PLATINUM HEALTH

30 April 2022

Dear Member

Platinum Health 23rd Annual General Meeting

You are kindly invited to attend the Platinum Health Medical Scheme 23rd Annual General Meeting to be held at the King's Gate Hotel, Rustenburg on Friday, 03rd June 2022 at 12:00. Attached herewith the Agenda, Statement of Financial Position as at 31 December 2021 and the Statement of Comprehensive Income for the year ended 31 December 2021 together with the minutes of the 22nd Annual General Meeting held on 11 June 2021 and the Board of Trustees Report.

Please kindly advise Ms Ida Chibweza if you wish to attend, by no later than Wednesday, 25th May 2022 on Telephone number 087 463 0665 to ensure that the venue and catering are adequately arranged.

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

The detailed financial statements are available from the Platinum Health website: www.platinumhealth.co.za. Should you wish to obtain a copy prior to the meeting please contact Ms Ida Chibweza.

Yours sincerely

P.W. Mboniso
PRINCIPAL OFFICER

Private Bag X82081, RUSTENBURG 0300 | T: (014) 590 1700 | F: 086 591 4598
E: phclientliaison@platinumhealth.co.za | W: platinumhealth.co.za

PLATINUM HEALTH

PLATINUM HEALTH MEDICAL SCHEME

NOTICE IS HEREBY GIVEN THAT THE 23RD ANNUAL GENERAL MEETING OF THE PLATINUM HEALTH MEDICAL SCHEME WILL BE HELD ON 03RD JUNE 2022 AT 12:00 AT THE KING'S GATE HOTEL, RUSTENBURG

AGENDA

1. Notice of Meeting
2. Minutes of the Annual General meeting held on 11 June 2021
3. Board of Trustees Report for the year ended 2021
4. Ratification of Board of Trustees
5. Annual Financial Statements for the year ended 2021
6. Appointment of Auditors
7. Any other business of which due notice has been given

*Notice for any motion to be placed before the Annual General Meeting must reach the office of the Principal Officer (*welcome.mboniso@platinumhealth.co.za*) no later than Wednesday 25th May 2022.*

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

PLATINUM HEALTH MEDICAL SCHEME

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	**2021** R	2020 R
Assets			
Non-current assets		**63 308 032**	66 670 330
Property, plant and equipment	2	**63 308 032**	64 732 028
Deferred taxation	5	**–**	1 938 302
Current assets		**910 281 954**	817 423 377
Pharmaceutical inventories	4	**8 527 874**	11 209 324
Trade and other receivables	6	**59 806 130**	53 095 816
Taxation receivable	9	**122 727**	122 727
Investments held at fair value through profit or loss	7	**407 609 058**	348 474 475
Cash and cash equivalents	8	**434 216 165**	404 521 035
Total assets		**973 589 986**	884 093 707
Funds and liabilities			
Members' Funds			
Accumulated funds		**636 376 292**	586 343 676
Non-current liabilities			
Long-term liabilities	10	**74 942 662**	64 726 283
Current liabilities		**262 271 032**	233 023 748
Trade and other payables	11	**177 506 428**	169 653 472
Outstanding claims provision	12	**67 920 000**	45 400 000
Leave accrual	13	**16 844 604**	17 970 276
Total funds and liabilities		**973 589 986**	884 093 707

