



SUREMED HEALTH
(Registration Number 1464)

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019**



Independent Auditor's Report on Summary Financial Statements

To the Members of Suremed Health

Opinion

The summary financial statements, as set out on pages 4 to 7, which comprise the summarised statement of financial position as at 31 December 2019, the summarised statement of comprehensive income, the summarised statement of changes in members' funds and reserves, the summarised cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of Suremed Health (the Scheme) for the year ended 31 December 2019.

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.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and the Medical Schemes Act of South Africa. 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 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 12 May 2020.

Trustees' Responsibility for the Summary Financial Statements

The trustees 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.

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Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.



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 Standards on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Report on Other Legal and Regulatory Requirements

As required by the Council for Medical Schemes' Circular 38 of 2018, *Audit Tenure*, we report that PricewaterhouseCoopers Inc. has been the auditor of Suremed Health for 9 years.

The engagement partner, A Rathan, has been responsible for Suremed Health's audit for 1 year.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: A Rathan

Registered Auditor

13 May 2020

Port Elizabeth

**SUREMED HEALTH
SUMMARISED FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees hereby presents its report for the year ended 31 December 2019

Registration number 1464

1. DESCRIPTION OF THE MEDICAL SCHEME

1.1. Terms of registration

Suremed Health is a not-for-profit open medical scheme registered in terms of the Medical Schemes Act 131 of 1998, as amended.

1.2. Benefit options with Suremed Health

The scheme offers 4 benefit options to employers and members of the public

These are:

- Challenger Option
- Navigator Option
- Shuttle Option
- Explorer Option

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

In order to provide a facility for scheme members to set funds aside to meet future healthcare costs not covered in the benefit options, the Trustees have made the savings plan option available to meet this objective.

Members that belonged to the Navigator benefit option during the year under review paid an amount of approximately 20% of their gross contributions into a savings account so as to help pay members' portions of healthcare costs, up to a prescribed threshold.

Unexpended savings amounts are accumulated for the long-term benefit of the member and interest is paid on balances at a rate determined by the trustees from time to time.

The liability to the members in respect of the savings plan is reflected as a financial liability in the financial statements, repayable in terms of Regulation 10 of the Act. In terms of the rules of the scheme, the scheme carries the risk.

Savings contributions are refundable when a member leaves the scheme or transfers to an option within the scheme which does not have a savings option. The money will be transferred to the member within six months of the date of the change.

1.4. Risk transfer arrangements

During the year under review, the scheme had capitation agreements in place for the whole year with ER24 in respect of emergency and ambulance benefits, and Primecure (Pty) Ltd in respect of primary care benefits on the Explorer option.

2. MANAGEMENT AND KEY THIRD PARTY CONTRACTORS

2.1	Board of Trustees in office during the year under review:	2.2	Principal officer
	Mr. AB Vermeulen		Chairman (member elected)
	Mr. J Janse van Rensburg		Trustee (member elected)
	Mr. JLO Fernandes		Trustee (member elected)
2.3	Registered office address:	2.4	Registered postal address:
	Momentum Thebe Ya Bophelo (Pty) Ltd		Momentum Thebe Ya Bophelo (Pty) Ltd
	7 Lutman Street		P O Box 1672
	Richmond Hill		Port Elizabeth
	Port Elizabeth		6000
	6001		
2.5	Medical Scheme Administrators during the year:	2.6	Actuaries during the year:
	Momentum Thebe Ya Bophelo (Pty) Ltd (previously known as PROVIDENCE Healthcare Risk Managers (Pty) Ltd)		Prognosys Actuaries and Consultants
	(Accreditation number: Admin 22)		(Accreditation number: RSP016/2010)
	7 Lutman Street		27 Muir Road
	Richmond Hill		Rondebosch
	Port Elizabeth		Cape Town
	6001		7700
2.7	Auditors	2.8	Investment managers – fixed income funds (until 3 March 2018)
	PricewaterhouseCoopers Inc		Acis Limited
	Ascot Office Park		3 rd floor, Ubomi Building
	Greenacres		Old Mutual Square
	Port Elizabeth		93 Grayston Drive
	6045		Sandton
			2196
			Financial Service Provider Number: 26/10/588

3. INVESTMENT STRATEGY OF THE MEDICAL SCHEME

The Trustees continue to invest in line with the requirements of the Act. There has been no change in the policy during the current accounting period.

