



06 June 2023

Dear Member

Platinum Health 24th Annual General Meeting

You are kindly invited to attend the Platinum Health Medical Scheme 24th Annual General Meeting to be held at the King's Palace Hotel, Rustenburg on Friday, 30th June 2023 at 12:00. Attached herewith the Agenda, Statement of Financial Position as at 31 December 2022 and the Statement of Comprehensive Income for the year ended 31 December 2022 together with the minutes of the 23rd Annual General Meeting held on 03 June 2022 and the Board of Trustees Report.

Please kindly advise Ms Ida Chibweza if you wish to attend, by no later than Friday, 23rd June 2023 on Telephone number 087 463 0665 to ensure that the venue and catering are adequately arranged.

A proxy form is attached as part of this letter should you decide to mandate another member to vote on your behalf. Completed and signed proxy form to be emailed to Ida.Chibweza@platinumhealth.co.za for our record.

Should you wish to obtain a copy of the detailed annual financial statements prior to the meeting, please contact Ms Ida Chibweza, or alternatively you can access it via the Platinum Health website (www.platinumhealth.co.za).

Yours sincerely

P.W. Mboniso
PRINCIPAL OFFICER



PLATINUM HEALTH MEDICAL SCHEME

NOTICE IS HEREBY GIVEN THAT THE 24TH ANNUAL GENERAL MEETING OF THE
PLATINUM HEALTH MEDICAL SCHEME WILL BE HELD ON
30TH JUNE 2023 AT 12:00 AT THE KING'S PALACE HOTEL, RUSTENBURG

AGENDA

1. Notice of Meeting
2. Minutes of the Annual General meeting held on 03 June 2022
3. Board of Trustees Report for the year ended 2022
4. Ratification of Board of Trustees
5. Annual Financial Statements for the year ended 2022
6. Appointment of Auditors
7. Any other business of which due notice has been given

Notice for any motion to be placed before the Annual General Meeting must reach the office of the Principal Officer (welcome.mboniso@platinumhealth.co.za) no later than Friday 23rd June 2023.

Completed and signed proxy forms to forwarded to Ida Chibweza:
Ida.Chibweza@platinumhealth.co.za

PLATINUM HEALTH MEDICAL SCHEME

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	<i>Note</i>	2022 R	2021 R
Assets			
Non-current assets			
Property, plant and equipment	2	493 630 807	470 917 090
Deferred taxation	5	56 660 193	63 308 032
Investments held at fair value through profit or loss	7	–	–
		436 970 614	407 609 058
Current assets			
Pharmaceutical inventories	4	587 784 599	503 733 126
Trade and other receivables	6	5 725 719	8 527 874
Taxation receivable	9	55 718 077	60 866 360
Cash and cash equivalents	8	–	122 727
		526 340 803	434 216 165
Total assets		1 081 415 406	974 650 216
Funds and liabilities			
Members' Funds			
Accumulated funds		732 602 947	636 376 292
Non-current liabilities			
Long-term liabilities	10	70 048 325	74 942 662
Current liabilities			
Trade and other payables	11	278 764 134	263 331 262
Outstanding claims provision	12	207 669 808	178 566 658
Leave accrual	13	54 000 000	67 920 000
		17 094 326	16 844 604
Total funds and liabilities		1 081 415 406	974 650 216

PLATINUM HEALTH MEDICAL SCHEME

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	<i>Note</i>	2022 R	2021 R
Gross contribution income	14	1 820 644 262	1 610 141 924
Relevant healthcare expenditure		(1 668 862 682)	(1 552 003 781)
Net claims incurred	15	(1 665 310 852)	(1 549 127 980)
– Claims incurred		(1 666 022 136)	(1 549 467 967)
– Third party claim recoveries		711 284	339 987
Net loss on risk transfer arrangements	16	(3 551 830)	(2 875 801)
– Risk transfer arrangement fees/premiums paid		(13 551 250)	(11 461 464)
– Recoveries from risk transfer arrangements		9 999 420	8 585 663
Gross healthcare result		151 781 580	58 138 143
Managed care: management services	17	(17 767 908)	(14 364 252)
Administration expenses	19	(108 878 404)	(96 344 008)
Net impairment losses on healthcare receivables	18	(1 371 179)	(892 438)
Net healthcare result		23 764 089	(53 462 555)
Other income		903 768 991	872 186 041
Investment income	20	55 842 588	35 541 151
Income from use of own facilities	21	845 090 407	799 200 900
Fair value adjustment of investments held at fair value through profit or loss	7	–	37 062 575
Net impairment loss recovery		581 676	131 448
Sundry revenue		2 171 820	109 563
Profit on sale of assets		82 500	140 404
Other expenditure		(830 379 781)	(766 752 568)
Cost incurred in provision of own facilities	21	(820 821 768)	(762 459 310)
Fair value adjustment of investments held at fair value through profit or loss	7	(3 645 009)	–
Finance costs	22	(3 231 672)	(1 879 609)
Sundry expenses		(1 208)	(576)
Asset management fees	24	(2 680 124)	(2 413 073)
Net surplus for the year		97 153 299	51 970 918
Taxation	25	–	(1 938 302)
Other comprehensive income		–	–
Total comprehensive income for the year		97 153 299	50 032 616