PLATINUM HEALTH MEDICAL SCHEME

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	**2021** **R**	2020 R
Gross contribution income	14	**1 610 141 924**	1 469 049 960
Relevant healthcare expenditure		**(1 552 003 781)**	(1 241 365 247)
Net claims incurred	15	**(1 549 127 980)**	(1 238 016 621)
– Claims incurred		**(1 549 467 967)**	(1 238 667 892)
– Third party claim recoveries		**339 987**	651 271
Net loss on risk transfer arrangements	16	**(2 875 801)**	(3 348 626)
– Risk transfer arrangement fees/premiums paid		**(11 461 464)**	(10 565 219)
– Recoveries from risk transfer arrangements		**8 585 663**	7 216 593
Gross healthcare result		**58 138 143**	227 684 713
Managed care: management services	17	**(14 364 252)**	(14 906 323)
Administration expenses	19	**(96 344 008)**	(101 308 327)
Net impairment losses on healthcare receivables	18	**(892 438)**	(2 694 836)
Net healthcare result		**(53 462 555)**	108 775 227
Other income		**872 186 041**	592 270 701
Investment income	20	**35 541 151**	35 663 411
Income from use of own facilities	21	**799 200 900**	550 495 841
Fair value adjustment of investments held at fair value through profit or loss	7	**37 062 575**	–
Bargain purchase	3	**–**	4 699 179
Net impairment loss recovery		**131 448**	126 704
Sundry revenue		**109 563**	1 274 946
Profit on sale of assets		**140 404**	10 620
Other expenditure		**(766 752 568)**	(570 660 596)
Cost incurred in provision of own facilities	21	**(762 459 310)**	(543 204 182)
Fair value adjustment of investments held at fair value through profit or loss	7	**–**	(22 124 712)
Finance costs	22	**(1 879 609)**	(3 228 097)
Sundry expenses		**(576)**	(2 870)
Asset management fees	24	**(2 413 073)**	(2 100 735)
Net surplus for the year		**51 970 918**	130 385 332
Taxation	25	**(1 938 302)**	(301 743)
Other comprehensive income		**–**	–
Total comprehensive income for the year		**50 032 616**	130 083 589

PLATINUM HEALTH

MINUTES OF THE PLATINUM HEALTH MEDICAL SCHEME

22nd ANNUAL GENERAL MEETING

HELD ON 11 JUNE 2021 AT 12:00

AT THE KING'S GATE HOTEL, RUSTENBURG

Present	Mr. Colin Smith	Chairperson, PHMS Board of Trustees
	Mr. Welcome Mboniso	Principal Officer, Platinum Health
	Members	42
	Proxies	1

Apologies: None

Scribe: AB Heyns

1. NOTICE OF MEETING AND WELCOME

1.1 Mr. Welcome Mboniso, the Principal Officer of the Scheme, opened proceedings at 12:00.

He introduced the Chairperson of the Platinum Health Medical Scheme Board of Trustees, Mr. Colin Smith. Mr. Smith officially opened the 22nd AGM of the Platinum Health Medical Scheme and welcomed all present.

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

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

2. MINUTES OF THE 21ST PLATINUM HEALTH MEDICAL SCHEME ANNUAL GENERAL MEETING HELD ON 30 OCTOBER 2020

2.1 The minutes of the 21st Platinum Health Medical Scheme Annual General Meeting, held on 30 October 2020, had been circulated to members prior to the meeting.

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

Proposed: Mr. John Martin
Seconded: Mr. Simon

3. BOARD OF TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

3.1 The following salient points from the Board of Trustees report for the year ended 31 December 2020 were highlighted:

Finance:

i. The Scheme reported a solvency ratio of 39.86% for 2020, compared to a 34.84% solvency rate for 2019. The CMS desired solvency ratio for medical schemes is 25%.

Membership:

i. Main membership in the Scheme increased by 1.00% at the end of the accounting period, and the average number of members increased by 2.24% over the accounting period.

Non-compliance:

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

i. Investments held directly in employer companies, such as Northam Platinum Limited, Royal Bafokeng Platinum Limited and Anglo American plc through the Alan Gray Medical Portfolio pooled investment vehicle;
ii. Investments held indirectly in administrator companies, such as MMI Holdings Ltd;
ii. Contributions from participating employers that are received later than 3 days after month end.

Governance:

i. The Scheme received clean internal and external audit reports, with only minor housekeeping matters that have been resolved, in the past year.

In terms of Operational Statistics, the following was noted:

i. The Platinum Health Medical Scheme pensioner to overall membership ratio reduced from 1.58% in 2019 to 1.42% in 2020. The Scheme's pensioner ratio remains at the lower end compared to other medical schemes.
ii. Average healthcare expenditure per beneficiary per month has reduced from 2019 to 2020 across all three Scheme options.

