Commercial Affairs	R	R
Possible liability	750 000	-

Application proceedings instituted by SAPS Commercial Affairs (Pty) Ltd seeking a declaratory order that section 59(3) of the Medical Schemes Act 131 of 1998 is unconstitutional on the basis that its application contravenes section 33 and 34 of the Constitution of the Republic of South Africa. The Applicant filed a joinder application to add 13 respondents including Medscheme. Respondents’ 4th to 24th and 73rd filed applications for security for costs (R1 250 000 and R850 000).

The matter is stayed until the rescission application is finalized. Legal counsel is seeking confirmation on timelines for outstanding applications and the main application. Given the rescission of the order for security for costs the contingent liability for SAPS to provide security for costs (R750 000) no longer exists. However, the outcome of the main application and any remaining interlocutory applications could still impact the financial statements. It is important to monitor the progress and update the disclosure note accordingly. We expect a hearing date to be allocated in the first term of 2025 depending on the timelines afforded for the filing of further affidavits. The discovery affidavit was signed by the Principal Officer and successfully filed at the High Court.

	2024	2023
Matter: Mthatha Sub-Acute Hospital	R	R
Possible liability	4 045 875	-

Mthatha Sub-Acute Hospital operated as a sub-acute private care and step-down facility. The hospital rendered services to patients who were members of various Medical Schemes including SAMWUMED. Claims submitted for services rendered amounted to R13 486 251.20 which were authorized by Medscheme. In June 2020 Medscheme failed/refused to pay the outstanding balance of R4 045 875.36. The hospital unlawfully provided care to patients requiring acute care instead of sub-acute care. Claims submitted fell outside the hospital's permitted scope of work. The hospital asserts it did not breach any terms of its license and did not defraud the defendants’ clients. The hospital claims entitlement to payment of R4 045 875.36 plus interest at the legal rate and costs of suit.

A notice of motion for joinder of the application was submitted and heard in the High Court of South Africa Gauteng Local Division Pretoria on the 18th of May 2023 where we as a Scheme were joined as additional respondents in the plaintiff’s action against Medscheme Holding (Pty) Ltd under case number 45998/2021 together with other Schemes. Settlement of the matter on behalf all Schemes has been approved, and the settlement agreement was sent to opposing attorneys to be finalised accordingly.

18. CONTINGENCIES (CONTINUED)

	2024	2023
Matter: Cross-med Health Centre	R	R
Possible liability	10 418 311	-

The Scheme along with other Schemes has joined the class action to allow Medscheme to defend against the payment demands. Cross Med Health Centre provided healthcare services and submitted claims to Medscheme. Claims amounting to R10 418 311.88 were fraudulently paid into Cross-Med Mthatha's bank account due to actions by Dr. Yako. CrossMed Health Centre is seeking recovery of these amounts alternatively R9 818 102.93 from Medscheme and the Medical Aid Schemes listed as respondents. Fifth to Twelfth Respondents (Medical Aid Schemes including SAMWUMED as the 10th respondent). Cross Med Health Centre claims that the payments were made into an incorrect and unverified bank account due to the respondents' negligence. The plaintiff asserts that it suffered significant losses due to these erroneous payments and demands repayment of the amounts. The defence argues that the payments were made due to fraudulent activities associated with Dr. Yako and not due to negligence on their part. The Scheme (SAMWUMED) has given Medscheme and their legal team the mandate to defend this matter on behalf of the Scheme. The Scheme awaits an update from the Medscheme's legal team.

19. RELATED PARTIES

Related persons	Relationships
Board of Trustees	Control
South African Municipal Workers Union (SAMWU)	Significant influence
Insight Actuaries & Consultants (Pty) Ltd	Significant influence
Netcare 911 (Proprietary) Limited	Significant influence
Brokers	Significant influence
Management Information Planning (MIP) Holdings (Proprietary) Limited	Significant influence
Medscheme Holdings (Proprietary) Limited	Significant influence
Qhubeka Forensic Services	Significant influence
Dental Information Systems (Proprietary) Limited (DENIS)	Significant influence
Preferred Provider Negotiators (Pty) Ltd (PPN)	Significant influence
Tshela Healthcare (Pty) Ltd	Significant influence
Principal Officer	Key Management personnel
Audit & Risk Committee	Key Management personnel
Finance and Investment Committee	Key Management personnel
Independent members of Committees	Key Management personnel

19. RELATED PARTIES (CONTINUED)

Aid for Aids Management Proprietary Limited

Aid for Aids HIV Management (A4A) is a managed care service provider. A4A has significant influence over the Scheme since A4A provides operational information on which policy decisions were based but does not control the Scheme. A4A provides custom made integrated health risk management services to the Scheme and has built considerable capacity in the provision of wellness HIV and AIDS disease medicine hospital and clinical risk management services. The agreement was for an initial period of one year commencing on 1 January 2017 and terminating on 31 December 2017 and automatically renewed for a successive period on one year. The Scheme has the right to terminate the contract on 180 days' notice. The contract was reviewed and renewed for the 2021 year; however, the provider was given 6 months' notice to 31 December 2021. The fees due are reviewed annually before 30 November and is payable within 30 days. Interest charges may apply to late payments.

Aid for Aids has significant influence over the Scheme but does not control the Scheme. The agreement is for an initial period of 3 years commencing on 01 August 2015 and terminating on 31 July 2018. The contract is renewed automatically for successive periods of one year. The Scheme has the right to terminate the contract on 180 days' notice. The fees due are reviewed annually and are payable within 30 days. Interest charges may apply to late payments.

