



Consolidated Annual Financial Statements

For the year ended 31 December 2024

Registration number: 29/4/2/1583

A year in review

Insurance revenue

R2,129,587m

Restated in 2023,
R2,038,479m

Other income

R330,565

Restated in 2023,
R287,776m

Liability for future members
value per SFP

2024 R822,759

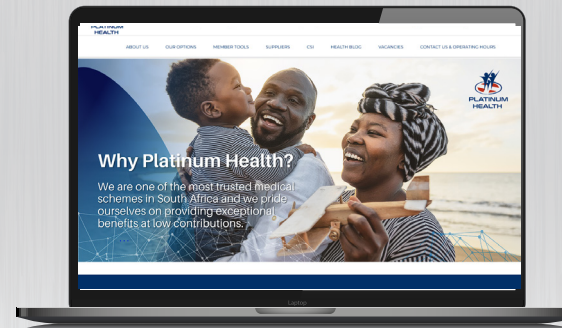
2023 R837,654

(non current and current)

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Report of the Board of Trustees

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

1. Management

1.1 Board of Trustees in office during the year under review

Name	Designation
Employer Trustees	
Mr C Smith*	Northam Platinum
Dr K Naidoo	Anglo American Platinum (Resigned 29 February 2024)
Mr S Bullock	Anglo American Platinum
Ms MM Baxter	Modikwa Platinum Mine
Mr P Coetzer	Impala Bafokeng Platinum
Mr I Osman	Siyanda Bakgatla Platinum Mine
Member Trustees	
Mr J Hlangweni	Northam Platinum (Term ended 21 June 2024)
Mr GG Mmusi	Anglo American Platinum (Resigned 1 July 2024)
Mr B Lekoro	Impala Bafokeng Platinum
Ms HT Maroga	Modikwa Platinum Mine
Mr S Mkhonto	Anglo American Platinum
Ms M Malatji	Anglo American Platinum
Mr DM Noko	Siyanda Bakgatla Platinum Mine

* Chairperson of the Board of Trustees



1.2 Trustee meeting attendance

The following schedule sets out Board of Trustee meeting attendance for the periods between 21 February 2024 to 22 November 2024.

	Trustee meetings		Audit and Risk Committee meetings		Other meetings	
	A	B	A	B	A	B
Employer Trustees						
Mr C Smith	5	5			5	4
Ms MM Baxter	5	4				
Dr K Naidoo	0	0			1	1
Mr S Bullock	5	5			4	4
Mr P Coetzer	5	2			4	3
Mr I Osman	5	5	4	3	3	3
Member Trustees						
Mr J Hlangweni	3	3			1	1
Mr G Mmusi	3	3	1	1	0	0
Mr S Mkhonto	5	5			9	7
Ms HT Maroga	5	5			0	0
Ms M Malatji	5	5			4	4
Mr D Noko	5	4	4	4	3	3
Mr BC Lekoro	5	0			4	3

A - Total possible number of meetings could have attended

B - Actual number of meetings attended

Other committees consist of the following:

Dispute Committee	Product Committee
Investment Committee	Communication Committee
Remuneration Committee	Medical ex-gratia Committee

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

1.5 Fund Administrator

Platinum Health Medical Scheme
3 Kgwebo Street
Mabe Park
Rustenburg
0299

Private Bag X82081
Rustenburg
0300

1.7 Investment Managers

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

1.4 Registered Office

Platinum Health Medical Scheme
3 Kgwebo Street
Mabe Park
Rustenburg
0299

Private Bag X82081
Rustenburg
0300

1.6 Independent Auditors

Deloitte & Touche
5 Magwa Crescent
Waterfall City
Waterfall
Gauteng
2090

Private Bag X6
Gallo Manor
2052

1.8 Independent Investment Advisor

Mr M Mgwaba
(appointed 10 April 2024)
PO Box 1949
Midvaal

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
(Resigned: 31 December 2023), Mr I Osman
(Appointed: 18 September 2024), Mr T Tsiki and
Mr R Gounden

Principal activities: Rental of equipment to the Scheme and acting as procurement agent of pharmaceuticals to the 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:



2.3 Risk transfer arrangements

The Scheme has entered into fixed fee contracts with a number of specialists in Rustenburg to render to 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 (more than 10% growth from date of signing the contract). The services rendered to members are billed at Platinum Health Medical Scheme rates and the difference between the services provided at the rates and the fixed amount paid is the risk transfer surplus or deficit.

There is some transfer of claims variability risk since the specialists receive a fixed fee rather than making variable claims to the Scheme. However, the level of claims variability is not significant relative to the size of the Scheme and total claims incurred.

The Scheme retains the risk of the specialists not being consulted, retaining specific risks that would normally be transferred to these specialists. The risk transfer arrangement are therefore not considered as reinsurance for IFRS 17 purposes because they are insignificant.

2.4 Own facilities

The Scheme has entered into medical services contracts with a number of participating employer companies to render work-based health services to 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 11.1).

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 are 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 requirements 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 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 and 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.

Report of the Board of Trustees continued

5. Review of the year's activities

5.1 Operational statistics

	2024			
	All Options	PlatComp	PlatCap	PlatFree
Number of members at year-end	56,387	53,306	1,657	1,424
Average number of members for the year*	57,930	54,820	1,686	1,424
Average administration and managed care cost incurred per beneficiary per month	134	134	131	133
Non-Healthcare expenses as a percentage of gross contributions	7%	7%	8%	7%
Dependant ratio as at 31 December	1:0.82	1:0.81	1:0.10	1:2.08
Number of beneficiaries at year-end	103,161	96,999	1,825	4,337
Average number of beneficiaries during the accounting period	105,287	99,051	1,852	4,385
Net contributions per average beneficiary per month*	R1,686	R1,683	R1,344	R1,881
Insurance service expense per average beneficiary per month*	R1,813	R1,861	R1,014	R1,084
Relevant Healthcare expenditure incurred per average beneficiary per month	R1,682	R1,730	R886	R951
Relevant Healthcare expenditure ratio	99.82%	103%	66%	51%
Directly attributable insurance service expenses (DAE) per average beneficiary per month	R1,369	R1,369	R1,369	R1,369
Directly attributable insurance service expense (DAE) ratio	7%	7%	8%	7%
Non-Healthcare expenditure per average beneficiary per month*	115	114	112	140
Insurance service expenses as a percentage of gross contributions	108%	111%	75%	58%
Average age of beneficiaries at 31 December	30.76	30.87	37.39	25.46
Pensioners ratio at 31 December	1.61%	1.71%	0.05%	0.05%
Return on investments as a percentage of investments at 31 December	9.12%	9.12%	9.12%	9.12%

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

Total number of members
at year-end

56,387
(2023: 60,160)

Total number of
beneficiaries at year-end

103,161
(2023: 108,814)

Average age of beneficiaries
at 31 December 2024

30.76
(2023: 30.70)

Report of the Board of Trustees continued

5. Review of the year's activities continued

5.1 Operational statistics continued

	2023			
	All Options	PlatComp	PlatCap	PlatFree
Number of members at year-end	60,160	56,857	1,829	1,474
Average number of members for the year *	59,133	55,067	2,548	1,518
Average administration and managed care cost incurred per beneficiary per month #	R128	R128	R125	R128
Non-healthcare expenses as a percentage of gross contributions #	7%	7%	8%	7%
Dependant ratio as at 31 December	1:0.804	1:0.801	1:0.075	2:0.181
Number of beneficiaries at year-end	108,814	102,171	4,586	2,057
Average number of beneficiaries during the accounting period	106,870	99,292	2,784	4,794
Net contributions per average beneficiary per month * #	R1,590	R1,587	R1,328	R1,809
Insurance service expense per average beneficiary per month * #	R1,585	R1,626	R604	R1,301
Relevant Healthcare expenditure incurred per average beneficiary per month	R1,588	R1,629	R606	R1,301
Relevant Healthcare expenditure ratio	92%	95%	36%	65%
Directly attributable insurance service expenses (DAE) per average beneficiary per month	R1,344	R1,344	R1,344	R1,344
Directly attributable insurance service expense (DAE) ratio	7%	7%	8%	6%
Non-healthcare expenditure per average' beneficiary per month * #	R113	R113	R110	R132
Insurance service expenses as a percentage of gross contributions #	100%	103%	45%	72%
Average age of beneficiaries at 31 December	30.70	30.69	39.59	25.09
Pensioners ratio at 31 December	1.48%	1.59%	0.06%	0.02%
Return on investments as a percentage of investments at 31 December	6.98%	6.98%	6.98%	6.98%

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

These ratios have been restated as a result of the restatements presented in Note 29



Report of the Board of Trustees continued

5. Review of the year's activities continued

5.2 Results of operations

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

5.3 Solvency margin

	2024	2023
	R'000	R'000
Liability attributable to future members	822,759	837,654
Less: Cumulative unrealised net gains on re-measurement to fair value of financial instruments	(19,189)	(972)
Liability for future members per regulation 29 (Medical Schemes Act)	803,570	836,682*
Gross insurance income	2,129,587	2,038,479
Solvency margin	38%	41%
Cumulative unrealised net gains on re-measurement to fair value of financial instruments		
Net cumulative unrealised gains opening balance	(972)	(808)
Add: Unrealised (gain)/loss on remeasurement to fair value of financial instruments	(18,217)	(164)
	(19,189)	(972)

*Restated, refer to Note 29.1 for amounts attributable to future members

5.4 Liability for future members

Movements in the member's funds have been replaced by liability for future members in accordance with IFRS 17. The liability for future members is disclosed under Note 3.2.

There have been no unusual movements that the trustees believe should be brought to the attention of the members of the Group.

5.5 Liability for incurred claims (LIC)

The basis of calculation of the LIC claims disclosed in Note 1.5 (accounting policies) of the financial statements and this basis used to estimate the provision for outstanding claims in the previous financial year is the same as the current year, with the exception that in prior years, data processed post year-end was used to adjust the outstanding claims

reserves. Movements on the outstanding claims provision are set out in Note 3.1.

6. Actuarial valuation

An actuarial valuation report accompanies the contribution, liability for incurred claims, liability for remaining coverage 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 consolidated annual financial statements.

8. 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 R513,551 (2023: R734,152).

9. Fidelity cover

The Scheme has fidelity cover in place and the premiums are fully paid up and in place until 30 June 2025. 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.

Report of the Board of Trustees continued

10. 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:

10.1 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 its 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:

	2024 R'000	2023 R'000
Northam Platinum Limited	2,337	4,499
Impala Platinum Holdings Limited	-	440

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 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 Schemes 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.

Funds are invested to optimise return on investment for the entire portfolio. A letter confirming the exemption from investing in employer group 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 three years, commencing 1 December 2022.

10.2 Three day rule - contributions not received within three 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 2024, there were contribution debtors outstanding for more than 30 days to the amount of R83,101 (2023: R1,759,140). 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 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.

10.3 Contravention of Section 59 (2) of the Medical Schemes Act



Nature and cause

Section 59(2) of the act states that, "A medical scheme shall, in the case where an account has been rendered, subject to the provisions of this Act and the rules of the medical scheme concerned, pay to a member or a supplier of service, any benefit owing to that member or supplier of service within 30 days after the day on which the claim in respect of such benefit was received by the medical scheme."

In the ordinary course of the Scheme's business, providers and members are periodically flagged for claims that are indicative of fraud, waste or abuse. In such instances, claims are investigated and placed on forensic withhold and may be paid beyond the 30 day period, following consultation with, and communication to, the provider or member. In other instances providers and members have provided incomplete payment information which results in delays in settling claims.

Report of the Board of Trustees continued

10. Non-compliance with Medical Schemes Act 131 of 1998 continued

Possible impact

Providers and/or members not settled timeously may amount to non-compliance if there is no communication within 30 days.

Corrective course of action

Providers flagged for forensic withhold are informed formally in writing through the office of the Principal Officer of the delays in payment, pending the outcome of the forensic investigation. The communication strategy is formalised in the fraud, waste and abuse policies and procedures with regulations 6(2) and 6(3) of the act as a basis. In terms of the regulation, "If a medical scheme is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, it must inform both the member and the relevant health care provider within 30 days after receipt of such account, statement or claim that it is erroneous."

Claims submitted with incomplete payment information are considered incomplete claims in terms of Rule 15.1 of the registered Scheme Rules and communication is sent to providers and members within 30 days requesting the outstanding information.

10.4 Options to be self-sustaining and self-supporting

Nature and cause

In terms of Section 33(2) of the Act, the Registrar may withdraw the approval of such benefit options which, in his opinion, are not financially sound.

For the year ended 31 December 2024 the Scheme reported a net healthcare deficit on one (2023: one) of its benefit options:

	2024 R'000	2023 R'000
PlatComprehensive	(214,082)	(50,848)

The net healthcare deficit agrees to the insurance service result.

Possible impact of non-compliance

A loss-making benefit option erodes the solvency margin of the Scheme. However, due to prudent financial management and positive returns on investments, the Scheme has accumulated sufficient member reserves to be able to absorb these losses.

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

The Scheme has levied contribution increases in the 2025 year that are reflective of the utilisation of benefits and will result in improved financial performance. This forms the basis for the long-term strategy adopted by the Scheme to correct the loss-making option into the future. This strategy will be complemented by initiatives to improve the outcomes of hospital negotiations and dedicated service provider networks. The Scheme has also embarked on interventions to reduce both healthcare and non-healthcare expenditure over the short and medium term.

11. Related party transactions

Refer to related party disclosure in Note 22 of the consolidated annual financial statements.

12. 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 3 above).

13. Audit and risk committee

An Audit and Risk Committee was established in accordance with the provisions of the Medical Schemes Act 131 of 1998. 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 12 February 2024, 03 April 2024, 26 August 2024 and 11 November 2024.

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 effectiveness of internal controls and financial functions
- Monitor governance and risk management processes
- Review effectiveness of internal and external audits
- Recommend appointment of external auditors and fees
- Recommend appointment of internal auditors and fees
- Evaluate external and internal audit reports
- Recommend approval of financial statements

The Audit Committee comprises of the following:

		Meetings Attended
Mr I Catt	(Independent)	4 of 4
Mr D Cathrall	(Independent)	4 of 4
Mr I Osman	(Trustee)	3 of 4
Dr L Konar	(Independent Chairperson)	4 of 4
Mr D Noko	(Trustee)	4 of 4

14. Investment committee

An Investment Committee was established and its scope is set by the Board of Trustees in written terms of reference on its membership, authority and duties. This committee consists of four members two of whom must be members of the Board of Trustees. One of the members is an independent advisor.

The committee met on 03 April 2024, 26 August 2024 and 18 November 2024.

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)	3 of 3
Mr M Mgwaba	(Independent Investment Advisor) (appointed 10 April 2024)	2 of 2
Mr C Smith	(Trustee)	2 of 3
Mr J Hlangweni	(Trustee) (term ended 21 June 2024)	1 of 1

15. 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 09 April 2024 and 06 November 2024. The Chief Executive Officer, Chief Financial Officer and the Chief People Officer 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.

Report of the Board of Trustees continued

The Remuneration Committee comprises of the following:

		Meetings Attended
Mr C Smith	(Trustee)	2 of 2
Mr D Noko	(Trustee)	2 of 2
Ms Z Jasper	(Independent)	2 of 2
Dr M Bussin	(Independent Chairperson)	2 of 2
Mr K Mothibi	(Independent)	1 of 2

16. Going concern

The Board of Trustees is 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 consolidated annual financial statements.

The Board of Trustees is of the opinion that the consolidated annual financial statements fairly present the financial position of the Scheme as at 31 December 2024, and the results of its operations and cash flow information for the year then ended.



Chairperson
Mr C Smith

10 July 2025
Johannesburg



Statement of responsibility by the Board of Trustees

The Trustees are responsible for the preparation, integrity and fair presentation of the consolidated annual financial statements of Platinum Health Medical Group. The consolidated annual financial statements presented on pages 19 to 102 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Medical Schemes Act 131 of 1998, as amended and include amounts based on judgement and estimates made by management.

The Trustees consider that in preparing the consolidated annual financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

The Trustees are satisfied that the information contained in the consolidated annual financial statements fairly presents the results of the operations for the year and the financial position of the Group at year-end.

The Trustees also prepared the other information included in the report of the Board of Trustees and are responsible for both its accuracy and its consistency with the consolidated annual financial statements.

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

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

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

The independent auditor is responsible for reporting on the fair presentation of the consolidated annual financial statements.

The consolidated annual financial statements were approved by the Board of Trustees on 10 July 2025 and are signed on its behalf by:



Chairperson
Mr C Smith



Trustee
Mr I Osman



Principal Officer
Mr P W Mboniso

10 July 2025
Johannesburg



Statement of corporate governance by the Board of Trustees

The Platinum Health Medical Scheme Group is committed to the principles and practice of fairness, openness, integrity and accountability in all dealings with its stakeholders. The Member-elected Trustees are proposed and elected by the members of the Scheme and the Employer-appointed trustees are appointed by the employer groups.

Board of Trustees

The Trustees meet regularly and monitor the performance of the Group. They address a range of key issues and ensure that discussion of items of policy, strategy, risk and performance is critical, informed and constructive.

Internal controls

The Scheme is self-administered and maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the consolidated annual financial statements and to safeguard, verify and maintain accountability for its assets adequately. Such controls are based on established policies and procedures and are implemented by trained personnel with the appropriate segregation of duties.

No event or item has come to the attention of the Board of Trustees that indicates any material breakdown in functioning of the key internal controls and systems during the year under review.