**MINUTES OF THE PLATINUM HEALTH MEDICAL SCHEME 23rd ANNUAL GENERAL MEETING
HELD ON 03 JUNE 2022 AT 12:00
AT THE KING'S GATE HOTEL
RUSTENBURG**

<u>Present</u>	Mr Colin Smith	Chairperson, PHMS Board of Trustees
	Mr Welcome Mboniso	Principal Officer, Platinum Health
	Members	76
	Proxies	1
<u>Apologies:</u>	None	
<u>Scribe:</u>	AB Heyns	

1. NOTICE OF MEETING AND WELCOME

- 1.1** Mr Welcome Mboniso, the Principal Officer of the Scheme, opened proceedings at 12:00 and welcomed all present. The AGM was informed that Dr Sheraaz Gani had passed away earlier this week and observed a moment of silence in tribute to him. Mr Mdluli, from the Council for Medical Schemes, was welcomed in particular.

Mr Mboniso introduced the Chairperson of the Platinum Health Medical Scheme Board of Trustees, Mr Colin Smith. Mr Smith officially opened the 23rd AGM of the Platinum Health Medical.

The Chairperson confirmed that due notice of the meeting and agenda had been circulated prior to members by post and email, and that notices had also been published in all the Scheme's official publications.

The Principal Officer confirmed that a quorum was present, and the gathering could proceed as an official meeting of the Scheme.

2. MINUTES OF THE 22nd PLATINUM HEALTH MEDICAL SCHEME ANNUAL GENERAL MEETING HELD ON 11 JUNE 2021

- 2.1** The minutes of the 22nd Platinum Health Medical Scheme Annual General Meeting, held on 11 June 2021, had been circulated to members prior to the meeting.

A motion to approve the minutes as a true record of proceedings at the previous meeting was accepted. No amendments were proposed.

Proposed: Mr John Martin
Seconded: Mr Philip Coetzer

3. BOARD OF TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

- 3.1 The meeting was informed that Mr Owetu Matshaya, the former CFO, has resigned, and that he has been succeeded by Ms Veloshnee Padayachee. Mr Dan le Roux, the current CEO, will also be replaced to Mr Rodney Gounden, the incoming CEO, but will remain on board for a six-month handover period.

Mr le Roux presented the following salient points from the Board of Trustees report for the year ended 31 December:

Finance:

- i. The Scheme reported a solvency ratio of 39.25% for 2021, compared to a 39.91% solvency rate for 2020. The CMS desired solvency ratio for medical schemes is 25%.

Membership:

- i. Main membership in the Scheme increased by 5.12% at the end of the accounting period, and the average number of members increased by 3.39% over the accounting period.
- ii. It is encouraging that more low-income members are registering beneficiaries, leading to a 5.12% increase in membership for the accounting period.
- iii. The Scheme has been experiencing strong internal growth, which is positive.

Non-compliance:

The Scheme must report several areas of non-compliance to the Council for Medical Schemes in terms of the Medical Schemes Act and Regulations. In the past year, these included:

- i. Investments held directly in employer companies, such as Northam Platinum Limited, Royal Bafokeng Platinum Limited and Anglo-American plc through the Alan Gray Medical Portfolio pooled investment vehicle.
- ii. Investments held indirectly in administrator companies, such as MMI Holdings Ltd.
- iii. Contributions from participating employers that are received later than 3 days after month end, and
- iv. Exceeding the 2.5% in respect of assets in which the Scheme is allowed to invest, as listed in Annexure B of Regulation 30. The Scheme exceeded this threshold in order to respond to the COVID-19 pandemic, when it had to ensure sufficient stocks of medicine and PPEs.
- v. The Scheme has submitted a letter to the CMS to explain why Regulation 30 requirements had been exceeded, and to register a concern about the limitations that this regulation places on the Scheme as a self-administered entity. No response has been received from the CMS yet, and the matter continues to be followed-up.

Governance:

- i. The Scheme received green internal and external audit reports, with only minor housekeeping matters that have been resolved, in the past year.
- ii. The Scheme's management identified the need for a Business Continuity and Disaster Recovery Review as well as an Internal and External Vulnerability Assessment and Penetration Test, which would receive ongoing attention from the auditors.

