



SUREMED HEALTH
(Registration Number 1464)

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020**

**SUREMED HEALTH
SUMMARISED FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees hereby presents its report for the year ended 31 December 2020

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 – appointed 26 August 2020
	Mr. J Janse van Rensburg – resigned 25 August 2020 Trustee (member elected)		
	Mr. JLO Fernandes Trustee (member elected)		Mr. JM Slome – deceased 29 July 2020
	Dr. N Louw – appointed 25 August 2020 Trustee (employer nominated)		
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		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		
	PricewaterhouseCoopers Inc		
	Ascot Office Park		
	Greenacres		
	Port Elizabeth		
	6045		

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 Acsis.

4. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES

4.1 Operational statistics – Current year

	2020				
	Challenger	Navigator	Shuttle	Explorer	Total
Average number of members during the accounting period. (N)	163	534	111	239	1 047
Number of members at the end of the accounting period. (N)	157	517	141	227	1 042
Average number of beneficiaries during the accounting period (N)	348	1 196	193	360	2 096
Number of beneficiaries at 31 December	335	1 145	234	351	2 065
Average number of dependants	185	662	82	121	1 050
Number of dependants at 31 December	178	628	93	124	1 023
Dependant ratio at 31 December	1.13	1.21	0.66	0.55	0.98
Net contributions per average beneficiary per month (R)	3 542.76	1 954.52	1 215.82	1 115.41	2 006.01
Relevant healthcare expenditure per average beneficiary per month (R)	3 162.80	1 573.13	1 002.03	872.99	1 664.15
Non-healthcare expenditure per average beneficiary per month (R)	359.85	275.23	136.10	161.54	256.94
Relevant healthcare expenditure as a percentage of gross contributions (%)	89.28	69.75	82.42	78.27	76.42
Non-healthcare expenditure as a percentage of gross contributions (%)	10.16	12.20	11.19	14.48	11.80
Average age per beneficiary	48.51	39.30	32.34	34.70	39.24
Pensioner % at 31 December (beneficiaries > 65 years)	29.20%	12.98%	6.84%	14.81%	15.24%
Average accumulated funds per member at 31 December (R)	-	-	-	-	60 483
Return on investments as a percentage of investments (%)	-	-	-	-	7.09

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

	2020 R	2019 R
The accumulated funds ratio is calculated on the following basis:		
Accumulated funds	63 023 597	55 899 045
Total member's funds per Statement of Financial Position	63 023 597	55 899 045
Accumulated funds per regulation 29	63 023 597	55 899 045
Gross contributions	54 782 912	56 282 643
Ratio of accumulated funds to gross annual contribution income	115.04%	99.32%
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 6 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 have negatively affected financial markets but there has been some recovery.

The lockdown ordered by President Ramaphosa was adjusted throughout 2020 to take into account the number of active cases in South Africa which allowed businesses to start operating again.

On 9 December 2020, Health Minister Dr Zweli Mkhize announced that South Africa had entered a second wave of Covid-19 infections with the majority of the new infections being from the Western Cape and Eastern Cape. Due to this re-occurrence, the lockdown level was increased to an adjusted level 3 by the President. Subsequently this has been reduced to level 1.

South Africa has negotiated with the various vaccine manufacturers as well as Covax and the WHO to secure vaccines for the South African population. The vaccine strategy is to have a phased rollout with healthcare workers being vaccinated first.

Until such time as South Africa has achieved herd immunity against the virus, there is a very real possibility of a third and fourth wave of infections. The possible financial impact of these are unknown at this stage but based on risk assessments, financial forecasts and the strong financial position of the scheme, the impact of a third and fourth wave is likely to be insignificant. No adjustment to the financial statements for the year ended 31 December 2020 is deemed necessary.

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 2020 paid to Momentum Thebe Ya Bophelo (Pty) Ltd amounted to R2 771 381 (2019: R3 006 863).