Chairperson
Mr C Smith



Trustee
Mr I Osman

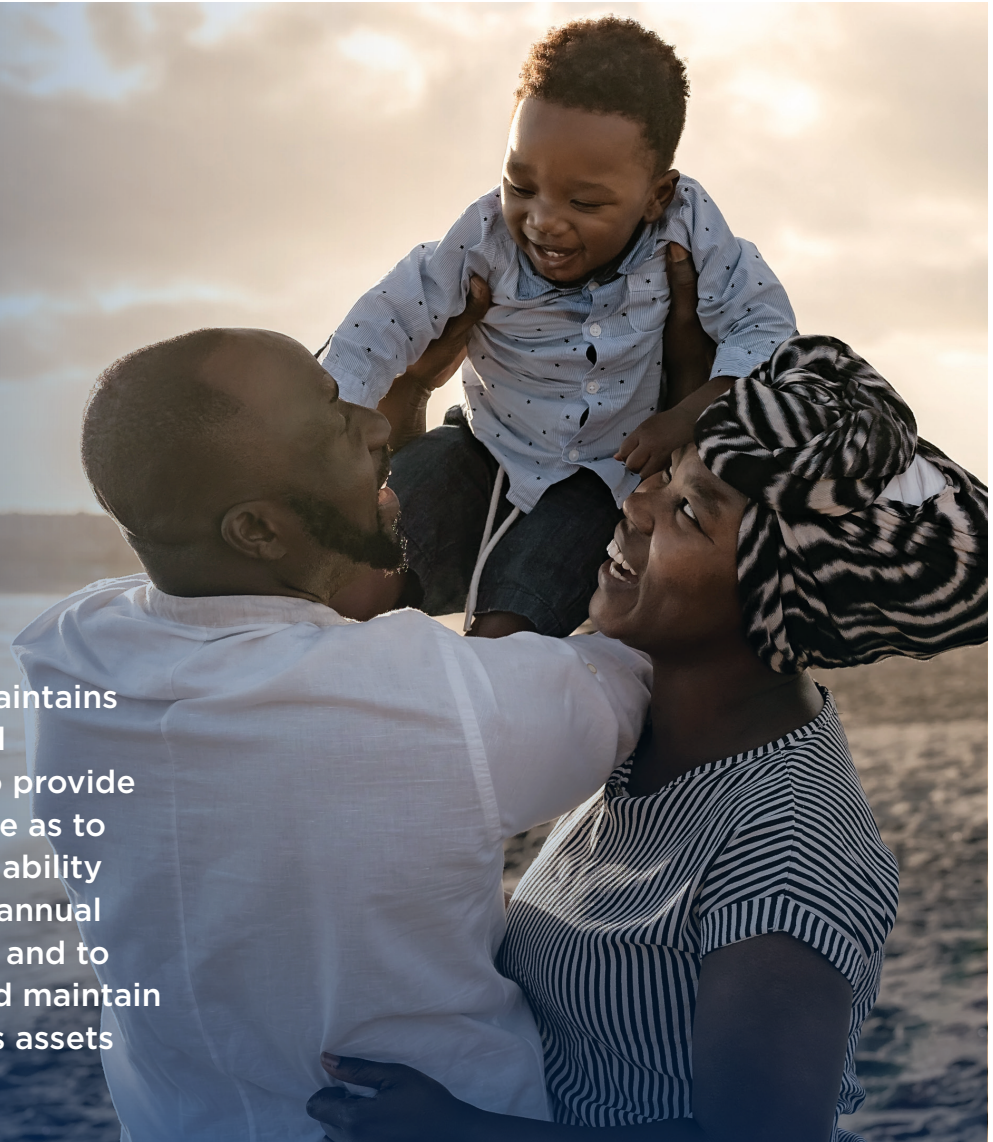


Principal Officer
Mr P W Mboniso

10 July 2025
Johannesburg



“The Scheme is self-administered and maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the consolidated annual financial statements and to safeguard, verify and maintain accountability for its assets adequately.”



**To the members of Platinum Health Medical Scheme
Report on the audit of the consolidated financial statements**

Opinion

We have audited the consolidated annual financial statements of Platinum Health Medical Scheme and its subsidiaries (the group) set out on pages 19 to 102 which comprise the consolidated statement of financial position as at 31 December 2024; and the consolidated statement of profit or loss and other comprehensive income; the consolidated statement of changes in equity; and the consolidated statement of cash flows for the year then ended; and notes to the consolidated annual financial statements, including material accounting policy information. In our opinion, the consolidated annual financial statements present fairly, in all material respects, the consolidated financial position of Platinum Health Medical Schemes and its subsidiaries as of 31 December 2024, and its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Medical Schemes Act of South Africa.

Basis for opinion

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

Emphasis of matter

We draw attention to Note 29 of the financial statements, which provides details of the restatements and reclassifications. Our opinion is not modified in respect of this matter.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

We define materiality as the magnitude of misstatement in the consolidated annual financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the nature and extent of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the consolidated annual financial statements as a whole as follows:

	Financial statements
Overall materiality	R42 591 000 (2023: R40 763 000)
How we determined it	Based on 2% of insurance contract revenue.
Based on 2% of insurance contract revenue.	<ul style="list-style-type: none"> A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of the members. We considered which benchmarks and key performance indicators have the greatest bearing on member decisions. We determined that insurance contract revenue remained the key benchmark as it represents a measure that the users of the group's financial statements tend to focus on for purposes of evaluating the financial performance of the group.

Scope of our audit

Our group audit was scoped by obtaining an understanding of the group and its environment, including the structure and organisation of the group, and assessing the risks of material misstatement at the group level.

We performed work on all components of the group (namely Platinum Health Medical Scheme and RA Gilbert Proprietary Limited) in support of the group audit opinion to provide an appropriate basis for undertaking audit work to address the risks of material misstatement.

Independent Auditor's Report continued

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated annual financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key Audit Matter	How the matter was addressed in the audit
<p>Valuation of the provision for outstanding claims- Incurred but not reported (IBNR) and the Risk Adjustment (RA) in relation to insurance contract liabilities.</p> <p>Refer to the following disclosure in the consolidated annual financial statements for details:</p> <ul style="list-style-type: none"> Note 1.3 Significant accounting judgements, estimates and assumptions Note 1.22 Insurance contracts accounting policy and Note 3 Insurance contract liability <p>As of 31 December 2024, the group recognised insurance contract liabilities amounting to R47 567 000 (2023: R35,185,000). The contract liability reported is made up of the LIC and the Liability for remaining coverage (LRC).</p>	<p>To address the key audit matter, we have performed the following audit procedures:</p> <ul style="list-style-type: none"> Evaluated the design and implementation of the relevant controls within the insurance contract liability process to assess audit risk associated with the liability. Assessed the integrity of the information used in the calculation of the claims incurred but not yet reported component of the LIC and RA by performing substantive procedures to test the accuracy and completeness of data used thereof. Performed a retrospective review of the estimate by obtaining the actual claims runoff report up to 31 March 2025 and comparing the claims paid post year-end to the LIC from healthcare events that have occurred but are not yet reported at year-end.

Key Audit Matter	How the matter was addressed in the audit
<p>In determining the LIC, the group applies significant judgement and estimation uncertainties, due to the group having to determine claims from healthcare events that have occurred but have not yet been reported.</p> <p>The value of the LIC from healthcare events that have occurred but have not yet been reported is the sum of the probability-weighted estimate of the expected future cash flows (incurred but not reported) and the risk adjustment. The IBNR and RA is calculated by the group's actuaries which is reviewed by management and the Audit Committee and recommended to the Board of Trustees for approval. The reported IBNR amounted to R80 020 000 (2023: R68,600,000) and RA amounted to R2,751,000 (2023: R1 600 000).</p>	<ul style="list-style-type: none"> Evaluated the qualification, competence, and objectivity of the group's actuary. Reviewed the presentation and disclosure in the financial statements in conformity with IFRS 17. With the assistance of our internal actuarial specialists we: Performed an independent calculation of the claims incurred but not yet reported component of the LIC and RA for comparison to the estimate calculated by management's expert (Insight Actuaries). Assessed the appropriateness of the methodology and assumptions applied. Evaluated the appropriateness of the assumptions used in the group's methodology. Based on the work performed, we are satisfied that the methodology and assumptions applied are reasonable and appropriate.

Independent Auditor's Report continued

Key Audit Matter	How the matter was addressed in the audit
<p>IBNR methodology and assumptions</p> <p>The IBNR claims provision is an estimate of future payments to be made on claim events that have taken place during the reporting period but have not yet to be reported and paid.</p> <p>The sources of the outstanding claim payments include:</p> <ul style="list-style-type: none"> • Benefit changes that may result in a previously uncovered claim now being eligible for payment. • Reported claims that have not yet been paid out. • Unknown and hence unreported claims. • Closed claims that may later be reopened and require additional payments etc. <p>The group's actuaries use an actuarial model, based on the group's actual claim development patterns throughout the year, to determine the probability weighted estimate of expected cashflows. The group actuaries have used the Bornhuetter-Ferguson method ("BF") and Basic Chain ladder techniques ("BCL"): A standard model used to calculate the incurred but not reported claims and used the Health Monitor Model: A stochastic model used to project claims.</p>	

Key Audit Matter	How the matter was addressed in the audit
<p>RA methodology and assumptions</p> <p>In determining the group's risk adjustment for non-financial risk, the group uses a confidence level technique (value at risk) under International Financial Reporting Standard 17, Insurance Contracts (IFRS17).</p> <p>The group's calibrated risk adjustment (using value at risk) is such that the insurance contract liabilities are held to be sufficient at the 75th percentile of the ultimate loss distribution. We considered the valuation of the IBNR and RA to be a matter of most significance to the current year audit due to the significant judgement and estimation uncertainties in determining the future cash flow projections and the risk adjustments for non-financial risk.</p>	

Other Information

The group's trustees are responsible for the other information. The other information comprises the information included in the document titled "Platinum Health Medical Scheme Consolidated Annual Financial Statements for the year ended 31 December 2024" which includes the Statement of responsibility by the Board of Trustees, Statement of corporate governance by the Board of Trustees, and the Report of the Board of Trustees, as required by the Medical Schemes Act No 131 of 1998. The other information does not include the consolidated annual financial statements and our auditor's report thereon.

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

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

Independent Auditor's Report continued

Responsibilities of the Group's Trustees for the Consolidated Annual Financial Statements

The group's trustees are responsible for the preparation and fair presentation of the consolidated annual financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Medical Schemes Act of South Africa, and for such internal control as the group's trustees determine is necessary to enable the preparation of consolidated annual financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Statements

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

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

Identify and assess the risks of material misstatement of the consolidated annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group's trustees.

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

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

Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated annual financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

Report on Other Legal and Regulatory Requirements

- Non-compliance with the Medical Schemes Act of South Africa

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

- Non-compliance with Section 33 (2) of the Act:

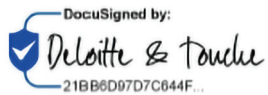
Certain benefit options were not self-supporting in terms of financial performance.

Independent Auditor's Report continued

Audit Tenure

As required by the Council for Medical Schemes' Circular 38 of 2018, Audit Tenure, we report that Deloitte firm has been the auditor of Platinum Health Medical Scheme for three years.

The engagement partner, Harshal Kana, has been responsible for Platinum Health Medical Scheme's audit for 1 year.



Deloitte & Touche

Per: Harshal Kana

Partner

Registered Auditor

11 July 2025

5 Magwa Crescent

Waterfall City

Johannesburg

2090



Consolidated annual statement of financial position

as at 31 December 2024

	Note	2024 R'000	Restated 2023 R'000	Restated 2022 R'000
Assets				
Non-current assets				
Property, plant and equipment	2	16,068	14,276	14,526
Right of use asset	2	45,514	44,272	42,134
Investments held at fair value through profit or loss	6	528,966	472,691	436,971
Current assets				
Pharmaceutical inventories	4	6,852	7,317	5,726
Trade and other receivables	5	75,368	54,252	50,578
Cash and cash equivalents	7	588,212	636,463	526,341
Total assets		1,260,980	1,229,271	1,076,276
Equity and liabilities				
Equity				
Accumulated loss		(1,596)	(1,684)	(1,722)
Non-current liabilities				
Long-term liabilities	8	90,663	79,616	70,048
Current liabilities				
Insurance contract liabilities	3.1	47,576	35,185*	58,699*
Liability for future members	3.2	822,759	837,654	730,825
Trade and other payables	9	280,362	261,630*	201,332*
Leave accruals	10	21,216	16,870	17,094
Total equity and liabilities		1,260,980	1,229,271	1,076,276

* Restated, refer to Note 29

Consolidated annual statement of comprehensive income

for the year ended 31 December 2024

	Note	2024 R'000	Restated 2023 R'000
Insurance revenue	11	2,129,587	2,038,479
Insurance service expense*		(2,291,017)	(2,032,847)
Claims incurred	11.1	(2,110,393)	(1,861,508)#
Attributable expenses incurred	11	(144,116)	(143,560)
Accredited managed healthcare services (no risk transfer)	11, 12	(24,717)	(20,481)
Third party claims recoveries	11	780	194
Changes that relate to past service – adjustment to the liability for incurred claims	11	(12,571)	(7,492)
Net expense from risk transfer	11	(3,480)	(3,162)
Amounts recovered from risk transfer arrangements		11,321	10,755
Premiums paid for risk transfer		(14,801)	(13,917)
Insurance service result		(164,910)	2,470
Other income		330,565	287,776
Net gains on financial assets	6	18,217	165
Fair value adjustment on employee benefits	8.2	1,898	4,465
Management fee	14.1	3,315	3,517#
Income from use of own facilities by external parties	14	173,419	160,544
Investment income	18	83,667	77,184
Sundry income	19	50,049	41,901#
Net healthcare result		165,655	290,246
Other expenditure		(180,462)	(183,379)
Cost incurred in provision of own facilities to external parties	14	(156,781)	(162,138)
Finance costs	15	(5,673)	(5,043)#
Asset management fees	17	(3,160)	(2,871)
Sundry expenses		(14,848)	(13,327)#
(Loss)/profit before amounts attributable to future members		(14,807)	106,867
Amounts attributable to future members		14,895	(106,829)
Other comprehensive income		-	-
Total comprehensive income for the year		88	38

Restated, refer to Note 29

* Circular 6 of 2025 issued by the CMS requires medical schemes to present 'Amounts attributable to future members' separate from the "Insurance service expenses" and the "Insurance service result". This resulted in a representation of the prior year affected line items as follows: "Amounts attributable to future members" to the value of a deficit (R14,895); profit (2023: R106,829), are now being disclosed as a separate line item on the Statement of comprehensive income before the "Surplus/deficit for the year"

Insurance Service Expense in accordance with IFRS 17 includes amounts attributable to future members, the total value of insurance expense therefore amounts to (R2,276,122); 2023: (R2,139,676)

Consolidated annual statement of changes in equity

for the year ended 31 December 2024

	Accumulated loss
	R'000
Balance at 31 December 2022 (restated)	(1,722)
Total comprehensive income for the year	38
Balance at 31 December 2023	(1,684)
Total comprehensive income for the year	88
Balance at 31 December 2024	(1,596)

Consolidated annual statement of cash flows

for the year ended 31 December 2024

	Note	2024 R'000	Restated 2023 R'000
Cash flows from operating activities			
Cash receipts from members and providers		2,339,844	2,224,014*
Cash received from members		2,129,098	2,006,273
Cash received from others		210,746	217,741
Cash paid to providers, employees and members		(2,404,441)	(2,133,018)*
Cash paid to providers and employees – claims		(2,278,137)	(2,024,155)
Cash paid to suppliers and employees		(111,503)	(94,946)
Cash paid to re-insurers		(14,801)	(13,917)
Cash (utilised in) / generated by operations		(64,597)	90,996
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(6,766)	(4,583)
Interest received on bank accounts	18	42,418	38,733
Proceeds on disposal of assets		2,965	1,851
Net cash flow from investing activities		38,617	36,001*
Cash flow from financing activities			
Payment of lease liability	8.1	(11,240)	(6,572)
Interest paid on lease liability	8.1	(11,031)	(10,303)
Net cash flow (used in) financing activities		(22,271)	(16,875)
Net (decrease)/increase in cash and cash equivalents		(48,251)	110,122
Cash and cash equivalents	7	636,463	526,341
Cash and cash equivalents at end of year	7	588,212	636,463

*Restated, refer to Note 29.4

Notes to the consolidated annual financial statements

for the year ended 31 December 2024

1. Accounting policies

1.1 Basis of preparation

The consolidated annual financial statements set out on pages 19 to 102 are prepared in accordance and in compliance with International Financial Reporting Standards (IFRS), Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Medical Schemes Act, 1998 as amended. The consolidated annual financial statements are prepared on the historical cost basis unless specifically stated otherwise in the accounting policies. The consolidated annual financial statements are presented in rands, the functional currency of the Group, and all values are rounded to the nearest rand. The consolidated annual financial statements are prepared on a going concern basis.

1.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for IFRS 17, which required a new accounting treatment for insurance contracts.

1.2.1 New and amended standards and interpretations

At the date of authorisation of these consolidated annual financial statements, the following relevant standards were in issue but not yet effective. The Group has elected not to early adopt any of these standards.

Standard/interpretation	Pronouncement key requirements	Effective date
Amendments to IFRS 16: Lease liability in a sale and leaseback	<p>In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.</p> <p>The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.</p> <p>Impact The standard does not have a material impact on the Platinum Health Medical Scheme Group.</p>	1 January 2024

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.2 Changes in accounting policies continued

1.2.1 New and amended standards and interpretations continued

Standard/interpretation	Pronouncement key requirements	Effective date
Amendments to IAS 1: Classification of liabilities as current or non-current	<p>In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:</p> <ul style="list-style-type: none"> • What is meant by a right to defer settlement • That a right to defer must exist at the end of the reporting period • That classification is unaffected by the likelihood that an entity will exercise its deferral right • That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification <p>In addition, a requirement has been introduced for disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.</p> <p>The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.</p> <p>Impact The standard does not have a material impact on the Platinum Health Medical Scheme Group.</p>	1 January 2024
IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosure	<p>In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:</p> <p>Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.</p> <p>The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.</p> <p>Impact The standard does not have a material impact on the Platinum Health Medical Scheme Group.</p>	1 January 2024

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.2 Changes in accounting policies continued

1.2.2 Standards or Interpretations issued but not yet effective

Standard/interpretation	Pronouncement Key requirements	Effective date
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	<p>In response to matters that had been raised to the IFRS Interpretations Committee as well as matters that arose during the post-implementation review of classification and measurement requirements of IFRS 9 Financial Instruments, in May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The Amendments modify the following requirements in IFRS 9 and IFRS 7:</p> <p>Derecognition of financial liabilities</p> <ul style="list-style-type: none">• Derecognition of financial liabilities settled through electronic transfers. Classification of financial assets• Elements of interest in a basic lending arrangement (the solely payments of principle and interest assessment – ‘SPPI test’)• Contractual terms that change the timing or amount of contractual cash flows• Financial assets with non-recourse features• Investments in contractually linked instruments. <p>Disclosures</p> <ul style="list-style-type: none">• Investments in equity instruments designated at fair value through other comprehensive income• Contractual terms that could change the timing or amount of contractual cash flows. <p>The Amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified.</p> <p>The Amendments permit an entity to early adopt only the amendments related to the classification of financial assets and the related disclosures and apply the remaining amendments later. This would be particularly useful to entities that wish to apply the Amendments early for financial instruments with ESG (Environmental, Social and Governance)-linked or similar features.</p> <p>Impact</p> <p>The standard is not expected to have a material impact on the Platinum Health Medical Scheme Group.</p>	1 January 2026

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.2 Changes in accounting policies continued

1.2.2 Standards or Interpretations issued but not yet effective continued

Standard/interpretation	Pronouncement Key requirements	Effective date
Annual Improvements to IFRS Accounting Standards	<p>Annual improvements are limited to changes that either clarify the wording in an IFRS Accounting Standard, or correct relatively minor unintended consequences, oversights or conflicts between requirements of the Accounting Standards. The proposed improvements are packaged together in one document. This cycle of annual improvements addresses the following:</p> <ul style="list-style-type: none">• Hedge Accounting by a First-time Adopter (Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards)• Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7)• Gain or Loss on Derecognition (Amendments to IFRS 7)• Introduction and Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7)• Derecognition of Lease Liabilities (Amendments to IFRS 9)• Transaction Price (Amendments to IFRS 9)• Determination of a 'De Facto Agent' (Amendments to IFRS 10)• Cost Method (Amendments to IAS 7). The final amendments were issued in July 2024. <p>Impact</p> <p>The standard is not expected to have a material impact on the Platinum Health Medical Scheme Group.</p>	1 January 2026

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

Standard/interpretation	Pronouncement Key requirements	Effective date
IFRS 18 Presentation and Disclosure in Financial Statements	<p>IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and is mandatorily effective for annual reporting periods beginning on or after 1 January 2027.</p> <p>IFRS 18, which was published by the IASB on 9 April 2024, sets out significant new requirements for how financial statements are presented, with particular focus on:</p> <ul style="list-style-type: none">• The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total.• Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements.• Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards. The aim of the IASB in publishing IFRS 18 is to improve comparability and transparency of companies' performance reporting. IFRS 18 has also resulted in narrow changes to the statement of cash flows.	1 January 2027
	Impact The standard is not expected to have a material impact on the Platinum Health Medical Scheme Group.	