In terms of Operational Statistics, the following was noted:

- i. The Scheme has successfully vaccinated more than 90% of its membership in 2021 against COVID-19. This included vulnerable groups like the aged and people with co-morbidities.
- ii. Platinum Health Medical Scheme pensioner to overall membership ratio is probably the lowest of

- all medical schemes in the country, which is beneficial to the Scheme.
- iii. Average healthcare expenditure per beneficiary per month has reduced from 2019 to 2020 across all three Scheme options.

4. ANNUAL GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

4.1 The Scheme's Annual Financial Statements for the period ended 31 December 2021 were noted. Mr le Roux detailed the following aspects from the Financial Statements:

- i. At year end, the stock levels in the Scheme reduced from R 11 million to R 8 million, which means that the Scheme continues to meet Regulation 30 requirements.
- ii. An investment loss of R 22 million was incurred in 2020. Since then, the Scheme's average return on investments increased by 16% resulting in cash equivalents exceeding R 800 million for the year.
- iii. Reserves of R 636 million was achieved for the year.
- iv. Long-term liabilities in respect of incentives increased by R 10 million, and creditors increased by R 9 million resulting from workplace-based healthcare services contracts at new mines.
- v. Outstanding claims provision was increased by R 27 million, to make provision for COVID-19 related claims.
- vi. Gross contribution income increased by 9.5%. This is primarily caused by an increase of 5.12% in beneficiaries, as well as an effective 4.3% contribution increase.
- vii. It was further noted that due to the three COVID-19 waves experienced in 2020 and 2021, hospital costs increased by 226% from 2020 to 2021. The Scheme experienced an increase of 193% in hospital cases that required treatment during this time. Laboratory costs and specialist costs similarly increased exponentially. Overall, the Scheme spent R 44 million in 2020, and R 162 million in 2021, on treatments and processes directly linked to COVID-19.
- viii. Since elective surgeries were postponed during the height of the pandemic, the Scheme experienced an increase in these procedures in 2021.
- ix. Despite these costs, the Scheme reported a surplus of R 50 million for 2021.
- x. The Scheme has transformed considerably since inception in 2001, and currently serves members reflecting the demographics of the country.

4.2 The Board of Trustees' Report for the year ending 31 December 2021 was approved as presented.

Proposed: Mr Willem McCarthy
Seconded: Mr Percy Malamula

4.3 The Annual Group Financial Statements for the year ending 31 December 2021 were approved as presented.

Proposed: Mr George Kgokane
Seconded: Mr Tshepo Rangwaga

5. APPOINTMENT OF AUDITORS

5.1 The AGM was informed that Ernst and Young (EY) resigned as the Scheme's external auditors, since they no longer had the requisite resources to serve medical scheme clients.
A tender process has been initiated and will close at 12:00 on 3 June 2022.
Once a suitable audit firm has been identified, a Special General Meeting will be scheduled to appoint a

new external audit firm.

6. RATIFICATION OF THE BOARD OF TRUSTEES MEMBERSHIP

6.1 The following trustees of the Scheme, whose term of office runs from one AGM to the next, were presented to the AGM for ratification.

The nominated trustees are:

- i. Mr Imraan Osman, Siyanda Bakgatla,
 - ii. Mr Colin Smith, Northam Platinum,
 - iii. Vacant, Anglo American Platinum,
 - iv. Vacant, Anglo American Platinum,
 - v. Mr Willem McCarthy, Anglo American Platinum (new),
 - vi. Mr Darren McDonald, Modikwa Platinum,
 - vii. Mr Phillip Coetzer, Royal Bafokeng Platinum (new).
-
- i. Constituency 1: Mr Boitshoko Phidelis Molefe, Anglo American,
 - ii. Constituency 2: Mr Danny Molao Noko, Siyanda Bakgatla Platinum Limited Operations,
 - iii. Constituency 3: Mr Sipho Patluza Mkhonto, Anglo American Platinum Tumela and Dishaba,
 - iv. Constituency 4: Mr Percy Malamula, Royal Bafokeng Platinum,
 - v. Constituency 5: Mr Philemon Maimela, Modikwa Platinum,
 - vi. Constituency 6: Ms Moribula Margaret Malatji, Other,
 - vii. Constituency 7: Mr Jarios Thabo Hlangweni Northam Platinum.

Proposed: Ms Kutlwano Lefakane

Seconded: Mr Percy Malamula

7. ANY OTHER BUSINESS OF WHICH DUE NOTICE HAD BEEN GIVEN

7.1 No other business was discussed.

8. GENERAL

8.1 No new items were introduced under General.

9. CLOSURE

9.1 Mr Smith thanked all members of the Scheme for their attendance and participation. Members were invited to engage staff members of the Scheme about any questions and concerns.