After the tender process for the provision of integrated health risk management services the Scheme appointed Aid for Aids to offer these services to the Scheme effectively from 01 January 2022 to 31 December 2024. The agreement was further extended for another 3 years to 31 July 2027.

South African Municipal Workers' Union (SAMWU)

The Union is responsible for appointing four members of the Board of Trustees in compliance with Rule 24.1.2.3 of the Scheme's Rules and thus has significant influence over the Scheme but does not control the Scheme.

Brokers

The Scheme has contracted brokers to service existing members of the Medical Scheme and recruit new members. The broker fees are paid in accordance with the requirements of the Act. The fees are paid 30 days in arrears and outstanding balances bear no interest. The Scheme has the right to terminate the contract on 30 days' notice. The brokers have significant influence over the Scheme due to the interaction with Scheme members but do not control the Scheme.

Management Information Planning (MIP) Holdings Proprietary Limited

The Scheme has entered into an agreement with MIP to provide an administration system to the Scheme and in turn the operational information on which policy decisions will be based. MIP has significant influence over the Scheme but does not control the Scheme. The agreement was for an initial period of 3 years commencing on 1 January 2015. The Scheme has the right to terminate the contract on 180 days' notice. The fees due are reviewed annually and are payable within thirty days from the billing date. Interest charges may apply to late payments. The contract expired as of 31 December 2021; however, the Scheme and MIP signed an agreement with an extended period of and additional six months effectively, from 01 January 2022 till 30 June 2022 on the same terms and conditions as per the Agreement. The Scheme further extended the contract for another year and a half until 31 July 2024.

Medscheme Holdings (Proprietary) Limited

1.1 Managed Care Services

The Scheme entered into an agreement with Medscheme to provide Managed care services that include Medicine Risk Management, Disease Risk Management, HIV Risk Management, PBM Management and Hospital Benefit Management.

Medscheme has significant influence over the Scheme but does not control the Scheme. The agreement was for an initial period of 3 years commencing on 01 August 2015 and terminating on 31 July 2018. The contract is renewed automatically for successive periods of one year. The Scheme has the right to terminate the contract on 180 days' notice. The fees due are reviewed annually and are payable within 30 days. Interest charges may apply to late payments.

19. RELATED PARTIES (CONTINUED)

After the tender process for the provision of managed care services the Scheme appointed Medscheme Holdings to offer these services to the Scheme effectively from 01 January 2022 to 31 December 2024. The agreement was further extended to 31 July 2027.

1.2 Integrated Claims processing and Nexus administration system rental

The Scheme entered into an agreement with Medscheme to provide integrated claims processing services and to rent their administration system.

Medscheme has significant influence over the Scheme but does not control the Scheme. The agreement was for an initial period of 3 years commencing on 01 August 2024 and terminating on 31 July 2027. The contract is renewed automatically for successive periods of one year. The Scheme has the right to terminate the contract on 180 days' notice. The fees due are reviewed annually and are payable within 30 days. Interest charges may apply to late payments.

After the tender process for the provision of integrated claims processing services and Nexus administration system rental, the Scheme appointed Medscheme Holdings to offer these services to the Scheme effectively from 01 August 2024 to 31 July 2027.

Dental Information Systems (Proprietary) Limited (DENIS)

The Scheme has entered into an agreement with DENIS to provide dental claim management services (Dental Capitation). Capitation fees are fixed payments made by medical schemes to healthcare providers based on the number of enrolled members, rather than the services provided. This model is designed to promote cost-effective care and efficient resource use.

This agreement includes the negotiation of tariffs, processing of claims, payment of claims, and other related services for dentistry benefits applicable to the members. Dental services will be paid according to the SAMWUMED dental tariff list, which will be published on the DENIS website (www.denis.co.za) from time to time.

The agreement commenced on 01 May 2024 and will terminate three years after the commencement date, subject to either party being entitled to terminate the agreement earlier as contemplated in clauses 4.4 or 4.5.

The agreement may be renewed for a maximum of one successive period of three years after the initial three-year period, provided that the Scheme gives written notice to DENIS of its intention to renew the agreement no later than three months prior to the expiry of the initial period, or such other time as the parties may agree upon.

Tshela Healthcare

The Scheme has entered into an agreement with Tshela Healthcare to serve as the maternity provider. This agreement encompasses services related to Operations, Data, and Reporting, all of which will be provided within the allocated budget. Tshela Healthcare will participate in monthly or other agreed-upon frequency of progress meetings to monitor the implementation of services. Tshela Healthcare will enter into employment agreements with each of its nurses.

These agreements will be reviewed by SAMWUMED and will include the identity and professional registration documents of the hired personnel. Tshela Healthcare will provide necessary training and orientation to its staff. They will also comply with all management systems and reporting procedures as required by SAMWUMED. Tshela Healthcare will submit any written reports requested by SAMWUMED in a timely manner.

SAMWUMED will pay Tshela Healthcare a monthly fee and an additional amount per maternity bag. If SAMWUMED requires services not outlined in the agreement (the "Additional Services"), Tshela Healthcare will provide a quotation for these services. Upon approval of the quotation by SAMWUMED, Tshela Healthcare will render the Additional Services and charge the fees as per the approved quotation.

The agreement is valid from 01 August 2024 and will terminate on 31 July 2026. The agreement will continue for the agreed-upon contractual period unless extended by mutual consent or terminated earlier in accordance with its terms. The agreement will automatically terminate once the services have been rendered by Tshela Healthcare to SAMWUMED and all accrued fees (inclusive of VAT) have been paid by SAMWUMED to Tshela Healthcare.