The Group intends to adopt all Standards and Interpretations issued not yet effective on the effective date.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.3 Significant accounting judgements, estimates and assumptions

The preparation of the Group's annual financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

Judgements

In the process of applying the Group's accounting policies, management has not made any judgements which will have a significant effect on the amounts recognised in the consolidated annual financial statements.

Mutual entity

Appendix A to IFRS 3 Business Combinations (IFRS 3) defines a mutual entity as 'an entity, other than an investor-owned entity, that provides dividends, lower costs or other economic benefits directly to its owners, members or participants. For example, a mutual insurance company, a credit union and a co-operative entity are all mutual entities'. As medical schemes are not investor owned and provide medical benefits to members, they meet the definition of mutual entities. Platinum Health Medical Scheme (PHMS) identifies itself as a mutual entity and mutual entity accounting as per IFRS 17 is adopted.

Level of aggregation

Judgement has been applied to how the Scheme determined the level of aggregation for the measurement of its insurance contracts. The contracts held by PHMS with all its members are therefore considered to constitute a single portfolio in its entirety, as all three of its benefit options (PlatComprehensive, PlatCap and PlatFreedom) are managed together as a single portfolio of contracts and display similar risks, in that the cash flows will respond similarly in amount and timing to changes in key assumptions.

Risk adjustment - liability for incurred claims (LIC) Estimates and assumptions

IFRS 17 states that an entity shall adjust the estimate of the present value of the future cash flows to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk. PHMS has adopted the Premium Allocation Approach (PPA) in calculating the risk adjustment to the liability for incurred claims.

The risk adjustment for non-financial risk on the LIC is calculated at an option level and combined to determine the risk adjustment at a scheme level. The confidence level has been set at 75% to reflect the risk tolerance of the LIC.

Risk adjustment - risk transfer arrangements

The risk transfer arrangements are not significant and are not considered as reinsurance for IFRS 17 purposes.

Methods used to measure the insurance contracts

IFRS 17 allows entities to opt for the simplified approach Premium Allocation Approach (PAA) in the measurement of the Liability for Remaining Coverage (LRC) when the coverage period of contracts is 12 months or less. Platinum Health Medical Scheme (PHMS) has insurance contracts with a coverage period of one year or less and therefore qualifies for the automatic PAA modeling to calculate the insurance contract liability. PHMS has made a judgement using the General Measurement Model as a result of the 2024 budget being on the deficit.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.3 Significant accounting judgements, estimates and assumptions continued

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Expected impairment of insurance receivables

The process of identifying expected credit losses in insurance receivables balances is the result of a process of estimating which debtors, based on actual events and evidence at year end, will not be able to meet their obligations in the future. Portfolio expected credit losses are only made after the specific expected credit loss has been made and overriding economic conditions indicate that the debtors balance as a whole might be an expected credit loss after the specific provision.

Expected credit losses of trade and other receivables

The process of identifying expected credit losses (ECL) in trade and other receivables balances is the result of a process of assessment of historical credit loss experience and forecast economic conditions at every reporting date. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Scheme's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Liability for incurred claims (LIC)

Estimates and assumptions are used in deriving the value of the LIC. Please refer to Note 1.5.

1.4 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, 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 obligation. The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Where the Group expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.5 Liability for incurred claims (LIC)

IFRS 17 defines the LIC an entity's obligation to:

- Investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported and other incurred insurance expenses
- Pay amounts that are not included above and that relate to: (i) insurance contract services that have already been provided; or (ii) any investment return components

The LIC for the Scheme comprises future cash flows related to past events and risk adjustment factor. The LIC at each reporting date includes the contribution debtors as disclosed under Note 3.

The IBNR component of the LIC is calculated after considering the results of the Health Monitor model, chain ladder techniques and the Bornhuetter-Ferguson (BF) method. The Scheme has used a combination of the BF method and traditional chain ladder methods have been used to determine the best-estimate of the IBNR as at 31 December 2024.

- The chain ladder methods tend to be reliable when claims administration processes are stable, whether or not this is the case for beneficiaries' claims propensities
- The Health Monitor's projections tend to be more reliable when beneficiaries' claims propensities are stable; whether or not this is the case for administrative processes. The Health Monitor model also adjusts for demographic and benefit changes whereas these are not automatically reflected by traditional chain ladder methods
- The Bornhuetter-Ferguson method incorporates the past history of claims processing with the estimate provided by the Health Monitor's projection

The Scheme does not discount the IBNR component of the LIC, since the effect of the time value of money is not considered material.

The risk adjustment factors are discussed under Note 1.22.

1.6 Financial instruments

Financial assets

Initial recognition

Financial assets within the scope of IFRS 9 are classified as either financial assets at fair value through profit or loss, unless restrictive criteria is met for classifying and measuring the asset at either amortised cost or fair value through other comprehensive income, as appropriate. When financial assets are recognised initially, they are measured at fair value which, in the case of investments not at fair value through profit or loss, includes directly attributable transactions costs.

The Group considers whether a contract contains an embedded derivative when the entity first becomes a party to it.

The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

The Group financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

Subsequent measurement

Financial assets at fair value through profit or loss

Financial assets at fair value through surplus or deficit include financial assets designated upon initial recognition as at fair value through profit or loss as it is managed, and its performance is evaluated on a fair value basis, in accordance with a documented risk management strategy.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.6 Financial instruments continued

They are carried in the statement of financial position at fair value with gains and losses recognised in surplus or deficit. Gains and losses exclude interest and dividend income. Gains and losses on derecognition of the financial assets are recognised in profit or loss.

Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are trade and other receivables and cash and cash equivalents. After initial measurement financial assets are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in profit or loss when the financial assets are derecognised or impaired, as well as through the amortisation process.

Impairment of financial assets

Trade and other receivables

In terms of IFRS 9, the Group has adopted the simplified approach to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Scheme.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an impairment account and the amount of the loss is recognised in surplus or deficit. For credit-impaired assets (carrying amount less ECL), the interest income is recorded as part of investment income in surplus or deficit. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account.

This is however, limited to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the advance in prior years. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. If a write-off is later recovered, the recovery is credited in surplus or deficit.

De-recognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.6 Financial instruments continued

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities held at fair value through profit or loss. All financial liabilities are initially recognised at fair value.

The Group's financial liabilities include trade and other payables.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

Fair value of financial instruments

The fair value of an investment is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For investments where there is no active market, fair value is determined by reference to the last traded price of the share on the entity's OTC market. The traded price is the price that the share was sold in the last arm's length transaction for that specific share. Hence there are no further observable inputs used in the valuation.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents, as defined.

1.8 The Road Accident Fund

The Group grants assistance to its members in defraying expenditure incurred in connection with rendering of any relevant health services. Such expenditure may be in connection with a claim that is also made to the Road Accident Fund (RAF), administered in terms of the Road Accident Fund Act No. 56 of 1996.

If the member is reimbursed by the RAF, they are obliged contractually, to cede that payment to the Scheme to the extent that they have already been compensated.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.8 The Road Accident Fund continued

A reimbursement from the RAF is a possible asset that arises from a claim submitted to the RAF and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

This contingent asset is assessed continually to ensure that developments are appropriately reflected in the consolidated annual financial statements. If it is virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the consolidated annual financial statements in the period in which the change occurs. If an inflow of economic benefits has become probable, the Group discloses the contingent asset. Amounts received from members in respect of reimbursements from the RAF are recognised as a reduction of net claims incurred.

1.9 Managed healthcare: Management services

These expenses represent amounts paid to employees for managing the utilisation, costs and quality of healthcare services to the Scheme.

1.10 Investment income

Investment income comprises interest income and dividend accrued from investments held at fair value through profit or loss and interest from cash and cash equivalents, as well as net realised or unrealised gains or losses on investments held at fair value through profit or loss.

Interest income is recognised using the effective interest rate method. Dividend income is recognised when the right to receive payment is established.

1.11 Retirement contributions

The Group contributes on behalf of its qualifying employees to a defined contribution plan. The employer's contribution is expensed in the statement of comprehensive income when incurred.

1.12 Finance costs

Finance costs on the long-term incentive scheme are recognised as an expense when incurred.

1.13 Allocation of income and expenses to options

The following items are directly allocated to benefit options:

- Insurance revenue
- Claims incurred

Apportioned based on the accumulated funds per each option:

- Investment income
- Net fair value gains/(losses) on financial assets at fair value through profit or loss

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

Apportioned based on a percentage of net claims incurred per each option:

- For claims that are not directly allocated to benefit options
- Third party claims recoveries
- Accredited managed healthcare services
- Managed care: management services – Medikredit
- Data fees
- Discounts on hospitalisation

Apportioned based on the numbers of members on the Comprehensive and Capitation options

- Sundry income
- Sundry expenses
- Other administration expenditure – own facilities

The remaining items are allocated as detailed below:

- For insurance revenue that is not directly allocated to benefit options these amounts are apportioned based on percentage of net contribution per option
- Risk adjustment is determined at a scheme level and is apportioned to the benefit options based on a percentage of the estimate of the provision for liability for incurred claims from healthcare events that have occurred but not yet reported
- Pharmacy own facility costs are apportioned based on percentage of the internal pharmaceutical costs per option

The following items are apportioned based on the number of members on each option

- Net income/(expenses) on risk transfer arrangement fees
- Accredited managed healthcare services
- Managed care: management services – Case Management Department
- Other administration expenditure – scheme administration
- Fair value adjustments on employee benefits
- Management fee
- Own facility income / (cost incurred) for use of own facilities by external parties
- Expenses for asset management services rendered
- Finance costs

The allocation basis has changed to the above during the period under review.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.14 Taxation

In terms of section 10 (1) (d) of the Income Tax Act of 1962, as amended, receipts and accruals of a benefit fund are exempt from normal tax. A Medical Scheme is included in the definition of a benefit fund and consequently the Scheme is exempt from income tax. However, the Scheme is subject to VAT on management fees and non-contribution income and expenses.

1.15 Management fees

Management fees comprise management services rendered by the Scheme to related parties (refer to Note 22). Management fee income is recognised as income when rendered.

1.16 Long-term incentive scheme

Long-term incentive scheme comprises provisions for incentives calculated based on specific criteria to be met and is payable on certain conditions. Long-term incentive costs are recognised and accounted for over the vesting period (refer to Note 8.2 of the consolidated annual financial statements).

1.17 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the assets.

All other repair and maintenance costs are recognised in surplus or deficit as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset after taking into consideration the assets' residual values.

- Computer hardware 3 years
- Computer software 2 years
- Motor vehicles 4 years
- Office equipment 5 years
- Furniture and fittings 6 years
- Right-of-use assets 3 to 10 years
- Plant and equipment 5 to 10 years

An asset is derecognised upon disposal, or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.17 Property, plant and equipment continued

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, and any changes are accounted for as a change in accounting estimate. The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. Fully depreciated assets are held at nominal value.

1.18 Pharmaceutical inventories

Inventories comprise merchandise and are stated at the lower of cost or net realisable value. Cost comprises direct materials and where applicable, those costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in respect of selling and distribution.

1.19 Leases

Leases right-of-use assets

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - The Group has the right to operate the asset; or
 - The Group designed the asset in a way that predetermines how and for what purpose it will be used

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.19 Leases continued

As a lessee continued

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable under a residual value guarantee
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Scheme is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Platinum Health is reasonably certain not to terminate early

The lease liability is measured at amortised cost using the incremental borrowing interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in surplus or deficit if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'long-term liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including operational equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.20 Low value assets

Low-value assets are tangible assets that are used for operational or administrative purposes and have a relatively low acquisition cost in relation to the Group's overall asset base, the assets are also considered low value in relation to the Group's operational and administrative cost base. The Group defines low-value assets as those that do not meet the threshold for capitalisation based on the cost and nature of the item.

Capitalisation of low-value assets

These low-value assets are thus not capitalised. Instead, they are recognised as expenses in the period in which they are acquired. The cost of these assets is expensed in the profit or loss statement and is not included as part of the Group's property, plant, and equipment.

Recognition and expensing of low value-assets

Expenditure on low-value assets is recognised as an expense in the financial statements at the time of acquisition. These assets do not meet the criteria for capitalisation, as they are not expected to provide future economic benefits that would justify their recognition as a capital asset.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.20 Low value assets continued

Subsequent expenditure

Any subsequent expenditure related to low-value assets is also expensed in the period in which it is incurred, unless it enhances the value or extends the useful life of the asset significantly, in which case the expenditure may be capitalized in accordance with the applicable accounting standards.

1.21 Intangible assets

The scheme incurs expenditure on various non-monetary assets, including software, practice management systems, and other systems used in its operations. In line with IAS 38 – Intangible Assets, the scheme has assessed these assets against the recognition criteria for capitalisation. Based on this assessment, the scheme has determined that none of these expenditures meet the definition and recognition criteria of an intangible asset and, as a result, all such costs are expensed in the period incurred.

Capitalisation of intangible assets

Intangible assets are capitalized if they meet the recognition criteria outlined in IAS 38. These assets must be identifiable, controlled by the entity, and expected to generate future economic benefits. The entity capitalises costs related to the acquisition and development of intangible assets, including software and practice management systems, when these meet the necessary criteria. After initial recognition, intangible assets are measured either using the cost model or the revaluation model, depending on the circumstances.

Expensing of intangible assets

Expenditure on intangible items that do not meet the recognition criteria as outlined in IAS 38 is expensed in the period incurred. If an asset, such as software or a practice management system, does not qualify for recognition as an intangible asset (for example, if it does not provide future economic benefits or lacks control), the expenditure related to that asset is recognised as an expense in the profit or loss statement for the period in which it is incurred.

Subsequent expenditure

Subsequent expenditure on intangible assets, such as upgrades or enhancements to software or practice management systems, is capitalised only if it results in increased future economic benefits. If the expenditure does not meet these criteria, it is expensed in the period in which it is incurred.

1.22 Insurance contracts

Introduction

IFRS 17 is applicable to insurance contracts, reinsurance contracts, as well as investment contracts with discretionary participation features and it provides guidance on recognising, measuring, presenting, and disclosing of insurance contracts. IFRS 17 is principles-based rather than rules-based and requires entities to make decisions on areas where judgement is required.

PHMS enters into contracts where it transfers significant insurance risk from the member to the Scheme in exchange for a fixed monthly contribution. The contracts were assessed to determine whether the significant insurance risk transfer meets the contract definition as per IFRS 17.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.22 Insurance contracts continued

Level of aggregation and cohort grouping

According to paragraph 24 of IFRS 17, the aggregation of individual contracts into groups is required on initial recognition for all contracts within the scope of IFRS 17. The entity shall not reassess the composition of the groups subsequently.

The grouping of individual contracts under IFRS 17 is performed in a way that limits the offsetting of profitable contracts against onerous ones, having regard to how insurers manage and evaluate the performance of their business.

In determining the level of aggregation, an entity identifies portfolios of insurance contracts. Paragraph 14 of IFRS 17 notes the following in relation to the level of aggregation:

An entity shall identify portfolios of insurance contracts. A portfolio comprises contracts subject to similar risks and managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together.

Contracts in the same portfolio would be expected to have similar risks. Different product lines typically have different risks and would not be expected to be in the same portfolio.

The contracts held by PHMS with all its members are therefore considered to constitute a single portfolio in its entirety, as all three of its benefit options (PlatComprehensive, PlatCap and PlatFreedom) are managed together as a single portfolio of contracts and display similar risks, in that the cash flows will respond similarly in amount and timing to changes in key assumptions.

Platinum Health considers a calendar year to be its cohort grouping. All policies that are recognised during a specific calendar year are deemed to be part of the same cohort. Therefore, onerous contracts that will provide coverage in year N but are recognised in year N-1 will fall into the N-1 cohort. An onerous loss component is calculated as the difference between the liability for remaining coverage under the PAA and the fulfilment cashflows that relate to remaining coverage under the GMM. If the group of contracts becomes onerous, the Scheme will increase the carrying amount of the LRC with the amount of the loss. Subsequently, the amount of the loss component will be amortised by decreasing the insurance service expense. The amortisation of the loss component is based on the weighting of claims paid each month for the remaining coverage period.

Initial recognition and derecognition

IFRS 17 states that an entity shall recognise a group of insurance contracts it issues from the earliest of the following:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder in the group becomes due; and
- for a group of onerous contracts when the group becomes onerous

The Scheme's member contracts are recognised on 1 January each year. Contracts for members who join during the course of the year will be added to a group, provided the contract is issued no more than one year from contracts already recognised in the Group.

Onerous groups of contracts should be recognised when facts and circumstances indicate that they are onerous. This could be in the previous financial year when members indicate which benefit plan they would like to elect for the following calendar year. The Scheme does not have onerous contracts for the current year and the prior year.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.22 Insurance contracts continued

Initial recognition and derecognition continued

IFRS 17 states that an entity shall derecognise an insurance contract when, and only when:

- It is extinguished, i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled; or
- Any of the conditions in modification of the insurance contract are met

Once the coverage period for the contract ends and all the contractual cash flows related to the contract are settled, the Scheme is no longer at risk for that policy. At this point, no further transfer of economic resources is required as all contractual cashflows are extinguished, and the contract is derecognised.

Cashflows and contract boundary

The measurement of insurance contracts under IFRS 17 includes cash flows within the boundary of the insurance contract.

Cashflows applicable to PHMS as per Paragraph B65 of IFRS 17 are as follows:

- Contributions
- Claims – reported but not settled (RBNS), incurred but not reported (IBNR), future claims for which the entity has a ‘substantive obligation
- Claim handling costs
- Costs the entity will incur in providing contractual benefits paid in kind
- Policy administration and maintenance costs
- Transaction-based taxes such as value-added taxes on goods and services
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts
- Any other costs specifically chargeable to the policyholder under the terms of the contract

As per IFRS 17, the expenses that are included in the contract boundary and relating directly to the fulfilment of the cash flows are called attributable expenses. Non-attributable expenses are excluded from the fulfilment cashflows, for example, investment returns, cash flows relating to costs that cannot be directly attributed to the portfolio of insurance contracts that contain the contract and cash flows arising from components separated from the insurance contract and accounted for using other applicable standards.

Reinsurance contracts

A reinsurance contract is defined by IFRS 17 as an insurance contract issued by one entity (the reinsurer) to compensate another entity for claims arising from one or more insurance contracts issued by that other entity (underlying contracts).

The Scheme has entered into fixed fee contracts with the majority 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 billed at Platinum Health Medical Scheme rates and the difference between the services provided at the rates and the fixed amount paid is the risk transfer surplus or deficit.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.22 Insurance contracts continued

Reinsurance contracts continued

There is some transfer of claims variability risk since the specialists receive a fixed fee rather than making variable claims to the Scheme. However, the level of claims variability is not significant relative to the size of the Scheme and total claims incurred; and the overall value of the risk transfer fixed fees is non-material (approximately 0.2% of relevant healthcare expenditure). Therefore, the fixed fee contracts with the specialists are not regarded as reinsurance.