The scheme's investment objectives are to maximise the return on its investments on a long term basis at minimal risk. The investment strategy takes into consideration both constraints imposed by legislation and those imposed by the Board of Trustees. To achieve this, the funds are invested on call and short-term deposits with major banking institutions, and flexible market dependant income products managed by Acis.

4. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES

4.1 Operational statistics – Current year

	2019				
	Challenger	Navigator	Shuttle	Explorer	Total
Average number of members during the accounting period. (N)	187	566	101	268	1 122
Number of members at the end of the accounting period. (N)	183	562	103	297	1 145
Average number of beneficiaries during the accounting period (N)	403	1 265	201	384	2 253
Number of beneficiaries at 31 December	395	1 259	202	419	2 275
Average number of dependants	215	699	100	116	1 130
Number of dependants at 31 December	212	697	99	122	1 130
Dependant ratio at 31 December	1.16	1.24	0.96	0.41	0.99
Net contributions per average beneficiary per month (R)	3 279.14	1 822.92	1 314.61	1 145.53	1 922.35
Relevant healthcare expenditure per average beneficiary per month (R)	3 138.62	1 712.98	1 439.17	1 049.51	1 830.22
Non-healthcare expenditure per average beneficiary per month (R)	308.76	264.18	168.30	169.66	247.48
Relevant healthcare expenditure as a percentage of gross contributions (%)	95.71	81.29	109.48	91.62	87.90
Non-healthcare expenditure as a percentage of gross contributions (%)	9.42	12.54	12.80	14.81	11.89
Average age per beneficiary	47.48	38.65	35.80	31.90	38.60
Pensioner % at 31 December (beneficiaries > 65 years)	27.97%	12.28%	7.24%	10.50%	14.08%
Average accumulated funds per member at 31 December (R)	-	-	-	-	48 820
Return on investments as a percentage of investments (%)	-	-	-	-	8.31

4.2 Results of operations

The results of the scheme are set out in the Annual Financial Statements, and the Trustees believe that no further clarification is required.

4.3 Accumulated funds ratio

	2019 R	2018 R
The accumulated funds ratio is calculated on the following basis:		
Accumulated funds	55 899 045	54 835 439
Total member's funds per Statement of Financial Position	55 899 045	54 835 439
Accumulated funds per regulation 29	55 899 045	54 835 439
Gross contributions	56 282 643	55 285 719
Ratio of accumulated funds to gross annual contribution income	99.32%	99.19%
NOTE: There are no adjustments required to the reserves as per the Statement of Financial Position in order to arrive at the reserves as per Regulation 29.		

4.4 Reserve accounts

Movements in the reserves are set out in the Statement of Changes in Funds and Reserves included in the Annual Financial Statements. There have been no unusual movements that the Trustees believe should be brought to the attention of the members of the scheme.

4.5 Outstanding risk claims

Movements on the outstanding risk claims provision are set out in Note 7 to the Annual Financial Statements. There have been no unusual movements that the Trustees believe should be brought to the attention of the members of the scheme.

5. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On 11 March 2020, the World Health Organisation declared the Covid-19 virus (more commonly referred to as the Corona virus) to be a worldwide pandemic. On 5 March 2020, the National Institute for Communicable Diseases confirmed that a suspected case of Covid-19 had tested positive in KwaZulu Natal, after which it spread to all 9 provinces. On 24 March 2020, President Cyril Ramaphosa ordered a 21 day nationwide lockdown, except for essential service providers. The developments in the spread of the virus and the global impact has negatively affected financial markets and continues to do so. The duration of this impact is unknown but is expected to return to normal in the future.

The impact of the Covid-19 virus on the scheme going forward is as yet unknown, but no adjustment to the financial statements for the year ended 31 December 2019 is necessary.