Mr le Roux was thanked for his guidance to the Scheme and best wishes were extended to him for his retirement. Mr Gounden was welcomed to the Scheme and best wishes were extended to him for his tenure as CEO of the Scheme.

The Chairperson formally declared the meeting closed.

PLATINUM HEALTH MEDICAL SCHEME

Registration Number: 29/4/2/1583

REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees hereby presents its report for the year ended 31 December 2022.

1. MANAGEMENT

1.1 Board of Trustees in office during the year under review

<i>Name</i>	<i>Designation</i>
Employer Trustees	
Mr C Smith*	Northam Platinum Mine
Dr C Mbekeni	Anglo American Platinum (term ended 3 June 2022)
Dr K Naidoo	Anglo American Platinum (appointed 5 August 2022)
Mr P Krause	Anglo American Platinum (term ended 3 June 2022)
Mr S Bullock	Anglo American Platinum (appointed 5 August 2022)
Mr W McCarthy	Anglo American Platinum
Mr P Coetzer	Royal Bafokeng Platinum
Mr I Osman	Siyanda Bakgatla Platinum Mine
Mr D McDonald	Modikwa Platinum Mine (term ended 5 December 2022)
Member Trustees	
Mr J Hlangweni	Northam Platinum Mine
Mr SS Pheto	Anglo American Platinum Amandelbult (term ended 3 June 2022)
Mr S Mkhonto	Anglo American Platinum Amandelbult (appointed 3 June 2022)
Mr K Kokohlabang	Anglo American Platinum Other (term ended 3 June 2022)
Mr M Malatji	Anglo American Platinum Other (appointed 3 June 2022)
Mr B Molefe	Anglo American Platinum Process Division
Mr P Malamula	Royal Bafokeng Platinum
Mr DM Noko	Siyanda Bakgatla Platinum Mine
Mr P Maimela	Modikwa Platinum Mine

* Chairperson of the Board of Trustees

PLATINUM HEALTH MEDICAL SCHEME

REPORT OF THE BOARD OF TRUSTEES (Continued)

I. MANAGEMENT (Continued)

1.2 Trustee meeting attendance

The following schedule sets out Board of Trustee meeting attendances.

	<i>Trustee Meetings</i>		<i>Audit and Risk Committee Meetings</i>		<i>Other Committee Meetings</i>	
	A	B	A	B	A	B
Employer Trustees						
Mr C Smith**	5	3	2	3	5	5
Dr C Mbekeni	3	1			2	2
Dr K Naidoo	2	1				
Mr P Krause	3	3			1	1
Mr S Bullock	2	2				
Mr W McCarthy	5	5			2	2
Mr P Coetzer	5	5			7	3
Mr I Osman	5	5	4	3	3	2
Mr D McDonald	5	4				
Member Trustees						
Mr J Hlangweni	5	5			3	3
Mr SS Pheto	3	3			7	5
Mr S Mkhonto	2	2				
Mr K Kokohlabang	3	3				
Mr M Malatji	2	2			2	2
Mr B Molefe	5	5			8	6
Mr P Malamula***	5	5	4	3*	3	3
Mr DM Noko	5	5	4	4*	2	2
Mr P Maimela	5	5			7	0

A - Total possible number of meetings could have attended

B - Actual number of meetings attended

Other Committees consist of the following:

Dispute committee

Investment committee

Remuneration committee

Product committee

Communication committee

Medical Ex-gratia committee

*Attended as observers

**Mr C Smith resigned as a member of the Audit and Risk Committee on 6 July 2022 and attended as an invitee on 17 August 2022.

***Mr P Malamula attended as an observer to the Audit and Risk Committee, prior to being appointed as a member from 6 July 2022.

PLATINUM HEALTH MEDICAL SCHEME

REPORT OF THE BOARD OF TRUSTEES (Continued)

1. MANAGEMENT (Continued)

1.3 Principal Officer

Mr P W Mboniso
Platinum Health Medical Scheme
3 Kgwebo Street
Rustenburg
0299

Private Bag X82081
Rustenburg
0300

1.4 Registered Office

Platinum Health Medical Scheme
3 Kgwebo Street
Mabe Park
Rustenburg
0299

Private Bag X82081
Rustenburg
0300

1.5 Fund Administrator

Platinum Health Medical Scheme
3 Kgwebo Street
Mabe Park
Rustenburg
0299

Private Bag X82081
Rustenburg
0300

1.6 Independent Auditors

Deloitte
5 Magwa Crescent
Waterfall City
Waterfall
Gauteng
2090

Private Bag X6
Gallo Manor
2052

1.7 Investment Managers

Allan Gray Life Limited
1 Silo Square
V & A Waterfront
Cape Town
8001
FSP 6663

1.8 Independent Investment Advisor

Mr C Buchanan
31 Bantry Square
Bantry Road
Bryanston
PO Box 130664
Bryanston
2021

1.9 General Information

Domicile:	Registered Office 3 Kgwebo Street Mabe Park Rustenburg 0300
Legal form:	Medical Aid Scheme
Country of incorporation:	South Africa
Nature of the entity:	Non-profit organisation
Principal activities:	Provides medical aid cover to members of the Scheme

1.10 Investment in subsidiary

RA Gilbert Proprietary Limited: 100% (Acquired 1 June 2020)

Directors: Mr C Smith, Mr W McCarthy, Mr P Malamula and Mr B Molefe.
Principal activities: Rental of equipment to the Scheme and acting as procurement agent of pharmaceuticals to the Scheme.