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

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:

22 April 2020
1 September 2020
24 November 2020

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;
- It has 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 Perlstien 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)	8	8	1	1	520 800	(C) 20 281	3	3	1	1	-
J Janse van Rensburg (Trustee Member – resigned 25 August 2020; Principal Officer – appointed 26 August 2020)	8	8	1	1	404 000	-	3	3	-	-	-
JLO Fernandes (Trustee Member)	8	8	1	1	305 000	5 328	-	3	-	-	-
N Louw (Trustee member – appointed 25 August 2020)	3	3	1	1	122 116	3 310	-	-	-	-	-
VD Rubin (Audit Comm. Chairman)	-	-	-	-	-	-	3	3	1	1	45 300
J Rollason (Audit Comm. Member)	-	-	-	-	-	-	3	3	1	1	30 000
D Perlstein (Audit Comm. Member)	-	-	-	-	-	-	3	3	1	1	30 000
JM Slome (Principal Officer – deceased 29 July 2020)	3	3	-	-	373 800	6 541	1	1	-	-	-
Total	30	30	4	4	1 725 716	35 460	16	19	4	4	105 300

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



Independent Auditor's Report on Summarised Financial Statements

To the Members of Suremed Health

Opinion

The summarised financial statements, as set out on pages 5 to 8, which comprise the summarised statement of financial position as at 31 December 2020, and the summarised statement of comprehensive income, summarised statement of changes in funds and reserves and 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 2020.

In our opinion, the accompanying summarised 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.

Summarised Financial Statements

The summarised financial statements do not contain all the disclosures required by International Financial Reporting Standards and the Medical Schemes Act of South Africa. Reading the summarised 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 summarised 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 15 April 2021. That report also includes:

- The communication of a key audit matter.

Trustees' Responsibility for the Summarised Financial Statements

The trustees are responsible for the preparation of the summarised financial statements in accordance with the content and disclosure requirements of Circular 6 of 2013 issued by the Council for Medical Schemes.

Auditor's Responsibility

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

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: A Rathan

Registered Auditor

23 April 2021

Port Elizabeth

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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.

SUMMARISED FINANCIAL STATEMENTS

**SUMMARISED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2020**

	2020 R	Notes	2019 R
ASSETS			
Non-current assets			
Investments	37 000 000		37 000 000
Current assets	38 047 291		30 171 779
Investments	23 000 000		16 000 000
Trade and other receivables	7 769 478		5 614 668
Cash and cash equivalents	7 277 813		8 557 111
Total assets	75 047 291		67 171 779
FUNDS AND LIABILITIES			
Members' funds			
Accumulated funds	63 023 597		55 899 045
Current liabilities	12 023 694		11 272 734
Personal medical savings account monies managed by the scheme on behalf of its members	6 587 174		6 413 343
Trade and other payables	1 436 520		1 509 391
Outstanding risk claims provision	4 000 000	3.1	3 350 000
Total funds and liabilities	75 047 291		67 171 779

**SUMMARISED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 R	Note	2019 R
Risk contribution income	50 465 262	5	51 964 863
Net claims incurred	(39 558 670)		(48 525 403)
Net expense of risk transfer arrangements	(1 461 065)	9	(26 060)
Managed care: management services (accredited organisations)	(845 181)		(922 946)
Gross healthcare result	8 600 346		2 490 454
Member acquisition and retention costs	(744 576)		(766 716)
Administration expenditure	(5 546 929)		(5 842 078)
Impairment losses: Trade and other receivables	(172 454)		(81 079)
Net healthcare result	2 136 387		(4 199 419)
Other income	5 104 602		5 422 513
Investment Income	4 771 301		5 117 035
Prescribed savings balances written off	95 163		65 206
Sundry income	238 138		240 272
Other expenditure	(116 437)		(159 488)
Interest paid	(116 437)		(159 488)
Net surplus for the year	7 124 552		1 063 606

**SUMMARISED STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Accumulated Funds R	Total Members' Funds R
Balance as at 1 January 2019	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
Net surplus for the year	7 124 552	7 124 552
Balance as at 31 December 2020	63 023 597	63 023 597

**SUMMARISED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 R	2019 R
Net cash inflow/(outflow) from operating activities	1 065 838	(3 867 443)
Net cash (outflow)/inflow from investing activities	(2 345 136)	2 957 547
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1 279 298)	(909 896)
Cash and cash equivalents at beginning of period	8 557 111	9 467 007
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR	7 277 813	8 557 111

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. 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 2020. The same accounting policies and methods of computation have been used in preparing the summarized financial statements as in the previous annual financial statements.