Choice of measurement model

IFRS 17 introduces three measurement models, depending on the specifics of the benefit structure and terms and conditions of an insurance contract. The measurement models are:

- General Measurement Model (GMM)
- Premium Allocation Approach (PAA)
- Variable Fee Approach (VFA)

IFRS 17 allows entities to opt for the simplified approach (PAA) in the measurement of the Liability for Remaining Coverage (LRC) when the coverage period of contracts is 12 months or less. PHMS has insurance contracts with a coverage period of one year or less, therefore qualifies for the automatic PAA modelling to calculate the insurance contract liability.

However, considering that the Scheme has budgeted for an operational deficit for 2024, the General Measurement Model is used to determine the Liability for Remaining Coverage so that the difference can be determined relative to the PAA in order to assess whether there is a loss component.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.22 Insurance contracts continued

Choice of measurement model continued

Risk adjustment on LIC

Under IFRS 17, the risk adjustment reflects the compensation that an entity requires for bearing the uncertainty, with respect to the amount and timing of the cashflows that arise from non-financial risks. The Premium Allocation Approach (a simplified measurement approach adopted by the Scheme) requires the calculation for a risk adjustment to the liability for incurred claims.

IFRS 17 states that the risk adjustment must have the following characteristics:

- Risks with low frequency and high severity must result in higher risk adjustments than risks with high frequency and low severity
- For similar risks, insurance contracts with a longer duration result in higher risk adjustments for non-financial risk than contracts with a shorter duration
- Risks with a wider probability distribution, thus subject to more uncertainty, result in higher risk adjustments for non-financial risk than risks with a narrower distribution

The IFRS 17 risk adjustment excludes the allowance for other types of risks, such as:

- Operational risk, the risk of failure of internal systems, procedures or controls
- Regulatory risk, the introduction of new rules or legislation
- Financial risk such as adverse movements in interest rates, bad debts or the risk that the Scheme incurs losses from the inability to meet its liabilities

This risk adjustment should reflect the risk that the Scheme is bearing for the uncertainty of timing, severity and number of reported cashflows. The risk adjustment compensates a medical scheme for bearing non-financial risks such as claims risk, the risk of uncertainty with respect to the severity, frequency and timing of claims.

IFRS 17 does not specify the estimation techniques used to determine the risk adjustment for non-financial risk. The actuaries have therefore developed a bootstrapping model to determine risk adjustment for non-financial risk. The methodology of the model is explained in detail below.

- The risk adjustment for non-financial risk on the LIC is calculated at an option level and combined to determine the risk adjustment at a scheme level
- The confidence level has been set at 75% to reflect the risk tolerance of the IBNR provision

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.22 Insurance contracts continued

Liability for remaining coverage (LRC)

The LRC is calculated using the Premium Allocation Approach (PAA). Under the PAA method, the measurement of the liability for remaining coverage is calculated as the contribution income received less any insurance acquisition cash flows paid. Insurance acquisition cashflows are cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the Group belongs. Insurance acquisition cash flows are not applicable to Platinum Health as the Scheme does not incur broker costs.

The LRC at 31 December 2024 is RO based on the Premium Allocation Approach.

Separation of components

PHMS is a restricted scheme. Restricted membership schemes (eligibility criteria are based on employment in a certain “profession, trade, industry or calling”, membership of a particular association, profession or union, or “any other prescribed matter”). The managed care system within the Scheme is comprehensive, encompassing both self-owned healthcare facilities and outsourced healthcare providers. These medical facilities are strategically situated across the Platinum and Chrome mining regions, specifically in Thabazimbi, Rustenburg, and the Eastern Limb Region.

Before accounting for insurance contracts under IFRS 17, the contracts need to be analysed as to whether they contain one or more distinct non-insurance components that are required to be separated. Distinct non-insurance components are accounted for under the relevant standards they relate to, and the remaining components are then accounted for using IFRS 17.

The use of own facilities by members of the Scheme are not seen as distinct goods and services or separate from IFRS 17. Any services rendered to non-members are reported using other standards and not IFRS 17, for example, revenue received based on services rendered to non-members will be reported under IFRS 15. The services rendered to non-members are disclosed under other income and other expenses on the statement of comprehensive income.

Work Based Health Services

The Scheme has entered capitation fee contracts with several participating employer companies, particularly mining groups for the provision of Work Based Health Services (WBHS) to employees and contractors of the employer group. These services are rendered at the Platinum Health facilities or at the mine’s facilities. These services include:

- Occupational health services
- Rehabilitation
- Functional assessment
- Curative care
- Trauma emergency services
- Employee Assistance Programme

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.22 Insurance contracts continued

Work Based Health Services *continued*

Platinum Health has an agreement with Impala to allow Impala employees to use our facilities for GP consultations and the Iridium pharmacy. Platinum Health has entered into another agreement with Impala with regards to the Impala pharmacy, Platinum Health supplies the Impala pharmacy with stock and pharmacists at a monthly fixed levy. This Impala pharmacy and existing arrangement is not for the Scheme benefit nor for the benefit of the Scheme's members and thus falls outside the scope of IFRS 17. The residual interest of the Impala arrangement is disclosed under other income in Note 14.1.

The WBHS is utilised by both the members of the Scheme and non-members. The members of the scheme are significant contributors to the utilisation of the WBHS. For this reason, the residual interest of the WBHS is attributable to the future members. The profit or loss attributable to the WBHS is insignificant compared to the overall scheme's profit. The WBHS profit or loss is disclosed in Note 14.

IFRS 17 explains that "a contract transfers significant insurance risk only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis". Based on the current pricing of the fixed fees on these arrangements there does not seem to be a likely scenario (with commercial substance) where this will be the case. However, even if a reinsurance contract does not expose the issuer to the possibility of significant loss, that contract is deemed to transfer significant insurance risk if it transfers to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts.

PHMS retains the risk of the specialists not being consulted and therefore retaining specific risks that would normally be transferred to these specialists. It is therefore concluded that these arrangements do not need to be considered "reinsurance" in terms of the standard and may be disclosed as part of the insurance related cashflows.

Mutual entities

A medical scheme is not legally defined as a mutual entity, and the assessment as to whether a medical scheme is a mutual entity is done based on the principles set out in IFRS above. As medical schemes do not have shareholders, the current members will access the reserves through economic benefits such as funding reductions in contributions or deferral of contribution increases.

IFRS 17 does not define a "mutual entity" however, it is defined under IFRS 3 and refers to a key concept in the basis of conclusion of IFRS 17. Paragraph BC265 of IFRS 17 explains that "a defining feature of an insurer that is a mutual entity is that the most residual interest of the entity is due to a policyholder and not a shareholder."

Based on how medical schemes operate in South Africa, the remaining assets of a scheme should be distributed to the members on liquidation if there are any and if the Scheme does not amalgamate with another scheme.

The Medical Aid Scheme's Act does not explicitly state that members (i.e. policyholders) hold a residual interest or are entitled to the residual interest upon the liquidation of the medical scheme. Section 64 of the Act requires the medical scheme rules to be followed in the event of liquidation.

Even if the assets are distributed by a regulator or by the members to an independent third party, e.g. another medical scheme, an administrator or a charity, the important aspect is that the choice resides with the members or the regulator acting on behalf of the members, not with an equity holder which aligns with paragraph BC265 of IFRS 17.

It is, therefore, believed that medical aid schemes meet the definition of a mutual entity. PHMS is therefore classified as mutual entities in terms of IFRS 17.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

1. Accounting policies continued

1.22 Insurance contracts continued

Insurance revenue

Contributions on member insurance contracts are accounted for monthly when their collection in terms of the insurance contract is reasonably certain. The earned portion of net contributions received is recognised as insurance revenue.

Insurance revenue for the period is the amount of expected premium receipts allocated to the period. The entity shall allocate the expected premium receipts to each period of insurance contract services:

- on the basis of the passage of time; but
- if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then on the basis of the expected timing of incurred insurance service expenses.

Insurance service expense

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 the end of the year.

Insurance services expense comprises:

- Claims submitted and accrued for services rendered during the year, net of recoveries from members for co-payments and after taking into account recoveries from third parties;
- Claims for services rendered during the previous year not included in the outstanding claims provision for that year, net of recoveries from members for co-payments;
- Charges for managed health care: healthcare services (excluding risk transfer arrangements); and
- Services rendered to members from the Scheme's own facilities.

Anticipated recoveries under risk transfer arrangements are disclosed separately as net expense from reinsurance.

Contributions outstanding

Outstanding contributions arise due to:

- Addition of dependants
- Income band changes
- Non-payment for new members
- Change in contribution rates

The above is managed by applying the Scheme's Credit Control Policy. Membership is either suspended or terminated for outstanding contributions.

The application thereof assists in managing the Scheme's financial risk. The procedure as set out in the policy is communicated to both the member and payroll departments prior to suspension or termination of membership.

There are no variances in application of policy from the previous years.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

2. Property, plant and equipment

	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Computer hardware	4,148	(3,475)	673	3,478	(3,184)	294
Computer software	725	(695)	30	691	(691)	-
Plant and equipment	29,687	(17,302)	12,385	25,141	(13,536)	11,604
Office equipment	2,363	(654)	1,709	1,452	(320)	1,132
Furniture and fittings	599	(103)	496	136	(38)	98
Right-of-use assets	94,926	(49,413)	45,513	86,795	(42,523)	44,272
Motor vehicles	6,403	(5,627)	776	6,261	(5,114)	1,148
	138,851	(77,269)	61,582	123,954	(65,406)	58,548

Reconciliation of carrying value of Property, plant and equipment

	2024					
	Carrying value at beginning of year	Additions	Lease modification	Disposals	Depreciation	Carrying value at end of year
	R'000	R'000	R'000	R'000	R'000	R'000
Computer hardware	294	670	-	-	(291)	673
Computer software	-	34	-	-	(4)	30
Plant and equipment	11,604	4,545	-	-	(3,765)	12,384
Office equipment	1,132	911	-	-	(334)	1,709
Furniture and fittings	98	463	-	-	(65)	496
Right-of-use assets	44,272	10,391	2,023	-	(11,172)	45,514
Motor vehicles	1,148	142	-	-	(514)	776
	58,548	17,156	2,023	-	(16,145)	61,582

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

2. Property, plant and equipment continued

Reconciliation of carrying value of Property, plant and equipment continued

	2023					Carrying value at end of year
	Carrying value at beginning of year	Additions	Lease modification	Disposals	Depreciation	
Computer hardware	191	369	-	(63)	(203)	294
Computer software	174	-	-	-	(174)	-
Plant and equipment	12,212	2,745	-	-	(3,353)	11,604
Office equipment	495	1,136	-	(299)	(200)	1,132
Furniture and fittings	9	97	-	-	(8)	98
Right-of-use assets	42,134	8,981	4,324	-	(11,167)	44,272
Motor vehicles	1,444	236	-	-	(533)	1,148
	56,660	13,564	4,324	(362)	(15,638)	58,548

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

3. Insurance contract liability

The Scheme as a whole is identified as a portfolio. All contracts issued by the Scheme are subject to similar risks and are managed together. The breakdown of a portfolio level of liability for remaining coverage and liability for incurred claims is set out below:

3.1 LIC and LRC

Reconciliation of the liability for Future members and Insurance contract liability 2024

	Liability for remaining coverage (LRC)	Liability for incurred claims (LIC)		Total 2024
	Liability for remaining coverage (LRC) excluding loss component (LRC)	Best estimate liability	Risk adjustment	
Insurance contracts issued				
Opening insurance contract assets / (liabilities)	-	(33,585)	(1,600)	(35,185)
Net balance as at 1 January 2024	-	(33,585)	(1,600)	(35,185)
Changes in the statement of comprehensive income				
Insurance revenue				
New contracts and contracts measured under PAA	2,129,587	-	-	2,129,587
	2,129,587	-	-	2,129,587
Insurance service expenses	-	(2,289,866)	(1,151)	(2,291,017)
Incurred claims and other directly attributable expenses	-	(2,278,446)	-	(2,278,446)
Adjustment to liabilities for incurred claims – past events	-	(11,420)	(1,151)	(12,571)
Insurance services result	2,129,587	(2,289,866)	(1,151)	(161,431)
Transfer of contributions receivable to LIC	(489)	489	-	-
Cash flows				
Contributions received	(2,129,098)	-	-	(2,129,098)
Claims and other directly attributable expenses paid	-	2,278,137	-	2,278,137
Total cash flow	(2,129,098)	2,278,137	-	149,040
Closing insurance contract assets / (liabilities)	-	(44,825)	(2,751)	(47,576)
Net balance at 31 December 2024	-	(44,825)	(2,751)	(47,576)

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

3. Insurance contract liability continued

3.1 LIC and LRC continued

Reconciliation of the liability for Future members and Insurance contract liability 2023

	Liability for remaining coverage (LRC)	Liability for incurred claims (LIC)		Total 2023
	Liability for remaining coverage (LRC) excluding loss component (LRC)	Best Estimate Liability	Risk adjustment	
Insurance contracts issued				
Opening insurance contract liabilities	-	(57,449)	(1,250)	(58,699)
Net balance as at 1 January 2023	-	(57,449)	(1,250)	(58,699)
Changes in the statement of comprehensive income				
Insurance revenue				
New contracts and contracts measured under PPA	2,038,479	-	-	2,038,479
	2,038,479	-	-	2,038,479
Insurance service expenses	-	(2,032,497)	(350)	(2,032,847)
Incurring claims and other directly attributable expenses	-	(2,025,355)	-	(2,025,355)
Adjustment to liabilities for incurred claims - past events	-	(7,142)	(350)	(7,492)
Insurance services result	2,038,479	(2,032,497)	(350)	5,632
Transfer of contributions receivable to LIC	(32,206)*	32,206*	-	-
Cash flows				
Contributions received	(2,006,273)	-	-	(2,006,273)
Claims and other directly attributable expenses paid	-	2,024,155	-	2,024,155
Total cash flow	(2,006,273)	2,024,155	-	17,882
Closing insurance contract liabilities	-	(33,585)	(1,600)	(35,185)
Net balance at 31 December 2023	-	(33,585)	(1,600)	(35,185)

* Disclosure has been restated and enhanced by separately disclosing the transfer of the contribution receivables from LRC to LIC

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

3. Insurance contract liability continued

3.1 LIC and LRC continued

Reconciliation of Insurance contract liabilities

	2024 R'000	Restated 2023 R'000
Liability for incurred Claims (LIC)		
Contributions receivable	35,195	35,015
Provisions for outstanding claims – incurred but not reported	(80,020)	(68,600)
Risk adjustment	(2,751)	(1,600)
Total insurance contract liabilities/(assets) as at 31 December	(47,576)	(35,185)*

* Restated, refer to Note 29.3.

3.2 Insurance liability for future members

	2024 R'000	Restated 2023 R'000
Balance at the beginning of the year	(837,654)	(730,825)
Deficit/(Excess) over net asset value	14,895	(106,829)
	(822,759)	(837,654) #
Non-current	-	-
Current*	(822,759)	(837,654)

The liability for future members represents the residual interest in the scheme that is attributable to members. As a result of the prior period restatements contained in Note 29, the 2023 opening balance of the liability for future members has also been restated (reduced by R4,215).

* The South African Institute of Chartered Accountants (SAICA) issued the Medical Schemes Accounting Guide for the year ended 31 December 2024 in June 2025. The guide requires medical schemes to consider the classification of the liability to future members as current/non-current based on the requirements of IAS 1.69 and the scheme's facts and circumstances. Previously, this liability (except for the following year's budgeted loss) was disclosed under non-current liabilities, due to the long-term nature of the liability. However, paragraph 69 of IAS 1 requires a liability to be presented as current if the entity does not have the right at the end of the reporting period to defer settlement beyond 12 months. Under this guidance, and the scheme's current facts and circumstances, the scheme's liability to future members has been presented as a current liability in the 2023 and 2024 financial year.

4. Pharmaceutical inventories

	2024 R'000	2023 R'000
Pharmaceutical inventories	6,852	7,317

No provision for obsolete inventories has been raised for the years ended 31 December 2024 and 31 December 2023. Inventories are regularly checked for expiry and are written off monthly and disposed of as per legal requirements through a registered disposal company. Inventories comprise of medication and consumables and are stated at the lower of cost or net realisable value. NRV at year end R7,811 (2023: R8,341).

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

5. Trade and other receivables

	2024 R'000	2023 R'000
Trade and discount receivables	63,869	48,430
Deposits	1,686	1,520
Accrued interest on bank balances	1,564	1,767
Anglo American group balances	1,777	2,759
Prepayments	8,323	997
Less: Allowance for impairment losses	(1,851)	(1,221)
- Allowance for impairment losses at beginning of year	(1,221)	(2,302)
- Increase in allowance for the year	(630)	1,081
- Utilised	-	-
- Raised	(630)	1,081
	75,368	54,252

5. Trade and other receivables continued

At 31 December 2024 and 2023, the carrying amounts of trade and other receivables approximate their fair values due to the short-term maturities of these assets.

The outstanding balances on self-paying debtors of R4,602 (2023: R6,575) are individually assessed to determine if the debtor's balances are fully recoverable.

The trade and discount debtors and deposits are receivable based on the contractual terms agreed upon with the counterparty. Accrued interest on bank balances is receivable within one month following the month in which it has accrued.

6. Investments held at fair value through profit or loss

	2024 R'000	2023 R'000
Designated upon initial recognition		
Fair value at the beginning of the year	472,691	436,971
Asset management fee (Note 17)	(3,160)	(2,871)
Bank charges	(30)	(24)
Investment income re-invested	40,104	37,613
Realised gain on disposal of investments	1,144	837
Fair value adjustment (Include equities, bills, bonds and debentures and cash and deposits)	18,217	165
Fair value at the end of the year	528,966	472,691
The investments are classified as follows:		
Bills, bonds and debentures	296,059	238,583
Equity	125,883	113,289
Cash and deposits	107,025	120,819
Fair value at the end of the year	528,966	472,691

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

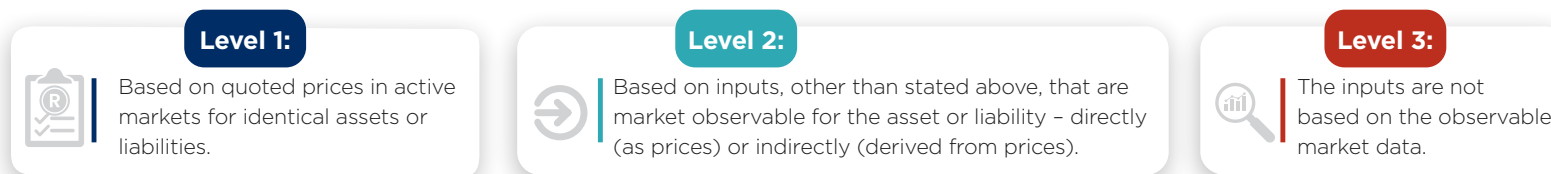
6. Investments held at fair value through profit or loss continued

Investments are managed on a fair value basis hence the investments have been designated at initial recognition at fair value through profit or loss. The Scheme has invested in an Allan Gray portfolio. This portfolio is a pool of funds and Allan Gray is to invest the funds based on the Council for Medical Schemes guidelines and the Medical Schemes Act. If conditions are not met, rectification is required within seven days. The investments are earning interest and dividends at varying rates.

The weighted rate of return on the Allan Gray portfolio was 11.24% (2023: 8.53%).

The fair values of these investments in listed bonds and equities are based on their market value. A register of investments is available for inspection at the registered office of the Scheme.