The Board has reviewed calculations done by the administrator to quantify the possible impact of Covid-19 on the scheme. These calculations were performed using actuarial assumptions. Two scenarios were considered:

- The impact of a high number of Covid-19 claims; and
- Non-payment of contributions by members.

Both these scenarios illustrated that due to the strong financial position of the scheme, we will be able to absorb the impact of Covid-19 and our going concern ability will not be affected.

6. ADMINISTRATION SERVICES

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

Administration fees for the year ended 31 December 2019 paid to Momentum Thebe Ya Bophelo (Pty) Ltd amounted to R3 006 863 (2018: R2 923 642).

7. ACTUARIAL SERVICES

The scheme's actuaries have been consulted in the determination of the contribution and benefit levels.

8. MARKETING AND DISTRIBUTION SERVICES

Marketing and distribution services are managed directly by the scheme in conjunction with the Administrators.

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

The scheme holds no investments in participating employers of scheme members, or other related parties.

10. NON-COMPLIANCE MATTERS

Section 33(2)

Each benefit option should be financially sound and self supporting. In 2019, all benefit options incurred net healthcare deficits. This is not a regular occurrence. The scheme incurred higher than anticipated claims during 2019. Appropriate adjustments have been made to the benefit options for 2020.

Regulation 5(F)

In terms of this regulation diagnostic and such other code numbers that relate to relevant health services, need to be stated on all accounts. Non-compliance results in the scheme not complying with the Act. Certain accounts received from members who do not reside in South Africa do not have diagnostic and such other code numbers that relate to relevant health services. The administrator applies suitable codes where applicable.

Section 26(7)

In terms of this section all contributions are to be received within 3 days of becoming due. Non-compliance could result in possible cash flow strain and have an impact on interest income. Late payments of contributions by members are not within the scheme's control, however a credit control policy is in place to address this matter and late payments are followed up by the administrator.

Section 59(2)

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

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

11. AUDIT COMMITTEE

An Audit Committee was established in accordance with the provisions 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, of which two are members of the Board of Trustees. The majority of the members, including the chairman, are not officers of the scheme or its third party administrator. The Committee met on three occasions during the course of the year as follows:

10 April 2019
28 August 2019
13 November 2019

The Principal Officer of the scheme, the financial manager of the administrator and the external auditors attend all Audit Committee meetings and have unrestricted access to the chairman 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 medical scheme's accounting policies, internal control systems and financial reporting practices. The external auditors formally report to the Committee on critical findings arising from audit activities.

The Audit Committee is pleased to report that:

- It has carried out its duties in terms of the Medical Schemes Act and the Board of Trustees written Audit Committee charter;
- The external auditors have confirmed their independence;
- The external auditors confirmed that the audit plan performance and their fees have been reviewed by the audit committee;
- The assurances provided by management, the internal auditors and the external auditors have satisfied the committee that the controls are adequate and effective;
- It has had oversight of the financial reporting process;
- The audit committee reviewed the internal audit committee reports and findings;
- It has reviewed the Annual Financial Statements and the audit report thereon and recommended the acceptance thereof by the Board of Trustees;
- It has evaluated the effectiveness of the risk management and governance processes of the Board of Trustees; and
- The audit committee have completed self-audit evaluations.

The independent members of the Audit Committee, fulfils the role of the Remuneration Committee

The committee during the year under review was:
VD Rubin CA (SA); H.dip. BDP; MBA (Chairman) - Independent member
J Rollason LL.B, FCII, CFP - Independent member
AB Vermeulen B Comm (ACC) AGA – Trustee member
JJ Janse van Rensburg B Comm – Trustee member
D Perlstein B.Acc; CA (SA); H. Dip. Company Law - Independent member

12. MEETING ATTENDANCE AND REMUNERATION

The following schedules sets out the attendance at meetings and remuneration received.