19. RELATED PARTIES (CONTINUED)

Preferred Providers Negotiators (PTY) Ltd (PPN) - Optical Benefits

The Scheme has entered into an agreement with PPN to provide optometric benefits to its beneficiaries. This optometric benefit management agreement is a limited risk agreement concerning the costs of optometric benefits provided during the contract period.

The agreement limits the financial risk to the Scheme regarding the costs of optometric benefits provided to beneficiaries. PPN indemnifies the Scheme against any claims by PPN Network Providers or beneficiaries for optometric benefits provided during the contract period, except as provided for in clauses 4.3 and 4.4, or in the event of early termination or lawful cancellation of the agreement.

The Scheme shall pay the agreed monthly premiums, which are payable by beneficiaries in respect of the optometric benefits, into the Optical Benefit Fund, monthly in advance. This optometric benefit management agreement commenced on the effective date and will remain in force until 31 July 2027.

Netcare Jet Air Ambulance Proprietary Limited T/A Netcare Limited Administration (Netcare 911)

The Scheme has entered into an agreement with Netcare Limited Administration, which operates as a pre-hospital risk management, emergency response, and transportation company. This agreement is on an exclusive basis, with Netcare Limited Administration acting as an independent contractor to provide these services to the beneficiaries.

The Medical Scheme will pay Netcare Limited Administration a monthly fee per member ("Monthly Fee") for access to the services. The Monthly Fee comprises two components: an Administration Fee and a Risk Fee. The agreement commenced on 01 August 2024 and will continue for a fixed period of two years, ending on 31 July 2026.

	2024	2023
Related party transactions for services rendered:	R	R
Aid for Aids Management (Proprietary) Limited	6 767 713	6 178 200
Brokers	2 328 214	1 579 592
Management Information Planning (MIP)	4 589 777	10 545 400
Medscheme Holdings (Proprietary) Limited	32 958 122	22 865 972
Insight Actuaries & Consultants (Pty) Ltd	1 733 659	610 323
Dental Information Systems (Pty) Ltd (DENIS)	30 076 566	-
Preferred Provider Negotiators (Pty) Ltd (PPN)	20 180 807	-
Netcare 911 (Pty) Ltd	4 690 086	-
Tshela Healthcare (Pty) Ltd	747 326	-
Qhubeka Forensic Services (Pty) Ltd	1 969 831	1 656 600
	106 042 101	43 436 087

19. RELATED PARTIES (CONTINUED)

	2024	2023
	R	R
Board of Trustees		
Contributions/premiums paid by Board of Trustees	(841 812)	(728 262)
Claims paid on behalf of Board of Trustees	316 260	336 403
Expenses and other considerations	1 770 273	1 776 699
	1 244 721	1 384 840
	2024	2023
	R	R
Independent members of sub-committees		
Meeting expenses	1 052 549	1 073 721
Principal Officer		
Short-term benefits - salary and bonus	2 489 057	2 148 537
Other short-term benefits	295 502	298 598
Leave provision	236 582	217 747
Long-term benefits - defined contribution plan (pension)	376 381	353 454
	3 397 522	3 018 336
Management		
Contributions/premiums paid by Board of Trustees	(902 190)	(750 020)
Claims paid on behalf of Board of Trustees	1 247 183	980 365
	344 993	230 345

All related party transactions were conducted at arm's length and occurred in the ordinary course of business.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Risk management framework

The Scheme Board of Trustees has overall responsibility for the establishment and the oversight of the Scheme's risk management framework. The Scheme's risk management policies are established to identify and analyse the risk faced by the Scheme to set appropriate risk limits (tolerance levels) and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Scheme's activities.

Financial risk management

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 seeks to minimise potentially adverse effects on the financial performance of the investments which the Scheme holds to meet its obligations to its members.

Risk management and investment decisions are carried out by Scheme management under the guidance and approval by the Board of Trustees. The Scheme management provides investment recommendations to the Board of Trustees based on the assessment of prevailing interest rates and percentage holding of the Scheme's investments per financial institution. Investments are made on approval of the Board of Trustees.

The Scheme performs Summarised risk assessments. Through a risk matrix the various risks are rated based on probability of the event occurring and the severity of its impact on the Scheme. The intervention methodologies and business processes are also reviewed and improved to mitigate the various risks identified. The Scheme uses its operational forum meetings with its business partners to continuously assess the impact of the risk management strategies embarked upon. The risks identified have not changed from the prior year.

The Scheme has exposure to the following risks from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk;

			Market Risk	
2024 and 2023	Credit Risk	Liquidity Risk	Equity Price	Interest Rate
Investments:				
- Bonds and debentures	x			x
- Equity investments			x	
Cash and cash equivalents	x			x
Trade and other receivables	x			
Trade and other payables		x		
Liability for incurred claims		x		
Interest bearing liabilities		x		x

Currency risk

The Scheme operates in South Africa and therefore its cash flows are dominated in South African Rands (ZAR). The Scheme has no offshore investments and no foreign bank balances; hence no currency risk is present for SAMWUMED.

Interest rate risk

A significant amount of the Scheme's investments is held in interest bearing instruments and therefore are exposed to changes in market interest rates. The Scheme reviewed the investment strategy to counter the returns that are provided by the low interest rates on fixed deposits. The average returns on the interest-bearing instruments have increased due to the implementation of the strategy. The Scheme's investments consist of cash in call accounts, money market accounts, bonds and in interest bearing accounts held at Aa1 rated banks. The primary risk for the Scheme is that a BB+ rated bank defaults. The sensitivity analysis that follows below indicates the Scheme's exposure to changes in the interest rates.