4. RATIFICATION OF THE BOARD OF TRUSTEES MEMBERSHIP

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

The nominated trustees are:

i. Mr. Imraan Osman, Siyanda Bakgatla (new);
ii. Mr. Colin Smith, Northam Platinum;
iii. Dr. Charles Mbekeni, Anglo American Platinum;
iv. Mr. Paul Krause, Anglo American Platinum;
v. Mr. Willem McCarthy, Anglo American Platinum (new);
vi. Mr Darren McDonald, Modikwa Platinum;
vii. Mr Philip Coetzer, Royal Bafokeng Platinum (new).

i. Constituency 1: Mr. Boitshoko Phidelis Molefe, Anglo American;
ii. Constituency 2: Mr. Danny Molao Noko, Siyanda Bakgatla Platinum Limited Operations;
iii. Constituency 3: Mr. Samuel Senoelo Pheto, Anglo American Platinum Tumela and Dishaba;
iv. Constituency 4: Mr. Percy Malamula, Royal Bafokeng Platinum;
v. Constituency 5: Mr. Philemon Maimela, Modikwa Platinum;
vi. Constituency 6: Ms. Khomotso Jubilee Kokohlabang, Other;
vii. Constituency 7: Mr. Jarios Thabo Hlangweni Northam Platinum.

Proposed: Ms. Marianne Bezuidenhout
Seconded: Mr. John Martin

5. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2020

5.1 The Scheme's Annual Financial Statements for the period ended 31 December 2020 were noted. Mr. Owetu Matshaya, the Scheme's CFO, detailed the following aspects from the Financial Statements:

i. Despite additional expenditure of R 90 million to manage COVID-19, the Scheme's reserves increased by 29% in the past year. The Scheme is in the fortunate position to report a surplus of R 130 million for the year ending on 31 December 2020.
ii. Membership increased by 2.2%, while beneficiaries increased by 5% over the past year. The major categories of healthcare expenditure remained roughly the same from 2019 to 2020.
iii. Healthcare expenditure per beneficiary has decreased compared to other years, mainly because members tended to avoid healthcare facilities for fear of contracting COVID-19.
iv. Hospital costs decreased slightly from 31% in 2019 to 30% in 2020, and average medication spend per beneficiary per month also decreased from 17% in 2019 to 16% in 2020, probably due to people accessing over the counter medicines from the pharmacy. Specialist costs remained unchanged.
v. The Scheme continues to maintain average non-healthcare expenditure per beneficiary per month at a far lower rate than its open scheme competitors. This expenditure was R 109 per beneficiary per month.

5.2 The Board of Trustees' Report for the year ending 31 December 2020 was approved as presented.

Proposed: Mr. Moses Moyo
Seconded: Mr. Chris Kern

5.3 The Annual Financial Statements for the year ending 31 December 2020 was approved as presented.

Proposed: Ms. Marianne Bezuidenhout
Seconded: Mr. Japie Cilliers

6. APPOINTMENT OF AUDITORS

6.1 The AGM was informed that the Audit Committee recommended the re-appointment of Ernst and Young as the Scheme's external auditors for 2021.

The recommendation to re-appoint Ernst and Young was duly approved by the AGM.

Proposed: Ms. Bonnie Erasmus
Seconded: Mr. Dan le Roux

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

7.1 No other business was discussed.

8. GENERAL

8.1 No new items were introduced under General.

9. CLOSURE

9.1 Mr. Smith thanked all members of the Scheme for their attendance and participation. The Chair also thanked the Scheme's administrative and support staff for their unwavering dedication and hard work to make the Scheme a success, and the management of the Scheme for providing leadership through a difficult time.

Members were invited to engage staff members of the Scheme about any questions and concerns.

The Chairperson formally declared the meeting closed.