PLATINUM HEALTH MEDICAL SCHEME

REPORT OF THE BOARD OF TRUSTEES (Continued)

2. DESCRIPTION OF THE MEDICAL SCHEME

2.1 Terms of registration

The Platinum Health Medical Scheme is a non-profit restricted Medical Scheme registered in terms of the Medical Schemes Act 131 of 1998 (the Act), as amended.

No guarantees have been received from third parties, in favour of Platinum Health Medical Scheme.

2.2 Healthcare options within the Platinum Health Medical Scheme

The Scheme offers three options:

- PlatComprehensive
- PlatCap
- PlatFreedom

2.3 Risk transfer arrangements

The Scheme has entered into fixed fee contracts with a number of specialists in Rustenburg for the rendering of specialist health services to its members.

The services are based on negotiated fixed monthly payments to the specialist and an adjustment of fees is negotiated if there is a substantial increase in members (up more than 10% growth from date of signing the contract). The services rendered to members are raised at Platinum Health Medical Scheme rates and the difference between the services provided at these rates and the fixed amount paid is the risk transfer surplus or deficit.

2.4 Own facilities

The Scheme has entered into capitation fee contracts with a number of participating employer companies for the rendering of work-based health services to the employees and contractors of the employer groups. The services include occupational health care, rehabilitation and functional assessment, curative care and trauma emergency services. These services are rendered at the participating employer's premises at favourable conditions to the Scheme and are accounted for under own facility surplus (Note 21).

The assets used by the previous supplier of these services (Platmed Proprietary Limited) were being rented with an option to purchase on expiry of the rental agreement at a nominal value agreed between both parties. The rental agreement came to an end on 30 November 2021 and the Group has purchased the assets.

PLATINUM HEALTH MEDICAL SCHEME

REPORT OF THE BOARD OF TRUSTEES (Continued)

3. INVESTMENT POLICY OF THE FUND

The trustees have invested the reserves in line with the Regulations of the Medical Schemes Act 131 of 1998, as amended. There has been no change in the policy during the year under review.

The Group's investment objectives are to maximise the return on its investments on a long-term basis at minimal risk. The Group's investments consist of a portfolio which is being managed by Allan Gray in a pooled portfolio. The investment in the Allan Gray Life Domestic Stable Portfolio consists of equity, bills, bonds and cash and deposits.

The investment strategy takes into consideration both constraints imposed by legislation and those imposed by the Board of Trustees.

Allan Gray is mandated to comply with all the requirements of the Medical Schemes Act regarding the Allan Gray Life Domestic Stable Portfolio.

4. INSURANCE RISK MANAGEMENT

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

The Scheme manages its insurance risk through 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 emergency issues.

The Scheme uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk measurement models, sensitivity analyses, scenario analyses and stress testing. The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims are greater than expected. A significant portion of health services are rendered through in-house service providers. Since the biometric identification is deployed the risk to the Scheme is significantly reduced.

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 annual consolidated 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.

PLATINUM HEALTH MEDICAL SCHEME

REPORT OF THE BOARD OF TRUSTEES (Continued)