The definitions of the level categorisation are as follows:



Fair values of financial assets by hierarchy level

Assets measured at fair value.

	2024			
	Level 1 R'000	Level 2 R'000	Level 3 R'000	Reclassification R'000
Financial assets at fair value through profit or loss				
- Bonds	296,059	-	-	-
- Equity	125,883	-	-	-
- Cash and deposits	107,025	-	-	-
Total	528,966	-	-	-

	2023			
	Level 1 R'000	Level 2 R'000	Level 3 R'000	Reclassification R'000
Financial assets at fair value through profit or loss				
- Bonds	238,583	-	-	-
- Equity	113,289	-	-	-
- Cash and deposits	120,819	-	-	-
Total	472,691	-	-	-

Assets measured at fair value.

All bonds are categorised under level 1. These bond instruments are valued on quoted prices.

The Scheme recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

7. Cash and cash equivalents

	2024 R'000	2023 R'000
Call accounts	578,772	626,724
Current accounts	9,406	9,710
Petty cash	34	29
Cash and cash equivalents as per statement of cash flows	588,212	636,463

8. Long term liabilities

	2024 R'000	2023 R'000
Lease liability	45,365	46,920
Long-term incentives	45,298	32,696
Total long term liabilities	90,663	79,616

8.1 Lease liability

	2024 R'000	2023 R'000
Balance at the beginning of the year	46,920	43,489
Add back amount payable within one year for prior year provision	17,890	14,589
Additions to lease liability	10,391	8,981
Lease modifications	2,023	4,324
Interest for the year (Note 19)	11,031	10,303
Paid during the year	(22,270)	(16,876)
Payable within 1 year	(20,619)	(17,890)
Balance at end of the year	45,365	46,920
The maturity analysis of the lease liability is as follows:		
Within one year classified under current liabilities (Note 9)	20,619	17,890
Two to five years	59,842	70,896
More than five years	14,044	4,412
Total payments greater than one year	73,886	75,308

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

8. Long term liabilities continued

The lease liability only consists of leases of buildings and does not include leases of low-value assets and leases of short term. The costs incurred for leases of low-value assets and leases of short-term nature are carried under Own facility surplus and disclosed in Note 14.

Refer to Note 2 for the carrying value of right-of-use asset.

The following are the amounts recognised in surplus or deficit:

	2024	2023
	R'000	R'000
- Depreciation expenses of right-of-use asset (Note 2)	11,172	11,167
- Interest expenses on lease liabilities (Note 15)	11,031	10,303
- Expenses related to low value assets	2,630	2,708
- Expenses related to short term leases	355	182
Total amount recognised in surplus or deficit	25,188	24,360

8.2 Long-term incentives

Provision for long-term incentive scheme (LTIS)

Balance at beginning of the year

Provided during the year

Fair value adjustment

Payable within 1 year (Note 9)

Balance at end of the year

The long-term incentive scheme (LTIS) is a retention benefit payable to qualifying employees who are employed by the Scheme when the benefits vest. Each annual LTIS allocation provision amount will be retained for a period of 3 years, whereafter it will become payable to qualifying participants. The calculation of the LTIS is based on the short-term incentive bonus and is influenced by a sliding scale applicable to the grading level of each qualifying participant. The unrecognised portion of LTIS which has not yet vested amounts to:

	2024	2023
	R'000	R'000
2022 portion not yet recognised	-	10,086
2023 portion not yet recognised	17,087	33,978
2024 portion not yet recognised	36,720	-
Total amount not yet recognised	53,807	44,064

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

9. Trade and other payables

	2024 R'000	2023 R'000
Trade payables	96,967	91,848*
Accruals	15,406	16,636
Payroll creditors	14,715	12,713
Short term incentive bonus liability	90,702	84,505
Long-term incentive bonus liability payable within one year (Note 8.2)	25,552	22,566
Lease liability right-of-use assets payable within one year (Note 8.1)	20,619	17,890
South African Revenue Services – VAT	13,786	8,819*
Payment received in advance under capitation fee services	2,615	6,653
Total trade and other payables	280,362	261,630

* Restated, refer to Note 29.2.

The carrying amounts of trade and other payables approximate their fair values due to the short-term maturities of these liabilities. The amounts owed are interest free, unsecured and the terms of repayment are 30 days from invoice date.

The short-term incentive is payable to all employees and is based on the combined overall performance of Platinum Health Medical Scheme and RA Gilbert Proprietary Limited. The three main drivers for the incentive calculation are the combined profit or loss, cost per beneficiary and customer satisfaction. The calculation is based on the employee's pensionable salary scale as a percentage of the eligible bonus payable and influenced by the employee's personal performance rating obtained for the year.

10. Leave accrual

	2024		
	Leave pay R'000	Holiday leave allowance R'000	Total R'000
Balance at the beginning of the year	12,710	4,161	16,870
Net accumulated during the year	1,538	2,807	4,346
Balance at the end of the year	14,248	6,968	21,216
	2023		
	Leave pay R'000	Holiday leave allowance R'000	Total R'000
Balance at the beginning of the year	13,445	3,649	17,094
Net (utilised) / accumulated during the year	(735)	511	(224)
Balance at the end of the year	12,710	4,161	16,870

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

10. Leave accrual continued



Leave pay

The leave pay accrual represents accumulated leave days that all the employees have due to them at the end of the financial year, applied to the basic rate of pay relating to each respective employee. Leave pay is payable with encashment, retrenchment, retirement or resignation, and the accrual is reduced whenever leave is taken by an employee.



Holiday leave allowance

Holiday leave allowance (HLA) represents the accumulated leave bonus that all the employees have due to them at the end of the financial year. HLA is measured on the basis of one month's salary. Payments are made on request of employees during the year and any outstanding balances are paid out in the anniversary month of the employee.

11. Insurance revenue and service expenses

	2024 R'000	2023 R'000
Insurance revenue		
Insurance revenue from contracts measured under the PAA	2,129,587	2,039,002
Less: contributions bad debts	-	(523)
Total insurance revenue	2,129,587	2,038,479
Insurance service expenses*		
Incurred claim (Note 11.1)	(2,110,393)	(1,861,508)
Attributable expenses incurred (Note 13)	(144,116)	(143,560)
Accredited managed healthcare services (Note 12)	(24,717)	(20,481)
Third party claims recoveries	780	194
Changes that relate to past service - adjustments to the LIC	(12,571)	(7,492)
Total insurance service expenses	(2,291,017)	(2,032,847)
Net income/(expenses) from risk transfers		
Risk transfer expenses	(14,801)	(13,917)
Total expenses from risk transfer	(14,801)	(13,917)
Claims recovered	11,321	10,755
Total income from risk transfer	11,321	10,755
Total insurance service result	(164,910)	2,470

* Circular 6 of 2025 issued by the CMS requires medical schemes to present 'Amounts attributable to future members' separate from the "Insurance service expenses" and the "Insurance service result". This resulted in a representation of the prior year affected line items as follows: "Amounts attributable to future members" to the value of a deficit (R14,895); profit (2023: R106,829), are now being disclosed as a separate line item on the Statement of comprehensive income before the "Surplus/deficit for the year"

Insurance Service Expense in accordance with IFRS 17 includes amounts attributable to future members, the total value of insurance expense therefore amounts to (R2,276,122); 2023: (R2,139,676).

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

11. Insurance revenue and service expenses continued

11.1 Incurred claims - external parties

	2024 R'000	2023 R'000
Current year claims	1,348,227	1,223,234
Services provided to members in facilities	774,260	645,272
Accredited managed care – healthcare services	477	494
Changes that relate to past service – adjustment to the liability for incurred claims	(12,571)	(7,492)
	2,110,393	1,861,508

12. Other incurred insurance service expenses

Managed care: Management services

	2024 R'000	2023 R'000
External		
Medikredit – Pharmaceutical protocols, formularies and hospital audits	4,523	3,594
Internal		
Development, implementation and management of agreements with provider networks and providers	7,068	5,910
Claims management services	2,019	1,689
Disease management	2,019	1,689
HIV management	1,010	844
Prescribed minimum benefit	1,010	844
Managed hospital care	2,019	1,689
Contracted network primary health care and specialist services	1,010	844
Oncology utilisation management	2,019	1,689
Psychiatric and psychology benefit management	404	338
Radiology management services	1,010	844
Service provider negotiations and management	404	338
Optical management	202	169
	20,194	16,887
Managed care sub-total	24,717	20,481

The allocation of internal management services cost is determined based on the estimated time spent on managing each expense type.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

13. Administration cost

	2024	2023
	R'000	R'000
Accommodation	3,367	5,930
Accommodation – BoT	147	363
Administration salaries	81,917	72,486
Advertising marketing and promotions costs	10,076	7,298
Audit fees (Note 14 and 16)	6,625	6,324
Bank charges	829	967
Computer costs	8,515	13,474
Cleaning services	242	748
Clothing	695	2,075
Conference and seminars	976	1,513
Conference and seminars – BoT	210	196
Consultant fees	7,639	6,787
Actuarial fees	1,499	1,744
Trustees remuneration	12	20
Corporate gifts	287	51
Depreciation	1,700	1,299
Entertainment	1,503	1,592
Equipment rental	109	75
Fidelity guarantee insurance premium	500	578
Foodstuff	45	231
Insurance premiums: Other	384	802
Legal expenses	1,267	2,408
(Gain)/loss on disposal of assets	(566)	1,639
Maintenance expenses	1,537	49

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

13. Administration cost continued

	2024	2023
	R'000	R'000
Motor vehicle expenses and fuel cost	1,716	2,102
Principal Officer's fees and remuneration	4,217	3,418
Record storage	59	55
Recruitment cost	1,770	777
Registrar's levies	2,797	2,692
Rental offices	(135)	140
Security services	(376)	(139)
Small assets written off	1,175	2,286
Stationery and printing	1,302	1,724
Subscriptions	653	261
Telephone and postage	919	1,143
Telephone and postage - BoT	78	110
Transport costs	247	83
Transport costs - BoT	66	100
Water and electricity	119	254
Administration cost sub-total	144,122	143,655
Net impairment losses on receivables		
Credit loss recoveries	(6)	(95)
Net impairment losses on receivables sub-total	(6)	(95)
Total	144,116	143,560

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

14. Own facilities income and expenses

	External Parties 2024 R'000	External Parties 2023 R'000
Income from the use of own facilities	173,419	160,544
– By external parties employee assistance programme	3,748	4,672
– By external parties capitation fee income	169,671	155,872
Less: Costs incurred in the provision of own facilities to members and external parties	(156,781)	(162,138)
– Salaries and wages	(115,785)	(115,376)
– Accommodation	(827)	(824)
– Advertising marketing and promotions costs	(200)	(49)
– Audit fees (Note 16)	(447)	(596)
– Cleaning services	(3,256)	(2,377)
– Computer costs	(5,744)	(13,652)
– Clothing	53	(271)
– Conferences and seminars	(14)	(59)
– Consultant fees	(488)	(467)
– Consumables	(715)	(684)
– Depreciation	(909)	(1,166)
– Emergency medical services at capitation fee facilities	(14,123)	(13,680)
– Entertainment	(46)	(45)
– Fidelity guarantee insurance	(358)	(413)
– Foodstuffs	(178)	(110)
– Insurance cost	(268)	(244)
– Maintenance and repairs	(1,923)	(1,270)

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

14. Own facilities income and expenses continued

	External Parties 2024 R'000	External Parties 2023 R'000
- Medical waste removal	(27)	(42)
- Motor vehicle expenses and fuel cost	(2,048)	(1,842)
- Pharmaceutical and other medical related expenses	(7,778)	(6,584)
- Record storages	(45)	-
- Recruitment costs	-	(248)
- Rental of equipment	(34)	(635)
- Small assets written off	(781)	(632)
- Stationery and printing	(407)	(535)
- Subscriptions	(71)	(62)
- Telephone and postage	(143)	(120)
- Transportation cost	(259)	(168)
- Other revenue/(expenses)	40	13
Surplus/(loss)	16,638	(1,595)

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

14. Own facilities income and expenses continued

14.1 Management fee

	2024	2023
	R'000	R'000
- Sales	(66,304)	(70,336)
- Cost of sales	66,304	70,336
- Salaries	9,004	8,498
- Salary recoveries	(9,004)	(8,498)
- Admin levy	(3,315)	(3,517)
Total	(3,315)	(3,517)

Platinum Health Medical Scheme (PHMS) has entered into an agreement with Impala with regards to the Impala pharmacy. PHMS supplies the Impala pharmacy with stock and pharmacists at a monthly fixed management fee. The Impala pharmacy and the existing arrangement is not for the scheme benefit nor for the benefit of the scheme's members. The management fee is disclosed under other income.

15. Finance costs

	2024	2023
	R'000	R'000
- Long-Term Incentive Scheme interest accrued	5,069	4,288
- Lease liability (classified under administrative expenses)	604	383
- Total interest accrued lease liability (Note 8.1)	11,031	10,303
- Lease liability transferred to own facility surplus	(10,427)	(9,920)
- SARS interest	-	372
Total	5,673	5,043

Platinum Health Medical Scheme (PHMS) has entered into an agreement with Impala with regards to the Impala pharmacy. PHMS supplies the Impala pharmacy with stock and pharmacists at a monthly fixed management fee. The Impala pharmacy and the existing arrangement is not for the scheme benefit nor for the benefit of the scheme's members. The management fee is disclosed under other income.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

16. Auditors' remuneration

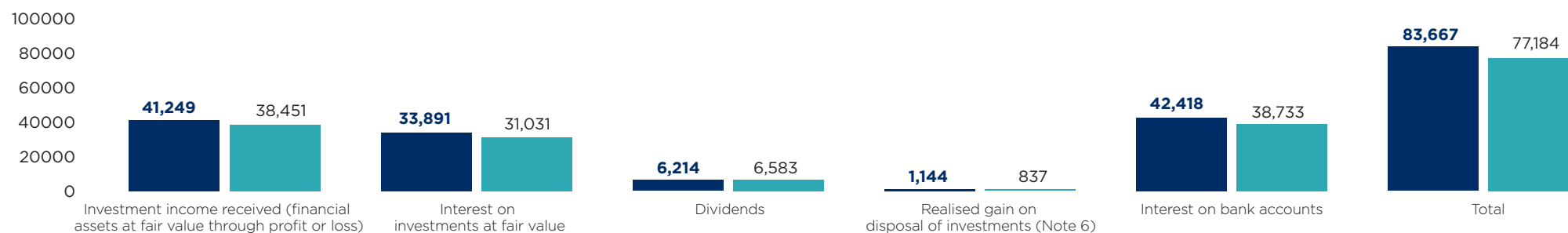
	2024 R'000	2023 R'000
External audit fees	3,788	4,939
Internal audit fees	2,864	1,779
Disbursements	420	201
	7,072	6,920

17. Asset management fees

	2024 R'000	2023 R'000
Asset management fees paid to Allan Gray (Note 6)	3,160	2,871

Fees are payable as per agreement with Allan Gray, based on the investment amounts.

18. Investment income



Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

19. Sundry income

	2024	Restated
	R'000	2023
	R'000	R'000
- Data Fees	29,443	22,999
- Outside sales	16,912	15,183
- Proceed on sale of assets	2,965	1,851
- Other sundry income	729	1,868
	50,049	41,901

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

20. Financial risk management

The Group's activities expose it to a variety of financial risks, including the effects of changes in the equity market price, interest rates and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potentially adverse effects on the financial performance of the investments that the Scheme holds to meet its obligations to its members.

Risk management and investment decisions are carried out by the Investment Committee, under the guidance and policies approved by the Board of Trustees.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Scheme. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

The Group limits its exposure to credit risk by only investing in liquid securities and only with high credit quality financial institutions. The Group has a policy of limiting the amount of credit exposure to any one financial institution. Given these high credit ratings, management does not expect any financial institution to fail to meet its obligations.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's principal financial assets are cash and cash equivalents, trade and other receivables and investments. The Group's credit risk is primarily attributable to its trade and other receivables.

The credit quality of financial assets that are neither past due nor impaired can be assessed by historical information about counterparty default rates.

Trade and other receivables

Counterparties without external credit rating include:

Contribution debtors

On analysing the credit quality of contribution debtors fully performing, the Group effectively collected 98% of these amounts in January 2025. This indicates a high quality relating to these debtors. Consequently, no additional disclosure of the credit quality is provided.

Other debtors

On analysing the credit quality of other debtors, the Group is likely to collect 98% of these amounts over the agreed periods in 2025. Consequently, no additional disclosure of the credit quality is provided.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

20. Financial risk management continued

Exposure to credit risk

The carrying amount of financial assets that is past due but not impaired amounts to R7,349,070 (2023: R14,097,420) and impaired amounts to R3,359,863 (2023: R2,420,379).