NAME	BOARD MEETINGS		OTHER MEETINGS		FEES R	EXPENSES R	AUDIT COMMITTEE MEETINGS		REMUNERATION COMMITTEE MEETINGS		FEES R
	A	B	A	B			A	B	A	B	
AB Vermeulen (BoT Chairman)	6	6	1	1	491 400	(C) 39 057	3	3	1	1	-
J Janse van Rensburg (Trustee Member)	6	6	1	1	287 700	3 750	3	3	-	-	-
JLO Fernandes (Trustee Member)	6	5	1	1	259 600	6 814	-	-	-	-	-
VD Rubin (Audit Comm. Chairman)	-	-	-	-	-	-	3	3	1	1	46 705
J Rollason (Audit Comm. Member)	-	-	-	-	-	-	3	2	1	1	19 600
D Perlstein (Audit Comm. Member)	-	-	-	-	-	-	3	3	-	-	29 600
JM Slome (Principal Officer)	6	6	-	-	627 000	8 197	3	3	1	1	-
Total	24	23	3	3	1 665 700	57 818	18	17	5	5	95 905

A = Total possible number of meetings that could have been attended

B = Actual number of meetings attended.

C = This amount includes expenses paid by the Chairman on behalf of the scheme

SUMMARISED FINANCIAL STATEMENTS

**SUMMARISED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2019**

	2019 R	Notes	2018 R
ASSETS			
Non-current assets			
Investments	37 000 000		20 000 000
Current assets	30 171 779		45 207 039
Investments	16 000 000		31 000 000
Trade and other receivables	5 614 668		4 740 032
Cash and cash equivalents	8 557 111		9 467 007
Total assets	67 171 779		65 207 039
FUNDS AND LIABILITIES			
Members' funds			
Accumulated funds	55 899 045		54 835 439
Current liabilities	11 272 734		10 371 600
Personal medical savings account monies managed by the scheme on behalf of its members	6 413 343		5 944 856
Trade and other payables	1 509 391		1 776 744
Outstanding risk claims provision	3 350 000	3.1	2 650 000
Total funds and liabilities	67 171 779		65 207 039

**SUMMARISED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 R	Note	2018 R
Risk contribution income	51 964 863	5	51 200 464
Net claims incurred	(48 525 403)		(40 212 134)
Net expense of risk transfer arrangements	(26 060)	9	(146 234)
Managed care: management services (accredited organisations)	(922 946)		(899 714)
Gross healthcare result	2 490 454		9 942 382
Member acquisition and retention costs	(766 716)		(760 953)
Administration expenditure	(5 842 078)		(5 584 758)
Impairment losses: Trade and other receivables	(81 079)		52 174
Net healthcare result	(4 199 419)		3 648 845
Other income	5 422 513		5 774 213
Investment Income	5 117 035		4 442 268
Prescribed savings balances written off	65 206		733 260
Realisation of investment	-		253 807
Sundry income	240 272		344 878
Other expenditure	(159 488)		(168 071)
Investment consulting	-		(1 823)
Interest paid	(159 488)		(166 248)
Net surplus for the year	1 063 606		9 254 987
Other comprehensive income			
Items that may be reclassified to profit or loss	-		(144 739)
Fair value adjustment on available-for-sale investments	-		109 068
Realisation of investment	-		(253 807)
Total comprehensive income for the year	1 063 606		9 110 248

**SUMMARISED STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Accumulated Funds R	Fair value adjustment reserve R	Total Members' Funds R
Balance as at 1 January 2018	45 580 452	144 739	45 725 191
Net surplus for the year	9 254 987	-	9 254 987
Fair value adjustments of available-for-sale investments	-	109 068	109 068
Disinvestment of available-for-sale investments	-	(253 807)	-
Balance as at 31 December 2018	54 835 439	-	54 835 439
Net surplus for the year	1 063 606	-	1 063 606
Balance as at 31 December 2019	55 899 045	-	55 899 045

**SUMMARISED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 R	2018 R
Net cash (outflow)/inflow from operating activities	(3 867 443)	3 515 482
Net cash inflow from investing activities	2 957 547	1 850 934
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(909 896)	5 366 416
Cash and cash equivalents at beginning of period	9 467 007	4 100 591
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR	8 557 111	9 467 007

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

- Basis of preparation**
The summarized financial statements have been extracted from the statutory financial statements prepared in accordance with IFRS for the year ended 31 December 2019. The same accounting policies and methods of computation have been used in preparing the summarized financial statements as in the previous annual financial statements.
- Financial assets**
Financial assets are recognised on the scheme's statement of financial position when it becomes a party to the contractual provisions of the instrument.