Included in the table are the Scheme's investments at carrying amounts categorised by earlier of contractual repricing or maturity dates and the sensitivity to a change in the interest rates. The table is based on the average interest rate applicable to the money market bonds and the funds on call.

Financial Instrument - 2024	Average interest rate	Up to 1 months	1 – 3 months	Total	Interest received	+ or - 2% deviation	+ or - 4% deviation
	R	R	R	R	R	R	R
Cash and cash equivalents	7.66%	64 836 750	-	64 836 750	4 967 298	1 296 735	2 593 470
Financial Assets at fair value through profit or loss							
Cash	8.51%	-	287 349 961	287 349 961	22 653 280	5 323 920	10 647 840
Bonds	17.18%	-	681 617 589	681 617 589	99 933 352	11 633 685	23 267 369
Property	28.96%	-	64 574 644	64 574 644	14 680 563	1 013 851	2 027 702
Listed Equities	13.44%	-	337 377 646	337 377 646	39 971 399	5 948 125	11 896 250
Total	12.69%	64 836 750	1 370 919 840	1 435 756 590	182 205 892	25 216 316	50 432 631

Financial Instrument - 2023	Average interest rate	Up to 1 months	1 – 3 months	Total	Interest received	+ or - 2% deviation	+ or - 4% deviation
	R	R	R	R	R	R	R
Cash and cash equivalents	6.42%	66 325 313	-	66 325 313	4 255 010	1 326 506	2 653 013
Financial Assets at fair value through profit or loss							
Cash	8.03%	-	262 262 099	262 262 099	19 489 378	2 427 727	4 855 454
Bonds	9.70%	-	780 221 251	780 221 251	68 984 791	7 112 365	14 224 729
Property	10.15%	-	65 373 115	65 373 115	5 535 636	1 091 138	2 182 275
Listed Equities	9.25%	-	304 010 172	304 010 172	25 748 636	5 565 231	11 130 461
Total	8.44%	66 325 313	1 411 866 637	1 478 191 950	124 013 451	17 522 967	35 045 932

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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. Based on the risk the Scheme undertakes to compensate the members and their beneficiaries the Scheme has insurance risk.

The board of trustees (Trustees/BOT) appointed risk management committees. The Benefits review and Clinical risk management committees has developed and documented a policy to manage insurance risk. Included in this policy are:

- the Scheme rules;
- acceptance and management of the risk the Scheme is exposed to.

The Risk management committee monitors the adequate application of the policy and reviews the trends in pricing loss ratios and insurance risks on a regular basis to ensure that the trends fall within the limits of the policy. Furthermore, the risk committee reports to the BOT on a quarterly basis regarding the changes. Included in the risk management committee responsibility is the monitoring of benefit options and the recommendations to change the benefit options in consultation with the actuaries. Also included in the responsibilities of the risk management committee is the research on entering into risk transfer arrangements and the effectiveness of these arrangements. This is then presented to the BOT which has the ultimate decision to enter into the risk transfer arrangements.

Insurance risk is managed by benefit limits and sub-limits following the Scheme rules pre-authorisation case management and pricing guidelines. The risk is further managed via monitoring emerging legislative actuarial and environmental issues. The principal risk is that the frequency and the severity of the claims are greater than expected. This risk can be aggravated by unexpected epidemics price increases and new technologies/research/medicine.

There are several methods the Scheme utilises to assess and monitor insurance risk. These risks are analysed on:

- average age of the member;
- category of claims;
- composition of age per benefit option;
- geographical area of members;
- number of beneficiaries per member.

Probability is applied to the group of insurance contracts. History shows that a highly diversified group is less likely to be affected by a change in the underlying group. However, the inverse is also true: a group that is not diversified is affected by the change in the underlying group. Experience has ensured that underwriting decisions adequately address the risk and the diversification in the group.

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.

Claims development and Liquidity risk table

Claims development tables have not been presented as the uncertainty regarding the amounts and timing of claims payments is typically resolved within a year as 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. SAMWUMED expects to achieve a net deficit (before considering amounts attributable to future members) for the period ending 31 December 2025 and therefore is expected to utilise the liability attributable to current members within the next 12 months.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Concentration of insurance risks

Insurance risk concentration by age and type of risk benefits are included in the tables below.

Claims - 2024	Auxiliary	Dentistry	GP	Hospital	Medication	Optometry	Pathology	Radiology	Specialists	Total
0-25	17 698 118	8 864 781	32 738 035	91 982 247	27 339 104	7 178 632	13 605 841	9 887 001	28 743 650	238 037 409
26-35	15 222 805	3 161 426	14 102 323	38 204 725	13 467 299	2 782 784	7 945 073	4 920 986	16 028 312	115 835 733
36-50	72 150 608	11 152 576	54 967 623	179 322 292	72 811 087	12 398 126	42 176 649	25 699 969	65 207 914	535 886 844
51-65	74 384 436	7 213 243	38 613 047	232 319 789	74 514 690	9 858 197	41 273 124	29 031 547	93 167 758	600 375 831
66+	28 529 467	1 024 446	6 778 578	126 675 178	20 905 441	1 631 412	16 488 090	12 227 869	50 161 106	264 421 587
Total	207 985 434	31 416 472	147 199 606	668 504 231	209 037 621	33 849 151	121 488 777	81 767 372	253 308 740	1 754 557 404