5. REVIEW OF THE YEAR'S ACTIVITIES

5.1 Operational Statistics

	2022		2021	
	All Options	Plat Comprehensive	All Options	Plat Comprehensive
Number of members at year end	57 995	53 762	54 730	50 368
Average number of members for the year *	56 036	51 621	53 424	48 720
Average administration and managed care costs incurred per beneficiary per month	R105	R105	R102	R103
Average accumulated funds per member at 31 December	R12 632	R10 527	R11 628	R10 390
Dependant ratio as at 31 December	1:0.804	1:0.801	1:0.792	1:0.793
Non-healthcare expenses as a percentage of gross contributions	7%	7%	7%	7%
Number of beneficiaries at year end	104 571	96 836	98 059	90 290
Average number of beneficiaries during the accounting period	100 964	93 051	95 542	87 215
Net contributions per average beneficiary per month *	R1 503	R1 506	R1 409	R1 415
Relevant healthcare expenditure per average beneficiary per month *	R1 377	R1 415	R1 358	R1 399
Non-healthcare expenditure per average beneficiary per month *	R108	R108	R101	R101
Relevant healthcare expenditure as a percentage of gross contributions	92%	94%	96%	99%
Average age of beneficiaries at 31 December	30.64	30.61	30.76	30.68
Return on investments as a percentage of investments at 31 December	5.42%	5.42%	8.62%	8.62%
Pensioners ratio at 31 December	1.44%	1.56%	1.41%	1.54%
	PlatCap	PlatFreedom	PlatCap	PlatFreedom
Number of members at year end	2 660	1 533	2 883	1 479
Average number of members for the year *	2 914	1 501	3 264	1 440
Average administration and managed care costs incurred per beneficiary per month	R102	R95	R89	R99
Average accumulated funds per member at 31 December	R34 672	R49 140	R22 819	R31 948
Dependant ratio as at 31 December	1:0.075	1:2.181	1:0.063	1:2.181
Non-healthcare expenses as a percentage of gross contributions	8%	7%	8%	7%
Number of beneficiaries at year end	2 859	4 876	3 065	4 704
Average number of beneficiaries during the accounting period	3 119	4 795	3 460	4 567
Net contributions per average beneficiary per month *	R1 248	R1 390	R1 182	R1 459
Relevant healthcare expenditure per average beneficiary per month *	R638	R987	R739	R1 036
Non-healthcare expenditure per average beneficiary per month *	R105	R95	R99	R99

PLATINUM HEALTH MEDICAL SCHEME

REPORT OF THE BOARD OF TRUSTEES (Continued)

5. REVIEW OF THE YEAR'S ACTIVITIES (Continued)

5.1 Operational Statistics (Continued)

	2022		2021	
	PlatCap	PlatFreedom	PlatCap	PlatFreedom
Relevant healthcare expenditure as a percentage of gross contributions	51%	71%	63%	71%
Average age of beneficiaries at 31 December	40.04	24.68	40.69	24.22
Return on investments as a percentage of investments at 31 December	5.42%	5.42%	8.62%	8.62%
Pensioners ratio at 31 December	0.06%	0.03%	0.05%	0.04%

* Averages are calculated using the sum of the 12 months' actual monthly membership divided by 12

5.2 Results of operations

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

5.3 Solvency margin

	2022 R	2021 R
The solvency margin is calculated on the following basis:		
Members' funds per the statement of financial position	732 602 949	636 376 292
Less: Cumulative unrealised net gain on re-measurement to fair value of financial instruments **	<u>(12 512)</u>	<u>(3 529 328)</u>
Accumulated funds per Regulation 29	<u>732 590 437</u>	<u>632 846 964</u>
Gross contributions	<u>1 820 644 262</u>	<u>1 610 141 924</u>
Solvency margin (Accumulated funds/Gross annual contribution income x 100)	<u>40%</u>	<u>39%</u>

** Cumulative net gain on re-measurement to fair value is calculated as follows:

Net cumulative unrealised (gain) / loss opening balance	(3 529 328)	31 834 134
Add: Unrealised loss / (gain) on re-measurement to fair value of financial instruments	3 645 009	(37 062 575)
(Profit) / loss of subsidiary	<u>(128 193)</u>	<u>1 699 113</u>
Cumulative net unrealised gain on re-measurement to fair value of investments included in accumulated funds	<u>(12 512)</u>	<u>(3 529 328)</u>

5.4 Members Funds

Movements in the member's funds are set out in the statement of changes in funds. There have been no unusual movements that the trustees believe should be brought to the attention of the members of the Group.

5.5 Outstanding Claims

The basis of calculation of the outstanding claims provision is disclosed in Note 12 of the financial statements and this basis is consistent with the prior year. Movements on the outstanding claims provision are set out in Note 12.

PLATINUM HEALTH MEDICAL SCHEME

REPORT OF THE BOARD OF TRUSTEES (Continued)

6. ACTUARIAL VALUATION

An actuarial valuation report accompanies the contribution and benefit levels submitted to the Council for Medical Schemes.

7. SUBSEQUENT EVENTS

There are no significant events after the reporting date which requires disclosure or adjustment to the annual financial statements.

9. TRUSTEES' REMUNERATION AND EXPENSES

Trustees are not remunerated for their services, other than disbursements for attending conferences and training. An attendance and cell phone allowance are paid to those trustees who opted for this allowance. The disbursements and allowances for the year are R696 913 (2021: R816 676).

10. FIDELITY COVER

The Scheme has fidelity cover in place and the premiums are fully paid up and in place until 30 June 2023. The Health Professionals employed by the Scheme, Trustees elected, and Independent Committee Members are covered for any claims with regard to services rendered by them.