PLATINUM HEALTH MEDICAL SCHEME

Registration Number: 29/4/2/1583

REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees hereby presents its report for the year ended 31 December 2021.

1. MANAGEMENT

1.1 Board of Trustees in office during the year under review

Name	*Designation*
Employer Trustees	
Mr C Smith*	Northam Platinum Mine
Dr C Mbekeni	Anglo American Platinum
Mr P Krause	Anglo American Platinum
Mr W McCarthy	Anglo American Platinum
Mr P Coetzer	Royal Bafokeng Platinum (appointed 28 April 2021)
Mr J Jacobs	Royal Bafokeng Platinum (resigned 28 April 2021)
Mr I Osman	Siyanda Bakgatla Platinum Mine (appointed 4 June 2021)
Ms L Roets	Siyanda Bakgatla Platinum Mine (resigned 19 April 2021)
Mr D McDonald	Modikwa Platinum Mine
Member Trustees	
Mr J Hlangweni	Northam Platinum Mine
Mr SS Pheto	Anglo American Platinum Amandelbult
Mr K Kokohlabang	Anglo American Platinum Other
Mr B Molefe	Anglo American Platinum Process Division
Mr P Malamula	Royal Bafokeng Platinum
Mr DM Noko	Siyanda Bakgatla Platinum Mine
Mr P Maimela	Modikwa Platinum Mine

* Chairperson of the Board of Trustees

1. **MANAGEMENT** (Continued)

1.2 **Trustee meeting attendance**

The following schedule sets out Board of Trustee meeting attendances

	Trustee Meetings		*Audit Committee Meetings*		*Other Committee Meetings*	
	A	**B**	**A**	**B**	**A**	**B**
Employer Trustees						
Mr C Smith	9	9	3	3	8	8
Dr C Mbekeni	9	5			4	4
Mr P Krause	9	9			2	2
Mr W McCarthy	9	7				
Mr P Coetzer	3	3			8	6
Mr J Jacobs	4	3			2	1
Mr I Osman	5	5	2	2**	2	2**
Ms L Roets	3	3	1	1	2	2
Mr D McDonald	9	4				
Member Trustees						
Mr J Hlangweni	9	7			4	3
Mr SS Pheto	9	9			11	6
Mr K Kokohlabang	9	6			4	3
Mr B Molefe	9	7			9	8
Mr P Malamula	9	9			3	3
Mr DM Noko	9	9	3	2*	3	3
Mr P Maimela	9	7	3	3*	8	1

A - Total possible number of meetings could have attended
B - Actual number of meetings attended

Other Committees consist of the following:
Dispute committee
Investment committee
Remuneration committee
Product committee
Communication committee
Medical Ex-gratia committee
Risk Committee

*Attended as observers
** Attended first meeting as an observer

1. **MANAGEMENT** (Continued)

1.3 **Principal Officer**

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

Private Bag X82081
Rustenburg
0300

1.4 **Registered Office**

Platinum Health Medical Scheme
3 Kgwebo Street
Mabe Park
Rustenburg
0299

Private Bag X82081
Rustenburg
0300

1.5 **Fund Administrator**

Platinum Health Medical Scheme
3 Kgwebo Street
Mabe Park
Rustenburg
0299

Private Bag X82081
Rustenburg
0300

1.6 **Independent Auditors**

Ernst & Young Inc.
102 Rivonia Road
Sandton
Gauteng
2194

Private Bag X14
Sandton
2146

1.7 **Investment Managers**

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

1.8 **Independent Investment Advisor**

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

1.9 **General Information**

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

1.10 **Investment in subsidiary**

RA Gilbert Proprietary Limited:	100% (Acquired 1 June 2020)
Directors:	Mr C Smith, Ms L. Roets (Resigned 22April 2021), Mr W McCarthy (Appointed 19 November 2021), Mr P Malamula and Mr B Molefe.
Principal activities:	Rental of equipment and pharmacy licenses to the Scheme.