Claims - 2023	Auxiliary	Dentistry	GP	Hospital	Medication	Optometry	Pathology	Radiology	Specialists	Total
0-25	23 440 437	14 730 048	32 501 416	88 818 083	26 803 837	10 760 505	12 880 786	9 386 862	31 487 125	250 809 099
26-35	25 316 407	5 672 051	14 793 513	43 468 049	14 757 483	4 672 535	8 574 481	5 108 536	20 864 238	143 227 293
36-50	95 970 145	16 775 148	53 868 779	163 430 388	70 990 384	19 592 637	37 909 313	23 539 088	72 508 106	554 583 988
51-65	83 636 839	10 855 492	36 128 256	199 557 558	68 381 941	15 301 253	35 593 841	25 997 828	99 876 739	575 329 747
66+	28 665 035	1 539 992	6 353 890	123 463 576	18 462 098	2 508 663	16 154 276	10 454 987	54 629 530	262 232 047
Total	257 028 863	49 572 731	143 645 854	618 737 654	199 395 743	52 835 593	111 112 697	74 487 301	279 365 738	1 786 182 174

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**Concentration of insurance risks****General practitioners**

The general practitioner benefits cover the cost of visits by members to general practitioners and of the procedures performed by them in compliance with Scheme Rules.

Specialist benefits

The specialist benefits cover the cost of visits by members to specialists and of the out of hospital procedures performed by specialists in compliance with Scheme Rules.

Optometry

The optometry benefit covers the cost of 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 Summarised limit per member in compliance with Scheme Rules.

Medicine Benefits

The medicine benefit covers the cost of medicines prescribed to members in compliance with Scheme Rules.

Dentistry benefits

The dentistry benefit covers the cost of visits by members to dental practitioners and the procedures performed by them up to a prescribed Summarised limit per member in compliance with Scheme Rules.

Other relevant health conditions

Other relevant health conditions incurred by members not listed above are covered as per the Scheme Rules. All the contracts are Summarised in nature 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.

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.

Sensitivity disclosure

The following table provides a sensitivity on the insurance contract liabilities. The table provides the sensitivity before and after the impact of the scheme being a mutual entity. 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 SAMWUMED will impact the risk adjustment.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

	2024 R'000			2023 R'000		
	LIC as at 31-Dec	2024 R'000 Impact on lic	Impact on SOCI	LIC as at 31-Dec	2023 R'000 Impact on lic	Impact on SOCI
Insurance contract liabilities						
Net Insurance contract liabilities	76 784 324	76 784 324	-	132 629 726	132 629 726	-
Unpaid claims and expenses - 5% increase						
Insurance contract liabilities (before mutualisation)						
Insurance contract liabilities (after mutualisation)						
Expenses - 5% increase						
Insurance service expense (before insurance service expense relating to future members)	(2 046 512 718)	-	-	(2 011 511 784)	-	-
Insurance service expenses (before mutualisation)						
Insurance service expenses (after mutualisation)						

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Concentration of insurance risks

Risk adjustment sensitivities

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.

	2024	2023
	R	R
Liability for Incurred Claims		
Risk adjustment with a 75% confidence level - as reported	6 394 010	5 363 232
Risk adjustment with an 80% confidence level	8 388 577	7 167 811

The analysis is based on a change in an assumption, while holding all the assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be correlated. No changes were made by SAMWUMED in the methods and assumptions used in preparing the above analysis. To further demonstrate the sensitivity to insurance risk the risk adjustment at an 80% confidence level has also been disclosed.

Capital adequacy risk

The Scheme is exposed to the risk of loss of capital value of asset classes. The risk of loss of the asset value is mitigated by the quarterly review of the performance of the investment strategy, asset allocations and the review of asset manager performance by the Scheme Management, and recommendations of any changes are submitted to the Finance and Investment Committee which then recommends them to the Board of Trustees for approval.

The actuaries were appointed to ensure that the risks around capital adequacy and Scheme sustainability are measured and mitigated.

Price risk

The Scheme is exposed to equity securities price risk due to equity investments held by the Scheme that are classified at fair value through profit and loss. The Scheme is directly exposed to equity risk through its investments in listed equities and listed bonds held through various asset managers. The value of the equity investments was R 337 377 646 (2023: R 304 010 172) and the value of bonds was R 681 617 589 (2023: R780 221 251).

The Scheme manages the price risk arising from investments in equity securities through the diversification of its investment portfolios.

Diversification of the portfolios is performed by asset managers in accordance with the mandate set by the Scheme.

Sensitivity analysis of cash

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 that follows below). i.e. +1% suggests the closing market value could have been R355 432 372 if the interest had been higher by 1% during 2024 as compared to the actual interest rate. A 1% increase in the interest at the reporting date would have increased cash by R3 245 661 (2023: an increase of R3 041 692). An equal change in the opposite direction would have decreased cash by R3 245 661 (2023: a decrease of R3 041 692).

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Sensitivity analysis of bonds

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 that follows below). i.e. +1% suggests the closing market value could have been R687 434 431 if the investment performance had been higher by 1% during 2024 as compared to the market investment performance. A one percent increase in the investment return at the reporting date would have increased bonds by R5 816 842 (2023: an increase of R7 112 365). An equal change in the opposite direction would have decreased bonds by R5 816 842 (2023: a decrease of R7 112 365).

Sensitivity analysis of property

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 that follows below). i.e. +2% suggests the closing market value could have been R66 386 966 if the investment performance had been higher by 2% during 2024 as compared to the market investment performance.

All property investments are listed on the South African Listed Property Index (SAPY). A two percent increase in the investment return at the reporting date could have increased property by R1 013 851 (2023: a decrease of R1 091 138); an equal change in the opposite direction would have decreased property by R1 013 851 (2023: a decrease of R1 091 138)

Sensitivity analysis of equity

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 that follows below). i.e. +2% suggests the closing market value could have been R343 325 771 if the investment performance had been higher by 2% during 2024 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 R5 948 125 (2023: an increase of R5 665 231; an equal change in the opposite direction would have decreased equity by R5 948 125 (2023: a decrease of R5 665 231).