3. Provisions

Provisions are recognised when the scheme has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The outstanding risk claims provision is a provision made for the estimated cost of healthcare benefits that have occurred before the year end, but have not been reported to the scheme by that date.

3.1 Outstanding risk claims provision

	2019 R	2018 R
Balance at beginning of year	2 650 000	2 600 000
Payments in respect of prior year	(2 549 255)	(2 671 209)
Over/(under) provision in prior year	100 745	(71 209)
Adjustment for current year	3 249 255	2 721 209
Balance at end of year	3 350 000	2 650 000

4. Medical Insurance Contracts

Contracts under which the scheme accepts significant medical insurance risk from another party (the member) by agreeing to compensate the member or other beneficiary if a specified uncertain future event (the insured event) adversely affects the member or other beneficiary, are classified as insurance contracts. The contracts issued compensate the scheme's members for healthcare expenses incurred.

5. Risk contribution income

Contribution income is received monthly and recognised as income over the period of indemnity. Risk contribution income represents gross contributions after deduction of savings plan contributions.

	2019 R	2018 R
Gross contributions per registered rules	56 282 643	55 285 719
Less: Savings contributions received	(4 317 780)	(4 085 255)
Risk contribution income per statement of comprehensive income	51 964 863	51 200 464

6. Claims

Gross claims incurred comprise the total estimated cost of all claims arising from healthcare events that have occurred in the year and for which the scheme is responsible, whether or not reported by year-end.

7. Managed care: management services

These expenses represent internal expenditure and the amounts paid or payable to third party administrators, related parties and other third parties for managing the utilization, costs and quality of healthcare services to the Scheme.

8. Investment income

Interest is recognised as it accrues according to the effective interest method. Dividend income is recognised when the scheme becomes entitled to it.

9. Risk transfer arrangements

Risk transfer premiums are recognised as an expense over the indemnity period on a straight-line basis. Risk transfer premiums and benefits reimbursed are presented in the Statement of Comprehensive Income on a gross basis. Only contracts that give rise to a significant transfer of insurance risk are accounted for as insurance. Amounts recoverable under such contracts are recognised in the same year as the related claim. Claims recoveries relating to risk transfer arrangements are calculated based on claims settled in terms of risk transfer arrangements.

Net income/(expense) of risk transfer arrangements

	2019 R	2018 R
AMBULANCE SERVICES		
Premiums/fees paid	(253 127)	(227 672)
Claims incurred in respect of related risk transfer arrangements	395 199	309 137
Net income	142 072	81 465

	2019 R	2018 R
PRIME CURE		
Premiums/fees paid	(1 247 768)	(1 210 980)
Claims incurred in respect of related risk transfer arrangements	1 079 636	983 281
Net expense	(168 132)	(227 699)

10. Impairment losses

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

11. Personal medical savings accounts

The personal medical savings account liability (2019: R6 413 343 and 2018: R5 944 856) is the net balance due to members in respect of the savings contribution received and claims paid.

12. Related party transactions

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

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the scheme. Key management personnel include the Board of Trustees and Principal Officer. The amounts include close family members of the Board of Trustees and the Principal Officer. (Refer to Note 19 for Trustee remuneration and expenses). These transactions were all concluded in terms of the rules of the scheme.

	2019 R	2018 R
Key management personnel		
<i>Transactions</i>		
Remuneration and expenses – Board of Trustees	1 088 321	1 046 456
Remuneration and expenses – Principal Officer	635 197	603 777
Contributions received	183 840	171 960
Claims incurred	725 945	74 362
Accumulated savings	1 298	1 260
Transactions with parties that have significant influence over the scheme		
Momentum Thebe Ya Bophelo (Pty) Ltd		
- Administration fees	3 006 863	2 923 642
- Managed care fees	726 411	700 955
<i>Outstanding balances at 31 December</i>		
Administrator		
Momentum Thebe Ya Bophelo (Pty) Ltd		
- Administration fees	309 711	287 240
- Managed care fees	58 482	55 495
Amounts due to the administrator are payable on the first working day of the following month		