The maximum exposure to credit risk at the reporting date was:

	2024			
	Non-financial instruments R'000	Fully performing R'000	Past due but not impaired R'000	Total financial instruments R'000
Insurance receivables (Note 3)				
- Current	-	36,621	-	36,621
- 30 days	-	-	75	75
- 60 days	-	-	8	8
- 90 days	-	-	-	-
- 120 days	-	-	-	-
Accrued interest on investments (Note 5)	-	1,564	-	1,564
Trade and other receivables (Note 5)	8,323	58,214	7,266	73,803
Cash and cash equivalents	-	588,212	-	588,212
Investments	-	528,966	-	528,966
Total	8,323	1,213,577	7,349	1,229,249

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

20. Financial risk management continued

Exposure to credit risk continued

	2023			Total financial instruments R'000
	Non-financial instruments R'000	Fully performing R'000	Past due but not impaired R'000	
Insurance receivables (Note 3)				
- Current	-	34,456	-	34,456
- 30 days	-	-	1,256	1,256
- 60 days	-	-	191	191
- 90 days	-	-	81	81
- 120 days	-	-	231	231
Accrued interest on investments (Note 5)	-	1,767	-	1,767
Trade and other receivables (Note 5)	997	37,357	14,130	52,484
Cash and cash equivalents	-	636,463	-	636,463
Investments	-	472,691	-	472,691
Total	997	1,182,734	15,888	1,199,619

Notes to the consolidated annual financial statements continued

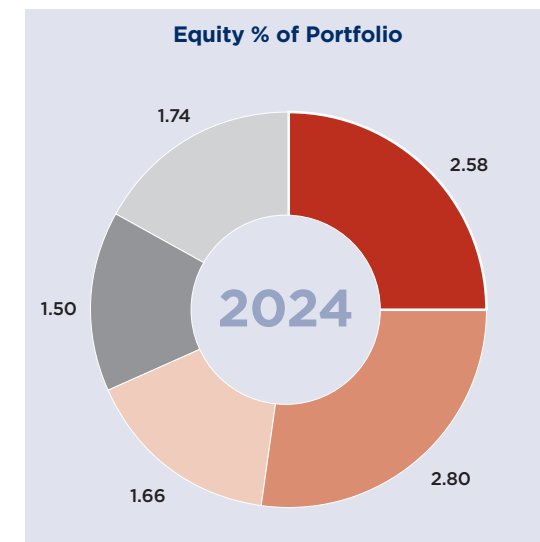
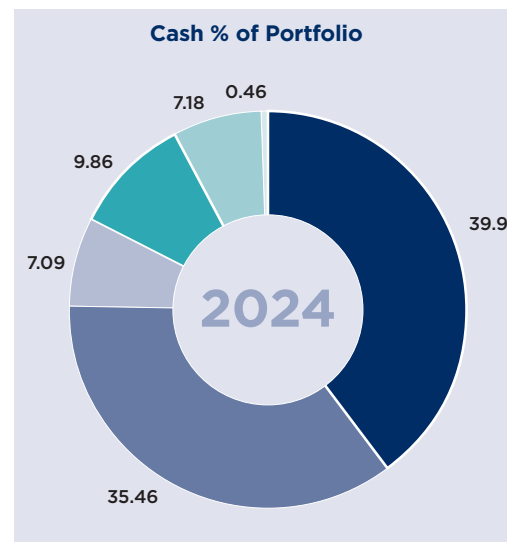
for the year ended 31 December 2024

20. Financial risk management continued

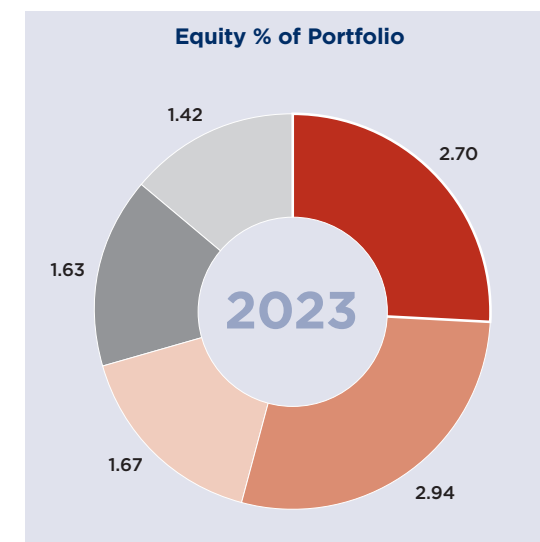
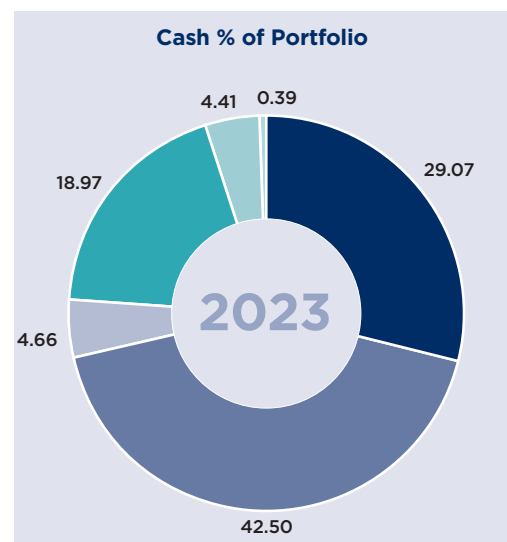
Exposure to credit risk continued

Instrument analysis

Asset class	2024	
	Top 5 Holdings	Fitch Ratings (long term)
Cash (As a percentage of the Scheme's cash portfolio)	First Rand Bank	BB- (zaf)
	Standard Bank	BB- (zaf)
	Nedbank	BB- (zaf)
	Investec	BBB+(zaf)
	Absa	BB- (zaf)
	SAFEX	BB- (zaf)
Equity (As a percentage of the Allan Gray investment portfolio)	Anheuser-Busch	BBB
	British American Tobacco	BBB+
	Standard Bank	BB-
	Woolworths	BBB
	AngloGold Ashanti Plc	BBB-



Asset class	2023	
	Top 5 Holdings	Fitch Ratings (long term)
Cash (As a percentage of the Scheme's cash portfolio)	First Rand Bank	BB- (zaf)
	Standard Bank	BB- (zaf)
	Nedbank	BB- (zaf)
	Investec	BB- (zaf)
	Absa	BB- (zaf)
	SAFEX	BB- (zaf)
Equity (As a percentage of the Allan Gray investment portfolio)	Anheuser-Busch	BBB+
	British American Tobacco	BBB
	Standard Bank	BB+
	Woolworths	BBB
	Nedbank Group	BB-



Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

20. Financial risk management continued

Qualitative disclosures

Financial investments

Cash and cash equivalents

Credit risks are contained by adhering to the Medical Schemes Act 131 of 1998, as amended, by not investing more than 35% of aggregate fair value of total assets of the Scheme in large banks and 10% of total assets of the Scheme in smaller banks. Platinum Health did adhere. The above percentages disclosed are a percentage of the total cash and not total assets. The net qualifying capital and reserves are monitored on a monthly basis to determine the split between large and small banks.

Investments

Funds are invested at various institutions after taking the following criteria into account:

- The Scheme's mandate requirements;
- Regulations as per the Medical Schemes Act 131 of 1998, as amended;
- Credit ratings of the various institutions; and
- Interest rates offered by the institutions.

Trade and other receivables

The amounts presented in the statement of financial position for trade and other receivables are net of allowances for impaired receivables. The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures. This allowance is made where there is an identified loss event which, based on previous experience is evidence of a reduction in the recoverability of the cash flows.

Trade and other receivables consist of recoveries from members for co-payments and provider debt.

Recoveries from members for co-payments

The debt may arise due to the following:

- Co-payments not recovered before the services are rendered
- Dispensing of chronic medication to members outside the area via courier

The above is managed by applying the Group Credit Control Policy. Dispensing of medication and rendering of further services are suspended until outstanding co-payments are fully recovered. The application thereof assists in that the Group's financial risk is managed. The outstanding co-payments are followed up and members are informed that services will not be rendered until full co-payments are settled.

There are no variances in application of policy from the previous years.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

20. Financial risk management continued

Qualitative disclosures continued

Financial investments

Provider debt

The debt may arise due to the following:

- Reversals done incorrectly
- Paying the healthcare professional directly instead of the member
- Overpayment of claims
- Members returning appliances i.e. hearing aids, spectacles etc.
- Non-dispensing of scripts
- Claims erroneously submitted by healthcare professional (member did not consult doctor)
- Healthcare professional claiming on incorrect membership number or incorrect dependant
- Duplicated claim
- Claim paid on incorrect practice number
- Incorrect chargeable codes paid
- Claim paid for treatment after membership terminated

The above is managed by applying the Scheme's Credit Control Policy.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash resources to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The availability of funding through liquid holding cash positions with various financial institutions ensures that the Group has the ability to fund its day-to-day operations.

The Scheme has not complied with certain requirements regarding the nature and categories of assets as prescribed by Section 35 in Regulation 30 of the Medical Schemes Act 131 of 1998 as amended. (Please refer to Note 26)

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below analyses the financial assets and liabilities of the Group into relevant maturity groupings based on the remaining period at reporting date to contractual maturity date.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

20. Financial risk management continued

Qualitative disclosures continued

Liquidity risk continued

	Up to 1 month R'000	2 - 3 months R'000	4 - 12 R'000	1 - 5 years R'000	Over 5 years R'000	Total R'000
As at 31 December 2024						
Assets						
Assets						
Insurance receivables (Note 3)	36,621	83	-	-	-	36,704
Accrued interest on investments (Note 5)	1,564	-	-	-	-	1,564
Trade and other receivables (Note 5)	58,214	5,358	1,908	-	-	65,480
Investments held at fair value through profit or loss (Note 6)*	528,966	-	-	-	-	528,966
Cash and cash equivalents (Note 7)	588,212	-	-	-	-	588,212
Total assets	1,213,577	5,441	1,908	-	-	1,220,926
Liabilities						
Liabilities						
Trade and other payables (Note 9)	183,462	-	96,900	-	-	280,362
LIC (Note 3)	44,396	9,075	29,300	-	-	82,771
Liability for future members (Note 3)	822,759	-	-	-	-	822,759
Lease liabilities (Note 8.1)	-	-	-	59,842	14,044	73,886
Total liabilities	1,050,617	9,075	126,200	59,842	14,044	1,259,778

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

20. Financial risk management continued

Qualitative disclosures continued

Liquidity risk continued

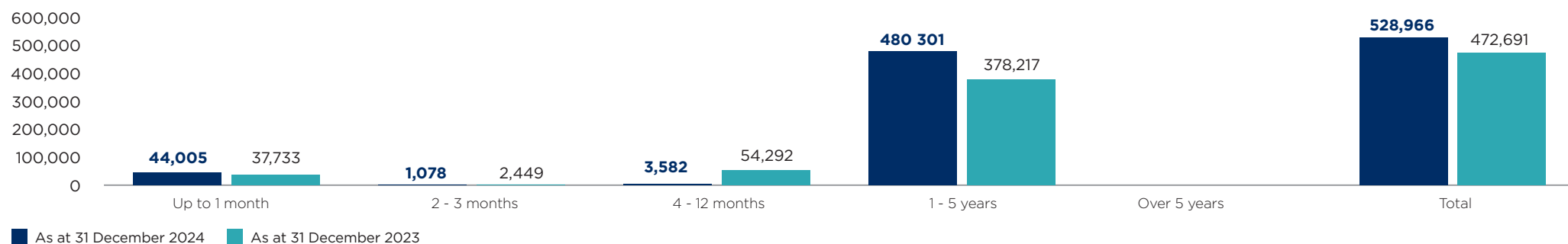
	Up to 1 month R'000	2 - 3 months R'000	4 - 12 months R'000	1 - 5 years R'000	Over 5 years R'000	Total R'000
As at 31 December 2023						
Assets						
Insurance receivables (Note 3)	34,456	1,528	231	-	-	36,215
Accrued interest on investments (Note 5)	1,767	-	-	-	-	1,767
Trade and other receivables (Note 5)	39,148	9,539	2,799	-	-	51,487
Investments held at fair value through profit or loss (Note 6)*	472,691	-	-	-	-	472,691
Cash and cash equivalents (Note 7)	636,463	-	-	-	-	636,463
Total assets	1,184,525	11,067	3,030	-	-	1,198,622
Liabilities						
Trade and other payables (Note 9) ***	169,972	-	91,658	-	-	261,630
LIC (Note 3)	36,497	14,622	19,081	-	-	70,200
Liability for future members (Note 3) **	837,655	-	-	-	-	837,655
Lease liabilities (Note 8.1)	-	-	-	70,896	4,411	75,308
Total liabilities	1,044,124	14,622	110,739	70,896	831,204	1,244,793

* The investment in Allan Gray is classified as non-current due to the long-term nature of the investment strategy, although it can be disposed of immediately without maturing restrictions. The Group has performed the aging of the underlying assets that make up the investment below.

** Total liabilities is restated by including the liability for future members portion. Refer to Note 3.2 for further details.

*** Restated, refer to Note 29.2

Investment held at fair value through profit or loss



Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

20. Financial risk management continued

Market risk

Investments

Market risk is defined by IFRS 7 as “the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices”. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk.

Market risk is the risk that changes in market prices, such as interest rates and equity investment prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on investment. The Group has an asset manager and an investment advisor who manages its funds in order to manage market risk.

Although trade and other receivables are an asset class, none of the market risks affect trade or contribution debtors, as they are non-interest bearing and not foreign exchange related.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

All the Group's assets are rand-denominated and therefore the Group does not have any currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's investment policy during the year under review included holding investments in interest bearing instruments and there were no changes in the way it manages its risks on cash. The Group's investments were therefore exposed to changes in the market interest rates. The objective of the Group is to optimise its return on cash and to limit its exposure to losses. This risk is managed by maintaining an appropriate mix between fixed and floating rate deposits within the market.

Returns on interest-bearing instruments increased during the current year due to higher interest rates.

Interest rate sensitivity

	2024	
	Increase/ decrease in interest rate	Effect on surplus for the year R'000
Call accounts	1%	5,788
Short term investments	1%	4,031
Current accounts	1%	94

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

20. Financial risk management continued

Market risk continued

Interest rate risk continued

Interest rate sensitivity

	2023	
	Increase/ decrease in interest rate	Effect on surplus for the year R'000
Call accounts	1%	6,267
Short term investments	1%	3,648
Current accounts	1%	97

The table above summarises the Group's exposure to interest rate risk. The sensitivity calculation calculates the impact on surplus for the year if the interest rate increases/decreases by the variable stated.

Sensitivity analysis - All interest-bearing instruments

Basis

The sensitivity analysis determines different levels of the closing market value as compared to the actual closing market value based on different levels of the investment performance. For 2025 it is expected that the interest rate will have an upward trend of 1% (2024: 1% downward) to control inflation and that the income generation on financial instruments will increase. A 2% movement suggests the closing market value could have been R 539,545,638 if the investment performance had been higher by 2% during 2024 as compared to the market investment performance.

A 1% increase in the investment return at the reporting date would have increased the income by R 1,525,795 (2023 (1%): R697,586); an equal change in the opposite direction would have decreased income by R 1,525,795 (2023 (1%): R697,586).

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

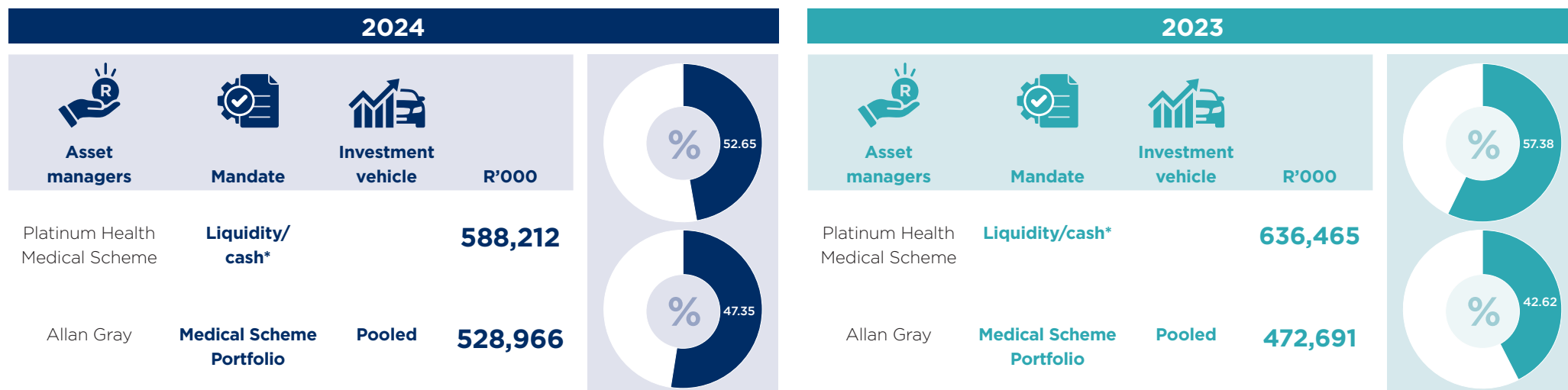
20. Financial risk management continued

Market risk continued

Sensitivity analysis – All interest-bearing instruments continued

Investments

Allocation



* Includes the current account and call account.

Price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

All the Scheme's equity investments within the Allan Gray Life Domestic Stable Portfolio are listed on the Johannesburg Stock Exchange. The Group is therefore exposed to changes in the market price. The Group's investment administrator actively manages these risks to optimise return and to limit exposure to unacceptable risks or losses.

Sensitivity analysis – Equity

Basis

The sensitivity analysis determines different levels of the closing market value as compared to the actual closing market value based on different levels of the investment performance. Market volatility cannot be predicted, and is influenced by numerous factors, which may result in an upward or downward market performance. The invested funds target capital preservation and investment returns which are reinvested. It is anticipated to result in a moderate market growth. The electricity supply and availability in South Africa and the expected negative implications to the economy could potentially hamper growth. A JSE ALSI growth rate of 3%, will result in the equity portfolio held increasing by R3,776,492 to R129,659,572.

Should the dividend yield increase by 1% (2023 1%), it will result in a change in the investment return at the reporting date increasing the surplus or deficit by R62,129 (2023: R65,828); an equal change in the opposite direction would have decreased income by R62,129 (2023: R65,828).

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

20. Financial risk management continued

Market risk continued

Sensitivity analysis – Equity continued

Investment risk and investment return

The Group's investment philosophy is capital preservation above maximum return requirements. Seeking higher investment returns is typically associated with taking additional risk through exposure to asset classes such as equities and bonds where the capital is at risk. Additional investment risk is typically associated with higher variability in asset prices. Also, the extent to which actual investment returns may differ from expected returns is greater. Fair values are calculated with reference to quoted market prices.

Analysis of carrying amounts of financial assets and financial liabilities per category

	2024				
	Financial assets at fair value through profit or loss designated upon initial recognition R'000	Financial assets at amortised cost R'000	Financial liabilities at amortised cost R'000	Total carrying amount R'000	Fair value amount R'000
Investments	528,966	-	-	528,966	528,966
Cash and cash equivalents	-	588,212	-	588,212	588,212
Insurance receivables (Note 3)	-	36,704	-	36,704	36,704
Accrued interest on investments (Note 5)	-	1,564	-	1,564	1,564
Trade and other receivables (Note 5)	-	65,480	-	65,480	65,480
LIC	-	-	(82,771)	(82,771)	(82,771)
Trade and other payables	-	-	(280,362)	(280,362)	(280,362)
	528,966	691,960	(363,133)	857,794	857,794
	2023				
	Financial assets at fair value through profit or loss designated upon initial recognition R'000	Financial assets at amortised cost R'000	Financial liabilities at amortised cost R'000	Total carrying amount R'000	Fair value amount R'000
Investments	472,691	-	-	472,691	472,691
Cash and cash equivalents	-	636,463	-	636,463	636,463
Insurance receivables (Note 3)	-	36,215	-	36,215	36,215
Accrued interest on investments (Note 5)	-	1,767	-	1,767	1,767
Trade and other receivables (Note 5)*	-	51,487	-	51,487	51,487
LIC	-	-	(70,200)	(70,200)	(70,200)
Trade and other payables	-	-	(261,630)	(261,630)	(261,630)
	472,691	725,932	(331,827)	866,798	866,798

*Restated, refer to Note 29.2

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

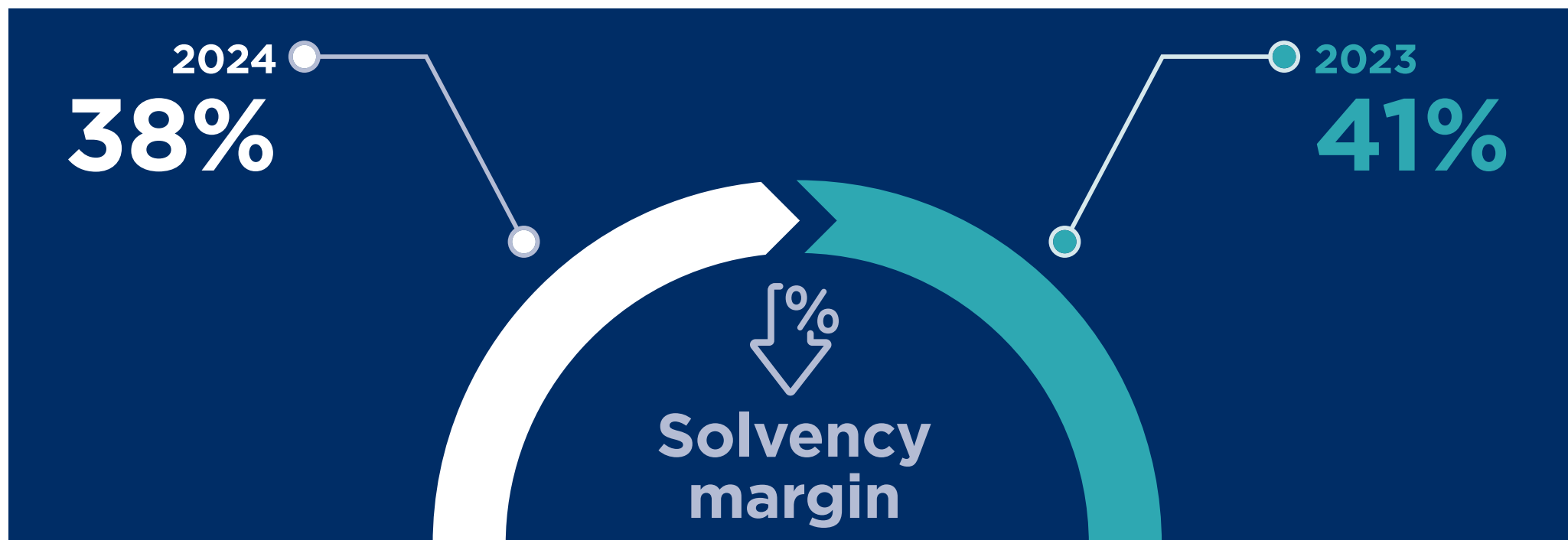
21. Fund adequacy

Fund adequacy risk is the risk that there may be insufficient reserves to provide for adverse variations on actual and future claims experience.