The change will have an impact on the revaluation reserve and/or the profit/loss depending on the investment type.

Fraud risk

The Scheme's approach to fraud risk is very stringent. It has internal controls which are key to the business procedures followed in its administration system. The Scheme has a Fraud Hotline to report any fraudulent activity which then escalates into an investigation. The Scheme is also a member of the Board of Healthcare Funders (BHF) Forensics Unit. For the year under review the Scheme has contracted the services of Qhubeka Forensic Investigative services to review claiming patterns and trends to identify potential fraud waste and abuse on the part of service providers and members.

Liquidity risk management

Liquidity risk is the risk that the Scheme will encounter difficulty in meeting the obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The ultimate responsibility for liquidity risk management rests with the Board of Trustees which has built an appropriate liquidity risk management framework for the management of the Scheme's short term and long-term funding and liquidity management requirements.

Prudent liquidity risk management implies maintaining sufficient cash. The availability of funding through liquid cash holding position with various financial institutions ensures that the Scheme can fund its day-to-day operations. The Scheme manages liquidity risk by always holding sufficient cash / liquid assets buffer to meet operational expenses for six (6) weeks. The Scheme also manages the liquidity risk through active daily cash flow management by tracking the projected contribution collections and daily claims and other operating expenses.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The Scheme has not offset financial assets and liabilities because it does not have a legally enforceable right to offset the recognized amounts.

The table below indicates the Scheme's ability to disburse of its current liabilities as they become due and payable.

2024

Current liabilities	Less than 1 month	1 – 3 months	3 - 12 months	Total
	R	R	R	R
Trade creditors and other payables	201 356		-	201 356
Unknown deposits	-	(87 921)	-	(87 921)
Current portion of non-current borrowings	(51 570)	(241 388)	(161 548)	(454 506)
Subtotal	149 786	(329 309)	(161 548)	(341 071)
Cash and cash equivalents				64 836 750
Net liquidity position at 31 December 2024				64 495 679

2023

Current liabilities	Less than 1 month	1 – 3 months	3 - 12 months	Total
	R	R	R	R
Trade creditors and other payables	(2 822 664)		-	(2 822 664)
Unknown deposits	-	(57 277)	-	(57 277)
Current portion of non-current borrowings	(120 409)	(361 227)	(963 271)	(1 444 907)
Subtotal	(2 943 073)	(418 504)	(963 271)	(4 324 848)
Cash and cash equivalents				66 325 313
Net liquidity position at 31 December 2023				62 000 465

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk is the risk of financial loss to the Scheme if a member or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Scheme's receivables and investments in debt securities.

The Scheme's credit is primarily attributable to accounts receivable. The amounts presented in the statement of financial position are net of allowances for losses at each reporting date estimated by the Scheme's management based on the approved policy. The Scheme manages the credit risk by actively following up with the Employer groups on all contributions not received with three days of becoming due and apply the mandated actions required per the Scheme's debt management policy where appropriate.

The Scheme management undertakes a sensitivity analysis based on prior year experience as well as sample testing of the debt book. The greater portion of the Scheme's accounts receivable is fully performing.

Credit risk Management and exposures for insurance liabilities

Credit risk is the risk of financial loss resulting from a counterparty's failure to meet their contractual obligations. Exposures to individual members are managed by adhering to the requirements of Section 26(7) of the MSA i.e. actively pursuing all contributions not received within three days of becoming due suspending benefits for all members where contributions have not been received for 30 days and terminating benefits for all members where contributions have not been received for 60 days. The credit risk is considered when the expected contribution is calculated.

Credit risk	Fully performing	Past due	Impaired	Total carrying amount
	R	R	R	R
31 December 2024				
Accrued investment income	7 606 226	-	-	7 606 226
31 December 2023				
Accrued investment income	10 383 042	-	-	10 383 042

Credit risk is the risk of financial loss to the Scheme if a counterparty to a financial instrument fails to meet its contractual obligations. Key areas where the Scheme is exposed to credit risk are:

- Financial assets at fair value through profit or loss;
- Cash and cash equivalents; and
- Trade and other receivables.

The Scheme only deposits cash with registered banks per the South African Reserve Bank's Supervision Unit with high quality credit standing and limits the exposure to any one financial institution.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial assets valued at fair value through profit or loss comprise money market, listed shares, unlisted debentures, immovable property, cash and bond instruments entered to fund the obligations arising from its insurance contracts and to invest surplus funds to maintain the statutory solvency requirement. The Scheme is exposed to the issuer's credit standing on these instruments and therefore exposure to credit risk across the diversified portfolio is monitored and minimum credit ratings for these investments are set. Further, only reputable and appropriate asset managers have been appointed to manage these instruments.

Credit quality of other financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	2024	2023
	R	R
Ratings of Banks that the Scheme is invested as at 31 December		
First National Bank	BB-	BB+
Standard Bank	BB-	BB+
Investec Bank	BB-	BB+
Nedbank	BB-	BB+
ABSA Bank	BB-	BB-
Financial instrument		
Cash	352 186 711	328 587 412
Bonds	681 617 589	780 221 251
	1 033 804 300	1 108 808 663

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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 and reward profile of the scheme whilst being compliant to Annexure B of the Medical Scheme Act.

The table summarises the Scheme's financial instrument exposure to market risk as at 31 December 2024 and excludes trade and other receivables and trade and other payables as they are not exposed to currency risk price risk and interest rate risk.