2. DESCRIPTION OF THE MEDICAL SCHEME

2.1 Terms of registration

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

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

2.2 Healthcare options within the Platinum Health Medical Scheme

The Scheme offers three options:
– PlatComprehensive
– PlatCap
– PlatFreedom

2.3 Risk transfer arrangements

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

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

2.4 Own facilities

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

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

3. INVESTMENT POLICY OF THE FUND

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

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

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

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

4. INSURANCE RISK MANAGEMENT

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

The Scheme manages its insurance risk through approval procedures for transactions that involve pricing guidelines, pre-authorisation and case management, service provider profiling, centralised management of risk transfer arrangements, and the monitoring of emergency issues.

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

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

5. REVIEW OF THE YEAR'S ACTIVITIES

5.1 Operational Statistics

	2021		2020	
	All Options	**Plat Comprehensive**	All Options	Plat Comprehensive
Number of members at year end	**54 730**	**50 368**	52 062	47 311
Average number of members for the year *	**53 424**	**48 720**	51 672	46 709
Average administration and managed care costs incurred per beneficiary per month	**R102**	**R103**	R107	R107
Average accumulated funds per member at 31 December	**R11 628**	**R10 390**	R11 262	R11 022
Dependant ratio as at 31 December	**1:0.792**	**1:0.793**	1:0.772	1:0.780
Non-healthcare expenses as a percentage of gross contributions	**7%**	**7%**	8%	8%
Average number of beneficiaries during the accounting period	**95 542**	**87 215**	90 532	82 344
Number of beneficiaries at year end	**98 059**	**90 290**	92 255	84 230
Net contributions per average beneficiary per month *	**R1 409**	**R1 415**	R1 352	R1 362
Relevant healthcare expenditure per average beneficiary per month *	**R1 358**	**R1 399**	R1 143	R1 173
Non-healthcare expenditure per average beneficiary per month *	**R101**	**R101**	R111	R111
Relevant healthcare expenditure as a percentage of gross contributions	**96%**	**99%**	85%	86%
Average age of beneficiaries at 31 December	**30.76**	**30.68**	31.04	30.97
Return on investments as a percentage of investments	**8.62%**	**8.62%**	1.81%	1.81%
Pensioners ratio at 31 December	**1.41%**	**1.54%**	1.42%	1.56%

	PlatCap	**PlatFreedom**	PlatCap	PlatFreedom
Number of members at year end	**2 883**	**1 479**	3 270	1 481
Average number of members for the year *	**3 264**	**1 440**	3 507	1 456
Average administration and managed care costs incurred per beneficiary per month	**R89**	**R99**	R105	R107
Average accumulated funds per member at 31 December	**R22 819**	**R31 948**	R13 030	R15 042
Dependant ratio as at 31 December	**1:0.063**	**1:2.181**	1:0.055	1:2.089
Non-healthcare expenses as a percentage of gross contributions	**8%**	**7%**	10%	8%
Average number of beneficiaries during the accounting period	**3 460**	**4 567**	3 708	4 480
Number of beneficiaries at year end	**3 065**	**4 704**	3 450	4 575
Net contributions per average beneficiary per month *	**R1 182**	**R1 459**	R1 120	R1 367
Relevant healthcare expenditure per average beneficiary per month *	**R739**	**R1 036**	R718	R955
Non-healthcare expenditure per average beneficiary per month *	**R99**	**R99**	R109	R109

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

5.1 Operational Statistics (Continued)

	2021		2020	
	PlatCap	**PlatFreedom**	PlatCap	PlatFreedom
Relevant healthcare expenditure as a percentage of gross contributions	**63%**	**71%**	64%	68%
Average age of beneficiaries at 31 December	**40.69**	**24.22**	40.88	24.08
Return on investments as a percentage of investments	**8.62%**	**8.62%**	1.81%	1.81%
Pensioners ratio at 31 December	**0.05%**	**0.04%**	0.03%	0.06%

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

5.2 Results of operations

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

5.3 Solvency margin

The solvency margin is calculated on the following basis:

	2021 R	2020 R
Members' funds per the statement of financial position	**636 376 292**	586 343 676
Less: Cumulative unrealised net gain on re-measurement to fair value of financial instruments **	**(4 452 531)**	–
Accumulated funds per Regulation 29	**631 923 761**	586 343 676
Gross contributions	**1 610 141 924**	1 469 049 960
Solvency margin (Accumulated funds/Gross annual contribution income x 100)	**39%**	40%

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

Net cumulative unrealised loss opening balance	**32 610 044**	10 485 332
Add: Unrealised (gain) / loss on re-measurement to fair value of financial instruments	**(37 062 575)**	22 124 712
Cumulative net unrealised (gain) / loss on re-measurement to fair value of investments included in accumulated funds	**(4 452 531)**	32 610 044

5.4 Members Funds

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

5.5 Outstanding Claims

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

6. ACTUARIAL VALUATION

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

7. SUBSEQUENT EVENTS

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

8. IMPLICATIONS OF COVID-19

Since the outbreak of the Coronavirus during mid-January 2020 the Trustees have taken COVID-19 into consideration in terms of the possible effects of COVID-19 when considering the going concern assumptions, valuation and impairment of non-financial assets, financial instruments, any concessions, and ability to meet the day-to-day requirement of the medical scheme to its members. The Trustees continue to consider the potential impact of the outbreak on significant estimates and judgements going forward for the Scheme.

During the financial year of 2021 the Scheme has experienced three COVID-19 waves. However due to the efforts that were put in at the start of COVID-19 from an operational perspective and the planning that went into the readiness of our facilities and staff to deal with COVID-19 the Scheme has dealt with COVID exceptionally well despite the added costs. The measures that the Scheme put into place to manage its risk in relation to the pandemic are as follows:

- All staff were trained to assess patients and follow COVID-19 protocols.
- Temperature scanners to identify elevated body temperatures of patients entering the Schemes facilities were acquired.
- All patients with chronic medical conditions were given 6 months chronic medicine to ensure that these patients, most vulnerable to develop severe symptoms from COVID-19, were not exposed unnecessarily by having to collect chronic medicine within short intervals. Members with chronic medical conditions were encouraged to take medication as prescribed.
- All patients who are HIV positive have been encouraged to go onto ART immediately. Patients on ART, but not yet viral load suppressed have been encouraged to take medication as prescribed to ensure that they become viral load suppressed.
- PPE was purchased to ensure that the Scheme has adequate reserves in place.
- Extensive education has taken place, and continues, with newsflashes having been distributed and information pertaining to COVID-19 being displayed on televisions at all the Schemes facilities.

Notwithstanding the above, the Scheme, during the 2021 financial year, has conducted over 36 000 COVID-19 tests of which over 8 000 tested COVID-19 positive. In total R31m was spent in respect of PCR tests. In addition to PCR tests, the Scheme has spent R85m on hospital costs in 2021 related to COVID-19.

During 2021 financial year the Scheme started vaccination campaigns at all sites with the objective to vaccinate at least 70% of its beneficiaries. The Scheme achieved a 71.5% vaccination rate of all beneficiaries (18 years+) of which 91% of the beneficiaries were fully vaccinated and 80% of the vulnerable beneficiaries (60 years+ and chronic medical conditions such as Hypertension, Diabetes, HIV and TB) were vaccinated. The Scheme has spent R30m in respect of COVID-19 vaccinations. The vaccination campaigns have continued in 2022 with the objective to vaccinate those members not yet vaccinated as well as administer booster vaccines to those already vaccinated.

8. IMPLICATIONS OF COVID-19 (Continued)

In addition to COVID-19 vaccination campaigns flu vaccinations are an important preventative measure to try and ensure that the immune system has a greater chance of fighting the virus and the Scheme, through its related parties, are procuring vaccines to vaccinate members of the Scheme as a preventative measure once again in 2022.