The Group considers its investment (Investments: R529m) and cash assets (Trade and other receivables: R76m Cash and cash equivalents: R583m) as capital and has adequate policies and controls in place to manage its capital to obtain maximum return on its capital with an acceptable risk related to the investments.

The Group's objective is to manage its capital in such a way that sufficient funds are available to pay claims, both in the current and future years and there were no changes in the way the Group manages its capital. This is achieved whilst keeping annual contribution increases to members as low as possible, or at least in line with the employer salary increases. Claims expenditure is managed by means of changes in benefit design and other managed care interventions to maintain a positive claim ratio.

Returns on investments are utilised to fund possible deficits that might occur as a result of operational and/or healthcare losses.



The required minimum set by the Council for Medical Schemes is 25% of gross contributions from members.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

22. Related party transactions

(a) Parties with significant impact over the Group continued

The employer of a large number of the members, Anglo American Platinum Ltd and its subsidiaries and associates, does not control the Group. However, it does have a significant influence on Platinum Health Medical Scheme by virtue of the concentration of membership and board representation.

	2024 R'000	Restated 2023 R'000
Statement of comprehensive income		
RA Gilbert Proprietary Limited	(245,922)	(251,733)*
- Management fee paid to Platinum Health Medical Scheme	369	348
- Rentals paid by Platinum Health Medical Scheme	(1,056)	(973)
- Medicine costs paid by Platinum Health Medical Scheme	(245,235)	(251,108)*
Anglo American Platinum Limited		
- Contribution subsidy paid on behalf of employees	488,775	488,549
Platmed Proprietary Limited		
- Pharmacy stock purchased from Platinum Health Medical Scheme	8,723	8,020
Statement of financial position		
Platmed Proprietary Limited		
- Overhead costs paid (on behalf of) / by Platinum Health Medical Scheme	917	2,437
R A Gilbert Proprietary Limited		
- Medicines purchased on behalf of Platinum Health Medical Scheme	(41,919)	(46,677)*
Rustenburg Platinum Mines Limited		
- Shortfall contributions paid on behalf of ex-employees	366	334
- Contributions not yet deducted from employees	-	-
- Contributions paid in advance on behalf of employees		
- Staff Accommodation	-	(12)

The Scheme and RA Gilbert Proprietary Limited have entered into an agreement where RA Gilbert Proprietary Limited procures pharmaceuticals and sells these to the Scheme, with the Scheme administering the business on its behalf at an agreed fee.

Platmed Proprietary Limited and Rustenburg Platinum Mines are subsidiaries of Anglo American Platinum Limited and are therefore considered related parties to the Group.

*Restated, refer to Note 29.5

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

22. Related party transactions continued

(b) Key management personnel

The Board of Trustees and the Principal Officer have the authority, as well as the responsibility for planning, directing and controlling the activities of Platinum Health Medical Scheme. The Board of Trustees are not compensated for expenses incurred while fulfilling their roles of the Group other than stated below. The Principal Officer's salary is disclosed in Note 13.

	2024	2023
	R'000	R'000
Statement of comprehensive income		
Key management remuneration	51,731	49,691
Short-term employee benefits	39,767	39,297
Other long-term benefits	11,964	10,394
Contributions received from Key management and Trustees	2,013	1,856
Claims incurred by Key Management and Trustees	(3,555)	(3,445)
Trustee's expenses		
Mr C Smith	- Disbursements	3
Ms H T Maroga	- Disbursements	14
Mr P Krause	- Disbursements	10
Dr K Naidoo	- Disbursements	24
Mr G Mmusi	- Disbursements	6
Ms MM Baxter	- Disbursements	49
Mr Lekoro	- Disbursements	4
Mr D Noko	- Disbursements	113
Mr J Hlangweni	- Disbursements	86
Mr P Malamula	- Disbursements	98
Mr B Molefe	- Disbursements	60
Mr M Malatji	- Disbursements	61
Mr I Osman	- Disbursements	26
Mr W McCarthy	- Disbursements	1
Mr P Coetzer	- Disbursements	24
Mr D McDonald	- Disbursements	2
Mr S Mkhonto	- Disbursements	69
Mr S Bullock	- Disbursements	-
Mr P Mailele	- Disbursements	83
	515	734

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

22. Related party transactions continued

(b) Key management personnel continued

All transactions with the trustees, conducted in accordance with the Rules of the Scheme as well as provisions of the act, are concluded at arm's length.

The trustees attended the Board of Health Care Funders conference as well as training and all expenses were paid for by the Group. Trustees who opt to receive a cell phone allowance of R140 (2023: R140) per month and a meeting attendance allowance of R140 (2023: R140) are remunerated accordingly.

Terms and conditions of agreement

Neither the trustees nor their beneficiaries were party to or had interest in any of the Group's agreements in existence during the current or previous year, except for their individual membership agreements with the Scheme.

(c) Terms and conditions of the related party transactions

Contribution subsidy

This constitutes the subsidy portion on contributions paid by the related party for their employees that are members of the Scheme, in their individual capacity.

Contributions receivable

This constitutes outstanding contributions payable. The amounts are due immediately, are non-interest bearing and unsecured.

Contribution subsidy received in advance

This constitutes contribution subsidy received in advance and amounts owing to the related parties to which the parties have a right. No interest is applied to these balances. The amounts would need to be refunded to the member on demand or where the member exits the Scheme.

Expense disbursements

Fees and expenses paid to the Principal Officer and executive committee members of the Board and expenses paid to a trustee, which constitutes expenses incurred in the fulfilling of their respective roles as trustees.

Investment management fees

Fees paid to Allan Gray for the management of cash and cash equivalents on behalf of the Scheme.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

23. Medical insurance risk management

Risk management objectives and policies for mitigating insurance risk

The primary insurance activity carried out by the Scheme assumes the risk of loss from members and their dependants that are directly subject to the risk. These risks relate to the health of the Scheme members. As such the Scheme is exposed to the uncertainty surrounding the timing and severity of claims under the contract. The Scheme also has exposure to market risk through its insurance and investment activities.

The Scheme manages its insurance risk through benefit limits and sub-limits, approval procedures for transactions that involve pricing guidelines, pre-authorisation and case management, service provider profiling, centralised management of risk transfer arrangements as well as the monitoring of emerging 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 is greater than expected.

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

The following table summarises the concentration of insurance risk, with reference to the carrying amount of the insurance claims incurred (before and after risk transfer arrangements), by age group and in relation to the type of risk covered / benefits provided. Where appropriate prescribed minimum benefits (PMB) and non-PMB claims have been split:

Age grouping (in years)		2024					Total R'000
		In-hospital		Chronic		Day to day R'000	
		PMB R'000	Non PMB R'000	PMB R'000	Non PMB R'000		
< 25	Gross	70,062	25,876	7,210	19,407	104,893	227,448
	Net	69,379	25,639	6,773	18,565	92,107	212,463
25 - 39	Gross	97,622	47,027	28,012	32,307	221,702	426,670
	Net	95,841	46,610	27,317	30,804	203,380	403,952
40 - 55	Gross	119,093	58,969	86,493	32,186	214,818	511,559
	Net	118,306	58,366	84,108	30,217	196,115	487,112
56 - 69	Gross	83,564	31,803	50,981	19,383	118,266	303,997
	Net	82,931	31,645	48,484	17,799	106,734	287,592
> 69	Gross	31,718	9,265	11,004	6,942	37,425	96,353
	Net	31,621	9,247	10,410	6,302	33,729	91,309
Gross		402,058	172,940	183,701	110,224	697,105	1,566,028
Net		398,077	171,506	177,091	103,687	632,066	1,482,428
Movements in liability for incurred claims (Note 3)							82,771
Amounts recovered from risk transfer arrangements (Note 11)							11,321
Total							1,576,520

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

23. Medical insurance risk management continued

Risk management objectives and policies for mitigating insurance risk continued

Age grouping (in years)		2023					
		In-hospital		Chronic		Day to day	Total
		PMB R'000	Non PMB R'000	PMB R'000	Non PMB R'000		
< 25	Gross	62,146	22,952	6,396	17,214	93,042	201,751
	Net	61,540	22,743	6,008	16,467	81,701	188,459
25 - 39	Gross	86,593	41,714	24,847	28,657	196,654	378,466
	Net	85,013	41,344	24,231	27,324	180,402	358,314
40 - 55	Gross	105,638	52,307	76,721	28,550	190,548	453,764
	Net	104,940	51,772	74,605	26,803	173,959	432,079
56 - 69	Gross	74,123	28,210	45,222	17,193	104,905	269,652
	Net	73,561	28,070	43,006	15,788	94,675	255,100
> 69	Gross	28,134	8,218	9,761	6,157	33,197	85,467
	Net	28,048	8,202	9,234	5,590	29,919	80,993
	Gross	356,634	153,401	162,946	97,771	618,347	1,389,100
	Net	353,103	152,130	157,084	91,973	560,656	1,314,946
Movements in liability for incurred claims (Note 3)							70,200
Amounts recovered from risk transfer arrangements (Note 11)							10,755
Total							1,395,901

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

Chronic benefits cover the cost of certain prescribed medicines consumed by members for chronic conditions / diseases, such as high blood pressure, cholesterol and asthma.

Day-to-day benefits cover the cost (up to 100% of the Platinum Health Medical Scheme referenced price list tariff) of out of hospital medical attention, such as visits to general practitioners and dentists as well as prescribed non-chronic medicines.

The Scheme's strategy seeks diversity to ensure a balanced portfolio and is based on a large portfolio of similar risks over several years and, as such, it is believed that this reduces the variability of the outcome.

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

All the contracts are annual in nature and the Scheme has the right to change the terms and conditions of the contract at renewal. Management information including contribution income and claims ratios by option, target market and demographic split, is reviewed monthly.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

23. Medical insurance risk management continued

Risk in terms of risk transfer arrangements

When selecting a supplier, the Scheme considers their relative security. The security of the supplier is assessed from public rating information and from internal investigations (such as considering fund adequacy, solvency, capacity and appropriate resources).

Benefits and associated contributions are calculated considering the “Scheme’s risk concentrations”, changes in utilisation based on historical data and inflationary increases.

The Scheme considers its risk to be concentrated in the following areas:

Hospital benefits

Hospital claims represent the Scheme’s most significant expense and there is a risk that the actual claims incurred in respect of hospital costs for any benefit year, could be adversely more than the expectation.

Medicine benefits

Medicine claims are affected by continued legislative changes and there is a risk that the actual claims incurred, as a result, may increase or decrease medicine costs more or less than expected.

Specialist costs

Specialist costs are directly affected by member’s health profiles and there is a risk that the actual claims incurred, as a result, may increase more than expected.

Pensioner ratio

Based on historical data, pensioner members are regarded as the high claimers of medical benefits. Due to the significant influence of pensioners and the Scheme’s arrangement with employer companies, the pensioner levels could increase more than anticipated, which could result in greater claims expenditure than expected.

Claims development

The claims development tables are not presented since the uncertainty regarding the amount and timing of claim payments is typically resolved within one year.

Quantitative risk factors

The effects of the changes in the risk areas identified are set out below. Each change in the criteria represents the impact on the 2024 and 2025 budget that was approved by the Board of Trustees.

The most significant risk mitigation tool of the Scheme is, however, its reserve base. The current solvency margin of 38% (2023: 41%) represents sufficient income for the Scheme to continue as a going concern.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

23. Medical insurance risk management continued

Quantitative risk factors continued

	2024		
	Total approved budget for area	Sensitivity 1 @ 1% increase - claims (increase)/decrease Impact of alternative %	Sensitivity 2 @ 2% increase - claims (increase)/decrease Impact of alternative %
	R'000		
Impact of increased utilisation on the approved budget			
Inflation assumptions			
(a) Hospitalisation costs			
- Budget scenario - 8.8%	583,747	9.8%	10.8%
- Effect on claims - R		5,837	11,675
- Effect on solvency - %		(0,27)/0,27	(0,55)/0,55
(b) Medicine costs			
- Budget scenario - 6.8%	333,555	7.8%	8.8%
- Effect on claims - R		3,336	6,671
- Effect on solvency - %		(0,16)/0,16	(0,31)/0,31
(c) Specialist costs			
- Budget scenario - 8.3%	255,200	9.3%	10.3%
- Effect on claims - R		2,552	5,104
- Effect on solvency - %		(0,12)/0,12	(0,24)/0,24
(d) Continuation members' ratio			
- Budget scenario - 5.6%	5.6%	6.6%	7.6%
- Effect on claims - R		1,339	2,678
- Effect on solvency - %		(0,06)/0,06	(0,13)/0,13

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

23. Medical insurance risk management continued

Quantitative risk factors continued

	2023		
	Total approved budget for area	Sensitivity 1 @ 1% increase - claims (increase)/decrease	Sensitivity 2 @ 2% increase - claims (increase)/decrease
Impact of increased utilisation on the approved budget	R'000	Impact of alternative %	Impact of alternative %
Inflation assumptions			
(a) Hospitalisation costs			
- Budget scenario - 7.0%	598,876	8.0%	9.0%
- Effect on claims - R		5,989	11,978
- Effect on solvency - %		(0,29)/0,29	(0,58)/0,58
(b) Medicine costs			
- Budget scenario - 7.0%	316,620	8.0%	9.0%
- Effect on claims - R		3,166	6,332
- Effect on solvency - %		(0,16)/0,16	(0,32)/0,32
(c) Specialist costs			
- Budget scenario - 7.5%	216,156	8.5%	9.5%
- Effect on claims - R		2,162	4,323
- Effect on solvency - %		(0,06)/0,06	(0,12)/0,12
(d) Continuation members' ratio			
- Budget scenario - 3.3%	3.3%	4.3%	5.3%
- Effect on claims - R		1,566	3,132
- Effect on solvency - %		(0,08)/0,08	(0,16)/0,16

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

23. Medical insurance risk management continued

Quantitative risk factors continued

Operational risks

The impact of the implementation of the NHI (National Health Insurance) is regularly monitored by the Board of Trustees in conjunction with the administrators and legislation applied by government.

The Board of Trustees regularly performs a risk assessment of the Scheme. The key operational risks identified in the last assessment were as follows:

- pandemics
- outstanding contracts
- changes in demographics in the mining industry
- trade union dynamics

24. Contingent asset

Road Accident Fund (RAF)

A contingent asset exists that arises from a past event (the accident that took place). The existence of this asset will only be confirmed by the occurrence or non-occurrence of one or more future events (the results from the RAF). The results from the RAF are not wholly within the control of the Scheme.

Schedules of claims to the value of R72,832,749 (2023: R96,474,184) were provided to the lawyers who were appointed by the members for inclusion in the claim to be lodged against the RAF.

25. Subsequent events

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

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

26. 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 course of the year:

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 Allan Gray pooled funds:



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 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 Schemes 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.

Funds are invested to optimise return on investment for the entire portfolio. A letter confirming the exemption from investing in employer group 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 three years, commencing 1 December 2023.

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 2024, there were contribution debtors outstanding for more than 30 days to the amount of R83,101 (2023: R1,759,140). 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.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

26. Non-compliance with Medical Schemes Act 131 of 1998 continued

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.

Contravention of Section 59(2) of the act

Nature and cause

Section 59(2) of the act states that, "A medical scheme shall, in the case where an account has been rendered, subject to the provisions of this Act and the rules of the medical scheme concerned, pay to a member or a supplier of service, any benefit owing to that member or supplier of service within 30 days after the day on which the claim in respect of such benefit was received by the medical scheme."

In the ordinary course of the Scheme's business, providers/members are periodically flagged for claims that are indicative of fraud, waste or abuse. In such instances claims are investigated and placed on forensic withhold and may be paid beyond the 30-day period, following consultation with, and communication to, the provider/member. In other instances, providers/members have provided incomplete payment information which results in delays in settling claims.

Possible impact

Providers and/or members not settled timeously may amount to non-compliance if there is no communication within 30 days.

Corrective course of action

Providers flagged for forensic withhold are informed formally in writing through the office of the Principal Officer of the delays in payment, pending the outcome of the forensic investigation. The communication strategy is formalised in the fraud, waste and abuse policies and procedures with Regulations 6(2) and 6(3) of the act as a basis. In terms of the Regulation, "if a medical scheme is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, it must inform both the member and the relevant health care provider within 30 days after receipt of such account, statement or claim that it is erroneous."

Claims submitted with incomplete payment information are considered incomplete claims in terms of Rule 15.1 of the registered Scheme Rules and communication is sent to providers/members within 30 days requesting the outstanding information.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

26. Non-compliance with Medical Schemes Act 131 of 1998 continued

Options to be self-sustaining and self-supporting

Nature and cause

In terms of Section 33(2) of the Act, the Registrar may withdraw the approval of such benefit options which, in his opinion, are not financially sound. For the year ended 31 December 2024 the Scheme reported a net healthcare deficit on one (2023: one) of its benefit options:

	2024 R'000	2023 R'000
PlatComprehensive	(214,082)	(50,848)

The net healthcare deficit agrees to the insurance service result.

Possible impact of non-compliance

A loss-making benefit option erodes the solvency margin of the Scheme. However, due to prudent financial management and positive returns on investments, the Scheme has accumulated sufficient member reserves to be able to absorb these losses.

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

The Scheme has levied contribution increases in the 2025 year that are reflective of the utilisation of benefits and will result in improved financial performance. This forms the basis for the long-term strategy adopted by the Scheme to correct the loss-making option into the future. This strategy will be complemented by initiatives to improve the outcomes of hospital negotiations and dedicated service provider networks. The Scheme has also embarked on interventions to reduce both healthcare and non-healthcare expenditure over the short and medium term.

27. Going concern

The Board of Trustees is 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 consolidated annual financial statements.

The Board of Trustees is of the opinion that the consolidated annual financial statements fairly present the financial position of the Group as at 31 December 2024, and the results of its operations and cash flow information for the year then ended.