Diversification and concentration

The asset class diversifications and concentrations are shown below. The sensitivity of the market risks shows the illustrated impact of the profit and loss of the various asset classes.

Allocation as at 31 December 2024

Manager	Mandate	
SAMWUMED Cash	Liquidity / Cash	Segregated
Ninety-One	Corporate Money Market Fund	Pooled
STANLIB Investments	Corporate Money Market Fund	Pooled
Argon Asset Managers	Flexible Income	Direct
Coronation	Medical Absolute Strategy	Policy
M&G Investments Southern Africa (Pty) Ltd	Inflation Plus 5% Medical Aid Fund	Policy
Mazi	Balanced Fund	Segregated
Aluwani Capital	Balanced Fund	Segregated

As at 31 December 2024

	Price risk	Interest risk	Total
	R	R	R
Cash	-	352 186 711	352 186 711
Listed equity	337 377 646	-	337 377 646
Bonds	681 617 589	681 617 589	681 617 589
Property	64 574 644	-	64 574 644
	1 083 569 879	1 033 804 300	2 117 374 179

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Allocation as at 31 December 2023

Manager	Mandate	
SAMWUMED Cash	Liquidity / Cash	Segregated
Ninety-One	Corporate Money Market Fund	Pooled
STANLIB Investments	Corporate Money Market Fund	Pooled
Argon Asset Managers	Flexible Income	Direct
Allan Gray	Life Domestic Stable Medical Find	Policy
M&G Investments Southern Africa (Pty) Ltd	Inflation Plus 5% Medical Aid Fund	Policy
Aluwani Capital	Aluwani Capital	Segregated
Mazi	Equity Fund	Segregated

As at 31 December 2023

	Price risk	Interest risk	Total
	R	R	R
Cash	-	328 587 412	328 587 412
Listed equity	304 010 172	-	304 010 172
Bonds	780 221 251	780 221 251	780 221 251
Property	65 373 115	-	65 373 115
	1 149 604 538	1 108 808 663	2 258 413 201

21. FAIR VALUE MEASUREMENT

The Scheme's financial instruments measured at fair value at the end of the year are all categorised as Level 1 or Level 2 these include the following:

	2024	2023
	R	R
Investments	1 370 919 840	1 411 866 637
Cash and cash equivalents	64 836 750	66 325 313
	1 435 756 590	1 478 191 950

Property plant and equipment

Land	3 810 001	3 736 700
Buildings	17 747 507	16 814 578
Canteen equipment	62 856	66 583
Furniture and fittings	1 115 471	1 188 300
Motor vehicles	1 240 584	1 577 347
Office equipment	1 561 072	1 439 530
Computer equipment	853 981	585 087
	26 391 472	25 408 125

Fair value is a market-based measurement and for some assets and liabilities observable market transactions or information might be available. The objective of a fair value measurement is to estimate one price at which an orderly transaction to sell the assets or to transfer the liability would take place between market participants at the measurement date.

The disclosure of fair values is not required when the carrying amount is a reasonable approximation of fair value such as short-term trade receivables and payables or for instruments whose fair value cannot be measured reliably. [IFRS7.29(a)]. Therefore, the fair values of these financial instruments have not been disclosed as they are short-term in nature.

Fair value hierarchy

IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorises the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. [IFRS 13:72]

Level 1

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. [IFRS 13:76]

21. FAIR VALUE MEASUREMENT(CONTINUED)

Level 2

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. [IFRS 13:81]

Level 3

Level 3 inputs are unobservable inputs for the asset or liability. [IFRS 13:86]. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

Valuation

Fair value of financial assets by hierarchy level at 31 December 2024	Carrying amount	Total	Level 1	Level 2	Level 3
	R	R	R	R	R
Equities	337 377 646	337 377 646	337 377 646	-	-
Property	64 574 644	64 574 644	64 574 644	-	-
Bonds	681 617 589	681 617 589	-	681 617 589	-
Cash and cash equivalents (under asset managers)	287 349 961	287 349 961	-	287 349 961	-
	1 370 919 840	1 370 919 840	401 952 290	968 967 550	-

Property plant and equipment

Land	3 810 001	3 810 001	-	-	3 810 001
Buildings	17 747 507	17 747 507	-	-	17 747 507
	21 557 508	21 557 508	-	-	21 557 508

Cash and cash equivalents that are managed by the Scheme are excluded from the table as they are measured at amortised cost.

21. FAIR VALUE MEASUREMENT(CONTINUED)

Fair value of financial assets by hierarchy level at 31 December 2023	Carrying amount	Total	Level 1	Level 2	Level 3
	R	R	R	R	R
Equities	304 010 172	304 010 172	304 010 172	-	-
Property	65 373 115	65 373 115	65 373 115	-	-
Bonds	780 221 251	780 221 251	-	780 221 251	-
Cash and cash equivalents (under asset managers)	262 262 099	262 262 099	-	262 262 099	-
	1 411 866 637	1 411 866 637	369 383 287	1 042 483 350	-
Property plant and equipment					
Land	3 736 700	3 736 700	-	-	3 736 700
Buildings	16 814 578	16 814 578	-	-	16 814 578
	20 551 278	20 551 278	-	-	20 551 278

Cash and cash equivalents that are managed by the Scheme are excluded from the table as they are measured at amortised cost.

During the 2024 financial year, the fair value hierarchy for investment in Bonds was updated to Level 2, as these were incorrectly categorised as listed bonds in the prior year and had been treated as Level 1 assets.