11. NON-COMPLIANCE WITH MEDICAL SCHEMES ACT 131 of 1998

The following areas of non-compliance of the Medical Schemes Act 131, 1998 were identified during the year:

(1) Investments in employer and administrator companies

Nature and cause of non-compliance

In terms of the Medical Schemes Act and specifically Section 35 (8)(a) it is a requirement that a medical scheme shall not invest any of its assets in the business of or grant loans to an employer who participates in the Medical Scheme, or any administrator or any arrangement associated with the Medical Scheme. As per the explanatory Note 8 to Annexure B in terms of the Medical Schemes Act, compliance is tested on a look-through principle. Therefore, if the Scheme has invested in a pooled fund/collective investment Scheme which has invested some of their assets in the Scheme's employer group, the Scheme is non-compliant to the requirements of section 35(8).

The following investments are held indirectly in employer companies at year end through the Allan Gray pooled funds:

	2022 R	2021 R
• Northam Platinum Limited	8 223 487	10 719 616

The following investments are held indirectly in administrator companies at year end through Allan Gray pooled funds:

• MMI Holdings Ltd	–	405 367
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PLATINUM HEALTH MEDICAL SCHEME

REPORT OF THE BOARD OF TRUSTEES (Continued)

11. NON-COMPLIANCE WITH MEDICAL SCHEMES ACT 131 of 1998 (continued)

Possible impact of non-compliance

The contravention of the Act will have an insignificant impact on the Scheme as the amounts invested in employer companies and administrator companies are immaterial and the Scheme has no influence over the investment decision. The Council for Medical Schemes has been notified and have not imposed any penalties on these contraventions.

Corrective course of action adopted to ensure compliance, including the timing of the corrective action

Compliance with the Medical Scheme Act should always be considered when investments are made by the Scheme or by the portfolio managers. If not in compliance, the Registrar should be informed immediately. The Scheme has no direct or indirect influence over the Allan Gray investment strategies as the pooled funds are invested to optimise return on investment for the entire portfolio. A letter confirming the exemption from investing in employer groups and medical scheme administrators through asset managers where such investment choices are not influenced by the Scheme was received from the Council for Medical Schemes for a period of 3 years, commencing 1 December 2022.

(2) 3 Day rule – contributions not received within 3 days of becoming payable

Nature and cause of non-compliance

In terms of the Medical Schemes Act and specifically Section 26 (7) contributions should be received in accordance with the rules of the Scheme. The rules indicate that contributions payable should be received no later than the third day of each month. As at 31 December 2022, there were contribution debtors outstanding for more than 30 days to the amount of R1 120 508 (2021: R1 687 200). This amount represents about 1% of the total contributions received during the year, but the delay in receipt is in contravention of Section 26(7) of the Medical Schemes Act.

Possible impact of non-compliance

The contravention of the Act may result in the Council for Medical Schemes imposing penalties for the non-compliance.

Corrective course of action adopted to ensure compliance, including the timing of the corrective action

The Scheme continually strives to have all membership changes updated before the following contribution run. Due to the nature of the membership movement, and the communication process between the employer's administrators on the one hand and the Scheme on the other, this is not always possible.

12. RELATED PARTY TRANSACTIONS

Refer to related party disclosure in Note 29 of the financial statements.

13. INVESTMENTS IN AND LOANS TO PARTICIPATING EMPLOYERS OF MEMBERS OF THE MEDICAL SCHEME

The Medical Scheme holds no direct investments in or loans to participating employers of Medical Scheme members, other than the pooled investment through Allan Gray (refer to 11.1 above).

PLATINUM HEALTH MEDICAL SCHEME

REPORT OF THE BOARD OF TRUSTEES (Continued)

14. AUDIT AND RISK COMMITTEE

An Audit Committee was established in accordance with the provisions of the Medical Schemes Act 131 of 1998. The Board of Trustees reviewed the remit of the risk committee and agreed to incorporate it into the audit committee, changing it to an Audit and Risk committee from 12 April 2022. The Board of Trustees mandates the Committee by means of written terms of reference as to its membership, authority, and duties. The Committee consists of five members of which three are independent members.

The majority of the members, including the chairperson, are independent of the Scheme. The Committee met on 1 April 2022, 5 July 2022, 17 August 2022, and 3 November 2022.

The Chief Executive Officer, Principal Officer, Chief Financial Officer of the Medical Scheme and the internal and external auditors attend the Committee meetings and have unrestricted access to the chairperson of the Committee.

In accordance with the provisions of the Act, the primary responsibility of the Committee is to assist the Board of Trustees in carrying out its duties relating to the Group's accounting policies, internal control systems and financial reporting practices. The internal and external auditors formally report to the Committee on critical findings arising from the audit activities.