28. Contingent liability

The incorrect treatment of a contractual arrangement for the provision of data insights has resulted in the underpayment of value-added taxation. The underpayment and applicable late payment interest have been recognised as a provision and payable (see Note 9). Unless recognised as a provision and payable, management considers that it is highly probable that any additional penalties will be waived by the SA Revenue Service as part of the Voluntary Disclosure Programme submission. This evaluation is consistent with external independent taxation and legal advice.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

29. Restatement and reclassification

29.1 Reclassification of statement of comprehensive income

		Previously reported 2023	Difference	Restated 2023
	Note	R'000		R'000
Insurance revenue	11	2,038,479	-	2,038,479
Insurance service expense		(2,111,667)	78,820	(2,032,847)
Claims incurred	11 (A)	(1,829,677)	(31,831)	(1,861,508)
Attributable expenses incurred	11	(143,560)	-	(143,560)
Accredited managed healthcare services (no risk transfer)	11,12	(20,481)	-	(20,481)
Third party claims recoveries	11	194	-	194
Changes that relate to past service – adjustment to the liability for incurred claims	11	(7,492)	-	(7,492)
Amounts attributable to future members	3.2 (B)	(110,651)	110,651	-
Net expense from risk transfer	11	(3,162)	-	(3,162)
Amounts recovered from risk transfer arrangements		10,755	-	10,755
Allocation of premiums paid		(13,917)	-	(13,917)
			-	
Insurance service result		(76,350)	78,820	2,470
Other income		246,075	41,700	287,775
Investment income	18	77,184	-	77,184
Net gains on financial assets	6	165	-	165
Management fee	A(I)	-	3,517	3,517
Fair value adjustment on employee benefits	8.2	4,465	-	4,465
Income from use of own facilities by external parties	14	160,544	-	160,544
Sundry income	A(II)	3,717	38,183	41,900
Net healthcare result		169,725	120,520	290,245

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

29. Restatement and reclassification continued

29.1 Reclassification of statement of comprehensive income continued

		Previously reported 2023	Difference	Restated 2023
	Note	R'000		R'000
Other expenditure		(169,687)	(13,691)	(183,378)
Cost incurred in provision of own facilities to external parties	14 A(III)	(162,138)	-	(162,138)
Sundry expenses		(7)	(13,318)	(13,325)
Asset management fees	17	(2,871)	-	(2,871)
Finance costs	15 (C)	(4,671)	(372)	(5,043)
Profit before amounts attributable to future members		38	106,829	106,867
Amounts attributable to future members		-	(106,829)	(106,829)
Other comprehensive income		-	-	-
Total comprehensive income for the year		38	-	38

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

29. Restatement and reclassification continued

29.1 Reclassification of statement of comprehensive income continued

- A(I) In prior year, management fees received from Impala for supplying the pharmacists and pharmaceutical stock was incorrectly presented under insurance services results. The management fees amounting to R3,517 have been correctly presented as other income.
- A(II). In prior year, the pharmacy sales to non-members amounting to R15,183 were incorrectly presented under insurance services results. The pharmacy sales to non-members have been correctly presented as sundry income. In prior year, data fees amounting to R26,450 (inclusive of VAT) was incorrectly presented under insurance services results. The data fees income amounting to R23,000 (exclusive of VAT) has been correctly presented as sundry income. The correction of the VAT liability recognition has been disclosed per Note 29.2.
- A(III). In prior year, the pharmacy cost of sales to no-members amounting to R13,318 were incorrectly presented under insurance services results. The pharmacy cost of sales to no-members have been correctly presented as sundry expenses.
- A. The adjustments provided under A(I)-A(III), net of the VAT adjustment of R3 450 (being the movement between R8 037 and R4 215 under reference Note 29.2B and R372 under C below) have been adjusted to claims incurred.
- B. In prior year, the amounts attributable to future members amounting to R110,651 was disclosed as part of the insurance services expense. In terms of the CMS circular 12 of 2024, section 37(2), medical schemes are required to disclose information to members in the notes to the annual financial statements and the statement of comprehensive income in relation to the net healthcare result and net surplus / (deficit) without the inclusion of this item (i.e. without the inclusion of Amounts attributable to future members in the Insurance Service Expense) to allow members to gain an understanding of the annual results.
- C. In prior year, the underpayment of value-added taxation (refer to Note 28) resulted in interest on late payment of R372. This amount has been disclosed under finance costs.

All values above are rounded to the nearest thousand.

29.2 Trade and other payables

Trade and other payables

		Previously reported	Difference	Restated
		2023		2023
		R'000		R'000
Other payables and accrued expenses	(A)	54,910	53,574	108,484
Trade payables		-	-	91,848
Accruals		-	-	16,636
Payroll creditors		12,713	-	12,713
Short term incentive bonus liability		84,505	-	84,505
Long-term incentive bonus liability payable within one year (Note 8.2)		22,566	-	22,566
Lease liability right-of-use assets payable within one year (Note 8.1)		17,890	-	17,890
South African Revenue Services - VAT	(B)	782	8,037	8,819

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

29.2 Trade and other payables continued

	Previously reported 2023	Difference	Restated 2023
	R'000		R'000
Payment received in advance under capitation fee services	6,653	-	6,653
Total trade and other payables	200,019	61,611	261,630

	Previously reported 2022	Difference	Restated 2023
	R'000		R'000
Other payables and accrued expenses	44,507	42,625	87,132
Payroll creditors	10,675	-	10,675
Short term incentive bonus liability	55,202	-	55,202
Long-term incentive bonus liability payable within one year (Note 8.2)	22,726	-	22,726
Lease liability right-of-use assets payable within one year (Note 8.1)	14,589	-	14,589
South African Revenue Services – VAT	1,493	4,215	5,708
Payment received in advance under capitation fee services	5,300	-	5,300
Total trade and other payables	154,492	46,840	201,332

All values above are rounded to the nearest thousand.

- A. In prior year, a portion of the trade payables amounting to R53,574 (2022: R42,625) was incorrectly disclosed as part of the insurance contract liability under LRC Note 3. The LRC has been restated to R0 and the trade and other payables has been restated under Note 9.
- B. In the prior years, the data fee income was incorrectly recorded inclusive of VAT, and this resulted in an underpayment of VAT to SARS. This has been corrected through recognition of the accumulated VAT liability of R8,037 (2022: R4,215) (see Note 28).

All values above are rounded to the nearest thousand.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

29. Restatement and reclassification continued

29.3 Liability for remaining coverage (LRC) continued

Reconciliation of the liability for Future members and Insurance contract liability 2023

	Liability for remaining coverage (LRC)	Liability for incurred claims (LIC)		Total 2023
	Liability for remaining coverage (LRC) Excluding loss component (LRC)	Best Estimate Liability	Risk adjustment	
Previously reported				
Closing insurance contract assets / (liabilities)	(53,572)	(33,585)	(1,600)	(88,757)
Net balance at 31 December 2023	(53,572)	(33,585)	(1,600)	(88,757)
Restated reported				
Closing insurance contract assets / (liabilities)	-	(33,585)	(1,600)	(35,185)
Net balance at 31 December 2023	-	(33,585)	(1,600)	(35,185)
Difference				
Closing insurance contract assets / (liabilities)	(53,572)	-	-	(53,572)
Net balance at 31 December 2023	(53,572)	-	-	(53,572)

Reconciliation of the liability for Future members and Insurance contract liability 2022

	Liability for remaining coverage (LRC)	Liability for incurred claims (LIC)		Total 2022
	Liability for remaining coverage (LRC) Excluding loss component (LRC)	Best Estimate Liability	Risk adjustment	
Previously reported				
Closing insurance contract assets / (liabilities)	(42,625)	-	(57,449)	(1,250)
Net balance at 31 December 2022	(42,625)	-	(57,449)	(1,250)
Restated reported				
Closing insurance contract assets / (liabilities)	-	(57,449)	(1,250)	(58,699)
Net balance at 31 December 2022	-	(57,449)	(1,250)	(58,699)
Difference				
Closing insurance contract assets / (liabilities)	(42,625)	-	-	(42,625)
Net balance at 31 December 2022	(42,625)	-	-	(42,625)

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

29. Restatement and reclassification continued

29.4 Consolidated statement of cash flow

		Previously reported 2023	Difference	Restated 2023
		R'000		R'000
Cash flows from operating activities				
Cash receipts from members and providers	(A)	1,971,258	252,756	2,224,014
Cash received from members		1,971,258	35,015	2,006,273
Cash received from others		-	217,741	217,741
Cash paid to providers, employees and members	(B)	(1,841,529)	(291,489)	(2,133,018)
Cash paid to providers and employees – claims		-	2,024,155	2,024,155
Cash paid to suppliers and employees		(1,841,529)	1,746,583	94,946
Cash paid to re-insurers		-	(13,917)	(13,917)
Cash (utilised in) / generated by operations	(C)	129,729	(38,733)	90,996
Cash flow from investing activities				
Purchase of property, plant and equipment	(C)	2 (4,583)	-	(4,583)
Interest received on bank accounts		18 -	38,733	38,733
Proceeds on disposal of assets	(D)	1,851	-	1,851
Additions to right of use assets	(E)	(13,305)	13,305	-
Interest received on investments	(E)	31,031	(31,031)	-
Dividends received on investments		6,583	(6,583)	-
Proceeds on disposal of investments to pay management fees	(E)	2,871	(2,871)	-
Asset management fee paid	(E)	(2,871)	2,871	-
Costs incurred in maintaining the investment		(24)	24	-
Net investment income capitalised	(E)	(37,590)	37,590	-
Net cash flow from investing activities		(16,037)	52,038	36,001

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

29. Restatement and reclassification continued

29.4 Consolidated statement of cash flow

		Previously reported	Difference	Restated	
		2023		2023	
		R'000		R'000	
Cash flow from financing activities					
Payment of lease liability		8.1	(6,572)	-	(6,572)
Payment of lease liability	(D)	8.1	13,305	(13,305)	-
Interest paid on lease liability		8.1	(10,303)	-	(10,303)
Net cash flow from financing activities			(3,570)	(13,305)	(16,875)
Net (decrease)/increase in cash and cash equivalents			110,122	-	110,122
Cash and cash equivalents at beginning of year		7	526,341	-	526,341
Cash and cash equivalents at end of year		7	636,463	-	636,463

- A. In prior year, cash receipts from members and providers were presented as one line. A presentation enhancement has been made to present cash received from members separate from cash received from non-members. The cash receipts from members and providers of R1,971,258 erroneously excluded cash receipts from others (nonmembers) of R217,741. Cash receipts from others (non-members) has subsequently been A. In prior year, cash receipts from members and providers were presented as one line. A presentation enhancement has been made to present cash received from members separate from cash received from non-members. The cash receipts from members and providers of R1,971,258 erroneously excluded cash receipts from others (nonmembers) of R217,741. Cash receipts from others (non-members) has subsequently been correctly included in the restated cash flow statement. The cash receipts from members of R1,971,258 was erroneously determined in the prior year. The scheme has subsequently presented the corrected cash flow amount relating to receipts from members.
- B. In prior year, cash paid to providers, employees and members was disclosed under one line. A presentation enhancement has been made in the current year by disclosing cash paid to re-insurers and cash paid to providers and employees as an additional line. The presented amount relating to cash paid to providers, employees and members of R1,841,529 excluded cash paid to reinsurers of R13,917. This has been correctly included in the restated cashflow statement. The cash paid to providers, employees and members of R1,841,529 was erroneously determined in the prior year. This has been correctly included in the restated cashflow statement.
- C. In the prior year, interest received on bank accounts was erroneously excluded to the amount of R38,733. This has been correctly included in the restated cashflow statement. The amount of R38,733 was previously included under cash generated by operations.
- D. In prior year, additions to right of use assets and payment of lease liability were disclosed under investing and financing activities respectively. This non-cash items have been correctly excluded in the restated cashflow.
- E. In prior year, non-cash movements from investments held in fair value were disclosed under the cash flow from investing activities heading. These non-cash items have been correctly excluded in the restated cashflow.
- All values above are rounded to the nearest thousand.

Notes to the consolidated annual financial statements continued

for the year ended 31 December 2024

29. Restatement and reclassification continued

29.5 Related parties transactions

	Previously reported 2023	Difference	Restated 2023
	R'000	R'000	R'000
(a) Parties with significant impact over the Group			
Statement of comprehensive income			
RA Gilbert Proprietary Limited	(284,839)	33,106	(235,041)
- Management fee paid to Platinum Health Medical Scheme	348	-	348
- Rentals paid by Platinum Health Medical Scheme	(973)		(973)
- Medicine costs paid by Platinum Health Medical Scheme	(284,214)	33,106	(251,108)
Statement of financial position			
RA Gilbert Proprietary Limited			
- Medicines purchased on behalf of Platinum Health Medical Scheme	(38,640)	(8,037)	(46,677)

In prior year, the related party note included an amount of R24,760 relating to Norplats pharmacy cost of sales. Norplats pharmacy is not a related party to PHMS and this amount has been corrected in current year.

A timing difference existed in the reporting of medicine purchases from R A Gilbert, relating to invoices in transit and not captured at year-end. To correct this, an adjustment of R8,346 has been made to correct medicine costs paid by Platinum Health Medical Scheme to R A Gilbert in the prior year. The correction has no impact on net profit or loss or retained earnings; the timing difference did not flow through to the reporting of medicine purchases in the consolidated financial statements.

In the prior years, the data fee income was incorrectly recorded inclusive of VAT, and this resulted in an underpayment of VAT to SARS. This has been corrected through recognition of the accumulated VAT liability of R8,037. (See Note 29.2). RA Gilbert Proprietary Limited will settle the payable towards SARS through cash received from Platinum Health and therefore the intercompany receivable increased to R46,677.

All values above are rounded to the nearest thousand.

Detailed statement of comprehensive income per benefit option

for the year ended 31 December 2024

30. Detailed statement of comprehensive income per benefit option

	Note	Plat			
		2024	Comprehensive	Plat Capitation	Plat Freedom
		R'000	R'000	R'000	R'000
Insurance revenue		2,129,587	2,000,773	29,833	98,949
Insurance service expense*		(2,291,017)	(2,211,440)	(22,532)	(57,045)
Incurred claims		(2,110,393)	(2,041,136)	(19,506)	(49,751)
Attributable expenses incurred		(144,116)	(135,579)	(2,535)	(6,002)
Accredited managed healthcare services (no risk transfer)		(24,717)	(23,321)	(382)	(1,014)
Third party claims recoveries		780	755	7	18
Changes that relate to past service – adjustment to the LIC		(12,571)	(12,159)	(116)	(296)
Net expense from reinsurance		(3,480)	(3,415)	(65)	-
Amounts recovered from risk transfer arrangements		(14,801)	(14,529)	(272)	-
Premiums paid for risk transfer		11,321	11,114	207	-
Insurance service result		(164,910)	(214,082)	7,268	41,904
Other income		330,565	277,210	23,489	29,866
Investment income		83,667	49,396	15,957	18,314
Net gains /(losses) on financial assets		18,217	10,755	3,474	3,988
Management fee		3,315	3,119	58	138
Fair value adjustment on employee benefits		1,898	1,784	34	80
Income from use of own facilities by external parties		173,419	163,147	3,050	7,222
Sundry income		50,049	49,009	916	124

Detailed statement of comprehensive income per benefit option

for the year ended 31 December 2024 *continued*

30. Detailed statement of comprehensive income per benefit option *continued*

	Note	Plat			
		2024	Comprehensive	Plat Capitation	Plat Freedom
		R'000	R'000	R'000	R'000
Net healthcare result		165,655	63,128	30,757	71,770
Other expenditure		(180,462)	(170,379)	(3,186)	(6,897)
Cost incurred in provision of own facilities to external parties		(156,781)	(147,494)	(2,758)	(6,529)
Sundry expenses		(14,846)	(14,574)	(272)	-
Asset management fees		(3,160)	(2,972)	(56)	(132)
Finance costs		(5,673)	(5,339)	(100)	(236)
(Loss) before amounts attributable to future members		(14,807)	(107,251)	27,571	64,873
Amounts attributable to future members		14,895	107,708	(27,732)	(65,081)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		88	457	(160)	(209)

* Circular 6 of 2025 issued by the CMS requires medical schemes to present 'Amounts attributable to future members' separate from the "Insurance service expenses" and the "Insurance service result". This resulted in a representation of the prior year affected line items as follows: "Amounts attributable to future members" to the value of a deficit (R14,895); profit (2023: R106,829), are now being disclosed as a separate line item on the Statement of comprehensive income before the "Surplus/deficit for the year".

Insurance Service Expense in accordance with IFRS 17 includes amounts attributable to future members, the total value of insurance expense therefore amounts to (R2,276,122); 2023: (R2,139,676).

Detailed statement of comprehensive income per benefit benefit option

for the year ended 31 December 2024 *continued*

	Note	2023	Plat	Plat	Plat
		R'000	Comprehensive	Capitation	Freedom
		R'000	R'000	R'000	R'000
Insurance revenue		2,038,479	1,890,061	44,373	104,045
Insurance service expense*		(2,032,847)	(1,937,834)	(20,172)	(74,841)
Incurring claims		(1,861,508)	(1,778,372)	(15,922)	(67,214)
Attributable expenses incurred		(143,560)	(133,380)	(3,740)	(6,440)
Accredited managed healthcare services (no risk transfer)		194	185	2	7
Third party claims recoveries		(20,481)	(19,104)	(449)	(928)
Changes that relate to past service – adjustment to the LIC		(7,492)	(7,163)	(63)	(266)
Net expense from reinsurance		(3,162)	(3,075)	(87)	-
Amounts recovered from risk transfer arrangements		10,755	10,463	292	-
Premiums paid for risk transfer		(13,917)	(13,538)	(379)	-
Insurance service result		2,470	(50,848)	24,114	29,204
Other income		287,776	252,082	17,407	18,287
Investment income		77,184	54,540	11,903	10,741
Net gains /(losses) on financial assets		165	117	25	23
Management fee		3,517	3,448	59	10
Fair value adjustment on employee benefits		4,465	4,140	97	228
Income from use of own facilities by external parties		160,544	149,160	4,182	7,202
Sundry income		41,901	40,677	1,141	83

Detailed statement of comprehensive income per benefit option

for the year ended 31 December 2024 *continued*

	Note	2023	Plat Comprehensive	Plat Capitation	Plat Freedom
		R'000	R'000	R'000	R'000
Net healthcare result		290,246	201,233	41,522	47,490
Other expenditure		(183,379)	(171,101)	(4,798)	(7,479)
Cost incurred in provision of own facilities to external parties		(162,138)	(150,641)	(4,224)	(7,273)
Sundry expenses		(13,327)	(12,964)	(363)	-
Asset management fees		(2,871)	(2,667)	(75)	(129)
Finance costs		(5,043)	(4,831)	(135)	(77)
Profit before amounts attributable to future members		106,867	30,132	36,725	40,010
Amounts attributable to future members		(106,829)	(99,052)	(2,325)	(5,452)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		38	(68,919)	34,399	34,558

* Circular 6 of 2025 issued by the CMS requires medical schemes to present 'Amounts attributable to future members' separate from the "Insurance service expenses" and the "Insurance service result". This resulted in a representation of the prior year affected line items as follows: "Amounts attributable to future members" to the value of a deficit (R14,895); profit (2023: R106,829), are now being disclosed as a separate line item on the Statement of comprehensive income before the "Surplus/deficit for the year".

Insurance Service Expense in accordance with IFRS 17 includes amounts attributable to future members, the total value of insurance expense therefore amounts to (R2,276,122); 2023: (R2,139,676).



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