22. IFRS 12 – INTEREST IN OTHER ENTITIES

Unconsolidated structured entities

Pooled Funds - Unit trusts

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 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 is reflected in the valuation of the Scheme's investment in each of the Investee Funds.

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 the investments at fair value through profit or loss.

22. IFRS 12 – INTEREST IN OTHER ENTITIES (CONTINUED)

2024 Strategy

	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**	Credit rating
Stanlib Corporate Money Fund	1	60 005 000 000	333 761 703	0.56%	AA+(zaf)
Ninety-One Corporate Money Fund	1	20 180 000 000	145 928 940	0.72%	AA+(zaf)
	-	80 185 000 000	479 690 643	-	-

2023 Strategy

	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**	Credit rating
Stanlib Corporate Money Fund	1	52 980 000 000	425 518 939	0.80%	A+(zaf)
Ninety-One Corporate Money Fund	1	22 400 000 000	95 004 264	0.42%	A+(zaf)
	-	75 380 000 000	520 523 203	-	-

**The fair value of financial assets R479 690 643 (2023: R520 523 203) is included in the statement of financial position.

**This represents the entity'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.

23. GOING CONCERN

We draw attention to the fact that on 31 December 2024 the Scheme's liability for future members is R1 361 264 791. The Scheme is solvent and stable with a solid strategy to improve.

The financial statements have been prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Scheme to continue as a going concern for the next 12 months is dependent on several factors. The most significant of these is the Scheme's ability to grow its membership base, collect contribution income and yield investment returns to pay for claims and other obligations as they fall due.

24. EVENTS AFTER THE REPORTING PERIOD

There were no material events after the reporting period that would require disclosure or adjustment in the Summarised financial statements.

25. DEFICIT FROM OPERATIONS PER BENEFIT OPTION

2024	OPTION A	OPTION B	TOTAL SCHEME
	R	R	R
Insurance revenue	591 569 469	1 356 878 481	1 948 447 950
Less: Insurance service expense	(632 167 360)	(1 414 345 359)	(2 046 512 719)
Claims incurred	(562 694 114)	(1 311 730 443)	(1 874 424 557)
Ex-gratia grants	(220 525)	(192 427)	(412 952)
Ex-gratia grants post August 2024	-	(577 939)	(577 939)
Change in best estimate LIC	(4 362 364)	4 566 983	204 619
Risk adjustment on LIC	(403 347)	(627 431)	(1 030 778)
Capitation Fees	(19 504 065)	(35 443 406)	(54 947 471)
Enhancement Fees	(464 320)	(1 089 117)	(1 553 437)
Attributable Expenses	(34 325 805)	(53 395 993)	(87 721 798)
Accredited managed care: Management Services	(10 339 913)	(16 084 398)	(26 424 311)
Forensic and MVA Recoveries	1 117 852	1 738 891	2 856 743
Acquisition costs	(911 037)	(1 417 177)	2 328 214
Benefit management expenses	(59 722)	(92 902)	(152 624)
Insurance service results	(40 597 891)	(57 466 878)	(98 064 769)
Administration expenses	(17 782 757)	(27 662 219)	(45 444 976)
Net deficit from operations	(58 380 648)	(85 129 097)	(143 509 745)
Investment Income	63 118 059	98 184 193	161 302 252
Sundry Income	78 815	117 935	193 750
Other realised gain on PPE	518 301	806 250	1 324 551
Investment management fees	(1 920 680)	(2 987 740)	(4 908 420)
Interest paid	(35 366)	(55 014)	(90 381)
Amounts attributable to future members	3 375 483	10 936 525	14 312 008
Membership as of 31 December 2024			
Membership (Main members)	12 868	20 017	32 885
Dependent members	12 268	23 755	36 023
Total beneficiaries	25 136	43 772	68 908

25. DEFICIT FROM OPERATIONS PER BENEFIT OPTION (CONTINUED)
2023

	OPTION A	OPTION B	TOTAL SCHEME
	R	R	R
Insurance revenue	549 100 646	1 287 421 907	1 836 522 553
Less: Insurance service expense	(649 223 036)	(1 349 623 363)	(1 998 846 399)
Claims incurred	(612 415 394)	(1 306 009 695)	(1 918 425 089)
Ex-gratia grants	104 836	(466 419)	(361 583)
Change in best estimate LIC	3 121 724	19 462 947	22 584 671
Risk adjustment on LIC	(100 936)	(157 856)	(258 792)
Attributable Expenses	(32 282 773)	(50 487 600)	(82 770 373)
Accredited managed care: Management Services	(9 739 518)	(15 231 804)	(24 971 322)
Forensic and MVA Recoveries	2 594 527	4 057 627	6 652 154
Acquisition costs	(472 388)	(738 775)	(1 211 163)
Benefit management expenses	(33 114)	(51 788)	(84 902)
Insurance service results	(100 122 390)	(62 201 456)	(162 323 846)
Administration expenses	(14 765 695)	(23 092 331)	(37 858 026)
Net deficit from operations	(114 888 085)	(85 293 787)	(200 181 872)
Investment Income	51 195 653	80 065 787	131 261 440
Sundry Income	114 589	179 207	293 796
Other realised gain on PPE	100 073	156 507	256 580
Investment management fees	(1 905 33)	(2 979 784)	(4 885 117)
Interest paid	(81 396)	(145 690)	(227 086)
Expenses paid on sale of property	(103 051)	(184 449)	(287 500)
Amounts attributable to future members	(65 567 550)	(8 202 209)	(73 769 759)
Membership as of 31 December 2023			
Membership (Main members)	13 314	20 822	34 136
Dependent members	12 757	25 842	38 599
Total beneficiaries	26 071	46 664	72 735

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