The principal activities of the Audit and Risk Committee which are formulated in the Audit and Risk Committee Charter are:

- Review of the effectiveness of internal controls and the financial functions
- Monitoring of governance and risk management processes
- Review of effectiveness of internal and external audits
- Recommendation of appointment of external auditors and fees
- Recommendation of appointment of internal auditors and fees
- Evaluation of external and internal audit reports
- Recommending approval of Financial Statements

The Audit Committee comprises of the following:

	Meetings Attended
Mr I Catt (Independent Chairperson)	4 of 4
Mrs V Voogt (Independent) (Term ended 5 December 2022)	4 of 4
Mr D Cathrall (Independent)	4 of 4
Mr C Smith* (Trustee)	3 of 4
Mr I Osman (Trustee)	3 of 4
Mr P Malamula ** (Trustee)	2 of 4

*Mr C Smith resigned as a member of the Audit and Risk Committee on 6 July 2022 and attended as an invitee on 17 August 2022.

**Mr P Malamula attended as an observer to the Audit and Risk Committee, prior to being appointed as a member from 6 July 2022.

PLATINUM HEALTH MEDICAL SCHEME

REPORT OF THE BOARD OF TRUSTEES (Continued)

15. INVESTMENT COMMITTEE

An Investment Committee was established and is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties. This Committee consists of four members of which two must be members of the Board of Trustees. One of the members is an independent advisor.

The Committee met on 1 April 2022, 17 August 2022 and 3 November 2022.

The Chief Executive Officer, the Principal Officer and the Chief Financial Officer of the Medical Scheme attend the Investment Committee meetings and have unrestricted access to the chairperson of the committee.

The primary responsibility of the Investment Committee is to assist the Board of Trustees in carrying out its duties relating to the investment policy of the Group.

The mandate of the committee is to ensure that:

- the Group remains liquid;
- investments are placed at minimum risk and at the best possible rate of return;
- investments made are in compliance with the regulations of the Act; and
- a risk assessment is performed with feedback to the Board of Trustees with recommendations on the risks identified.

The Investment Committee comprises of the following:

		Meetings Attended
Mr I Osman	(Chairperson Trustee)	2 of 3
Mr C Buchanan	(Independent Advisor)	3 of 3
Mr C Smith	(Trustee)	3 of 3
Mr J Hlangweni	(Trustee)	3 of 3

PLATINUM HEALTH MEDICAL SCHEME

REPORT OF THE BOARD OF TRUSTEES (Continued)

16. REMUNERATION COMMITTEE

A Remuneration Committee was established and is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties. The Remuneration Committee should consist of at least three members of which at least two must be members of the Board of Trustees based on the Rules of the Scheme and should have comprehensive Human Resources or Finance background. Proficiency in remuneration and benefits will be a pre-requisite.

The Committee met on 28 February 2022 and 8 November 2022.

The Chief Executive Officer and the Human Resources Manager attend the Remuneration Committee meetings.

- The Committee's terms of reference, and as such its primary responsibility, is to advise the Board of Trustees on remuneration guidelines, policies and strategies with respect to remuneration, incentives and other related benefits.

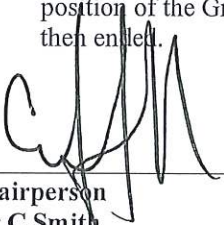
The Remuneration Committee comprises of the following:

		Meetings Attended
Mr P Krause	(Chairperson Trustee) (term ended 3 June 2022)	1 of 2
Mr D Noko	(Trustee) (Appointed 19 September 2022)	1 of 2
Mr C Smith	(Trustee)	2 of 2
Dr M Bussin	(Independent) (Appointed 19 September 2022)	1 of 2
Dr L Kona	(Independent) (Appointed 19 September 2022)	1 of 2
Mr K Mothini	(Independent) (Appointed 19 September 2022)	1 of 2

17. GOING CONCERN

The Board of Trustees are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Group continues to adopt the going concern basis in preparing the annual consolidated financial statements.

The Board of Trustees are of the opinion that the annual consolidated financial statements fairly present the financial position of the Group as at 31 December 2022, and the results of its operations and cash flow information for the year then ended.



Chairperson
Mr C Smith

26 April 2023
Johannesburg



**PLATINUM
HEALTH**

PLATINUM HEALTH MEDICAL SCHEME

**ANNUAL GENERAL MEETING
30 JUNE 2023 AT 12:00
KING'S PALACE, RUSTENBURG**

PROXY FORM

I, _____

Being a member of Platinum Health Medical Scheme hereby appoints:

or failing, that person, the Chairman of the meeting, to act as my proxy to vote on my behalf at the Annual General Meeting of the Scheme to be held on 30 June 2023.

Signed this _____ day of _____ 2023

Signature of Member _____

Membership Number

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Signature of Appointed Proxy _____

Membership Number

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Please note that the proxy must be signed by the member and the person appointed as the proxy.