2. 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

	2020 R	2019 R
Balance at beginning of year	3 350 000	2 650 000
Payments in respect of prior year	(3 870 577)	(2 549 255)
(Under)/over provision in prior year	(520 577)	100 745
Adjustment for current year	4 520 577	3 249 255
Balance at end of year	4 000 000	3 350 000

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.

	2020 R	2019 R
Gross contributions per registered rules	54 782 912	56 282 643
Less: Savings contributions received	(4 317 650)	(4 317 780)
Risk contribution income per statement of comprehensive income	50 465 262	51 964 863

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 (expense)/income of risk transfer arrangements

	2020 R	2019 R
AMBULANCE SERVICES		
Premiums/fees paid	(214 855)	(253 127)
Claims incurred in respect of related risk transfer arrangements	182 857	395 199
Net (expense)/income	(31 998)	142 072

	2020 R	2019 R
PRIME CURE		
Premiums/fees paid	(3 441 729)	(1 247 768)
Claims incurred in respect of related risk transfer arrangements	2 012 662	1 079 636
Net expense	(1 429 067)	(168 132)

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 (2020: R6 587 174 and 2019: R6 413 343) 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.

	2020 R	2019 R
Key management personnel		
<i>Transactions</i>		
Remuneration and expenses – Board of Trustees	1 167 235	1 088 321
Remuneration and expenses – Principal Officer	593 941	635 197
Contributions received	255 035	183 840
Claims incurred	117 287	725 945
Accumulated savings	25 517	1 298
Transactions with parties that have significant influence over the scheme		
Momentum Thebe Ya Bophelo (Pty) Ltd		
- Administration fees	2 771 381	3 006 863
- Managed care fees	660 178	726 411
<i>Outstanding balances at 31 December</i>		
Administrator		
Momentum Thebe Ya Bophelo (Pty) Ltd		
- Administration fees	273 037	309 711
- Managed care fees	51 758	58 482
Amounts due to the administrator are payable on the first working day of the following month		

13. Surplus from operations per benefit option

	2020 R Challenger	2020 R Navigator	2020 R Shuttle	2020 R Explorer	2020 R Total
Gross contribution income	14 787 465	32 363 092	2 818 262	4 814 093	54 782 912
Less:					
Savings contribution income	-	(4 317 650)	-	-	(4 317 650)
Net contribution income	14 787 465	28 045 442	2 818 262	4 814 093	50 465 262
Relevant healthcare expenditure	(13 201 517)	(22 572 881)	(2 322 695)	(3 767 822)	(41 864 916)
Net claims incurred	(13 004 935)	(21 956 630)	(1 248 556)	(3 348 549)	(39 558 670)
Net expense of risk transfer arrangements	(3 576)	(16 556)	(1 074 139)	(366 793)	(1 461 065)
Premiums/fees paid	(35 439)	(121 481)	(2 310 278)	(1 189 386)	(3 656 584)
Claims incurred in respect of related risk transfer arrangements	31 863	104 925	1 236 139	822 592	2 195 519
Managed care: management services (accredited organisations)	(193 005)	(599 695)	-	(52 480)	(845 181)
Gross healthcare result	1 585 948	5 472 561	495 567	1 046 271	8 600 346
Member acquisition and retention costs	(72 338)	(484 927)	(71 703)	(115 608)	(744 576)
Administration expenses	(1 312 098)	(3 445 447)	(234 627)	(554 756)	(5 546 929)
Net impairment losses on healthcare receivables	(117 591)	(18 856)	(9 159)	(26 848)	(172 454)
Net healthcare result	83 921	1 523 330	180 078	349 058	2 136 387
Members as at 31 Dec 2020	157	517	141	227	1 042

13. Surplus from operations per benefit option - continued

	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)	(1223 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	1668 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

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 15 April 2021 and signed on its behalf by Messrs AB Vermeulen (Chairman), J Janse van Rensburg (Trustee) and JM Stome (Principal Officer).


AB VERMEULEN
CHAIRMAN


JLO FERNANDES
TRUSTEE


J JANSE VAN RENSBURG
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.