13. Surplus from operations per benefit option

	2019 R Challenger	2019 R Navigator	2019 R Shuttle	2019 R Explorer	2019 R Total
Gross contribution income	15 844 785	31 987 809	3 166 887	5 283 162	56 282 643
Less: Savings contribution income	-	(4 317 780)	-	-	(4 317 780)
Net contribution income	15 844 785	27 670 029	3 166 887	5 283 162	51 964 863
Relevant healthcare expenditure	(15 165 817)	(26 001 303)	(3 466 956)	(4 840 333)	(49 474 409)
Net claims incurred	(14 989 898)	(25 496 630)	(3 398 238)	(4 640 637)	(48 525 403)
Net income/(expense) of risk transfer arrangements	21 385	69 082	13 158	(129 685)	(26 060)
Premiums/fees paid	(38 286)	(123 352)	(23 462)	(1 315 795)	(1 500 895)
Claims incurred in respect of related risk transfer arrangements	59 671	192 434	36 620	1 186 110	1 474 835
Managed care: management services (accredited organisations)	(197 305)	(573 756)	(81 875)	(70 011)	(922 946)
Gross healthcare result	678 967	1 668 726	(300 069)	442 830	2 490 454
Member acquisition and retention costs	(88 022)	(488 385)	(70 028)	(120 282)	(766 716)
Administration expenses	(1 398 600)	(3 444 300)	(328 528)	(670 650)	(5 842 078)
Net impairment losses on healthcare receivables	(5 300)	(77 341)	(6 881)	8 443	(81 079)
Net healthcare result	(812 955)	(2 341 301)	(705 505)	(339 660)	(4 199 419)
Members as at 31 Dec 2019	183	562	103	297	1 145

13. Surplus from operations per benefit option - continued

	2018 R Challenger	2018 R Navigator	2018 R Shuttle	2018 R Explorer	2018 R Total
Gross contribution income	16 918 236	30 094 732	2 832 584	5 440 168	55 285 719
Less: Savings contribution income	-	(4 085 255)	-	-	(4 085 255)
Net contribution income	16 918 236	26 009 477	2 832 584	5 440 168	51 200 464
Relevant healthcare expenditure	(13 425 881)	(20 198 950)	(1 692 373)	(5 940 878)	(41 258 082)
Net claims incurred	(13 230 444)	(19 688 302)	(1 629 121)	(5 664 268)	(40 212 134)
Net income/(expense) of risk transfer arrangements	13 242	39 234	6 802	(205 512)	(146 234)
Premiums/fees paid	(36 645)	(108 636)	(18 503)	(1 274 868)	(1 438 652)
Claims incurred in respect of related risk transfer arrangements	49 887	147 870	25 305	1 069 356	1 292 418
Managed care: management services (accredited organisations)	(208 680)	(549 883)	(70 054)	(71 098)	(899 714)
Gross healthcare result	3 492 354	5 810 526	1 140 211	(500 709)	9 942 382
Member acquisition and retention costs	(93 094)	(468 241)	(67 134)	(132 484)	(760 953)
Administration expenses	(1 461 879)	(3 218 464)	(283 862)	(620 553)	(5 584 758)
Net impairment losses on healthcare receivables	13 395	31 153	6 234	1 392	52 174
Net healthcare result	1 950 776	2 154 974	795 449	(1 252 355)	3 648 845
Members as at 31 Dec 2018	206	573	93	293	1 165

14. Contingencies and commitments

The scheme did not have any other contingencies or commitments at year end other than those disclosed in the annual financial statements.

APPROVAL OF THE STATUTORY ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements were approved by the board on 22 April 2020 and signed on its behalf by Messrs AB Vermeulen (Chairman), J Janse van Rensburg (Trustee) and JM Slome (Principal Officer).



AB VERMEULEN
CHAIRMAN



J JANSE VAN RENSBURG
TRUSTEE



JM SLOME
PRINCIPAL OFFICER

The full audited annual financial statements, including the report of the auditors, will be available at the Annual General Meeting. Further copies may be obtained from the Fund Manager at (041) 395-4400.