The Scheme has assessed the risks of the COVID-19 pandemic, put together a response plan, analysed its ability to continue as a going concern and at this stage is confident that during this global pandemic the Group will remain viable and continue as a going concern. Subsequent to the year end the Scheme has continued to outperform budget and with reserves of over R636m the going concern assumption is still valid. No estimates and judgement have been impacted by the COVID-19 pandemic nor has there been any changes to the accounting policies of the Scheme.

The Scheme owns Property Plant and Equipment (PPE), and the valuation and impairment of PPE has not been impacted by the outbreak of COVID-19. Due to the nature of the business that the Scheme operates, the nature of PPE it holds and that it serves a captive market there is no material uncertainty with regards to the valuation of PPE. PPE in use has assisted the Scheme to provide healthcare services to its members. The Scheme does not hold investment property or any property in its own name.

The investment in RA Gilbert (Pty) Ltd (RAG) by the Scheme has in no way been impaired as an investment. The business of RAG in dispensing of cost-effective medication to beneficiaries of the Scheme and the 6-month bulk chronic medication dispensed in 2021 has aided the Scheme to keep healthcare costs under control and therefore impairment of the investment is not a concern. The fair value of RAG has been considered in the past by independent valuers and takes into consideration a net asset value technique which in this case is still favourable and improving.

Although the economy has been impacted negatively by the numerous lockdown levels and restrictions imposed by Government, platinum group metal prices have surged to all-time highs in 2021, resulting in participating employers (Platinum Mines) recording excellent financial results. All the participating employers have continued to honour their contribution payments during the COVID -19 pandemic.

With the credit risk not being a material concern for the Scheme and with all the participating employers making monthly contribution payments there has been no 'liquidity risk' to the Scheme. The Schemes objective when managing liquidity is to ensure that, as far as possible, it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Schemes reputation. The Scheme and the Investment Committee continue to manage cashflow with the Investment Committee continuously seeking alternative options to optimise investment returns.

To assist the members, the Board of Trustees has once again taken a decision to defer the annual contribution increase by 2 months. The 2022 contribution increase will only be implemented with effect from 1st March 2022, therefore providing R18m assistance to members.

The Scheme through its governance structures continues to monitor the impact of COVID-19 and will ensure that corrective measures are implemented should the need arise.

9. TRUSTEES' REMUNERATION AND EXPENSES

Trustees are not remunerated for their services, other than disbursements for attending conferences and training. An attendance and cell phone allowance are paid to those trustees who opted for this allowance. The disbursements and allowances for the year are R816 676 (2020: R22 880).

10. FIDELITY COVER

The Scheme has fidelity cover in place and the premiums are fully paid up and in place until 30 June 2022. The Health Professionals employed by the Scheme, Trustees elected, and Independent Committee Members are covered for any claims with regard to services rendered by them.

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

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

(1) Investments in employer and administrator companies

Nature and cause of non-compliance

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

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

	2021	2020
	R	R
• Northam Platinum Limited	**10 719 616**	7 105 103
• Anglo American Plc	–	1 596 756

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

• MMI Holdings Ltd	**405 367**	263 107

Possible impact of non-compliance

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

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

Compliance with the Medical Scheme Act should always be considered when investments are made by the Scheme or by the portfolio managers. If not in compliance, the Registrar should be informed immediately. The Scheme has no direct or indirect influence over the Allan Gray investment strategies as the pooled funds are invested to optimise return on investment for the entire portfolio. A letter confirming the exemption from investing in employer groups and medical scheme administrators through asset managers where such investment choices are not influenced by the Scheme was received from the Council for Medical Schemes for a period of 3 years, commencing 1 December 2019.

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 2021, there were contribution debtors outstanding for more than 30 days to the amount of R1 687 200 (2020: R1 493 472). 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.

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

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

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.

(3) Exceeding the 2.5% limit – Any other assets not referred to elsewhere in Annexure B of Regulation 30

Nature and cause of non-compliance

In terms of the Medical Schemes Act and specifically Regulation 30, the percentage of assets held as per Annexure B, item 7 Any other assets not referred to elsewhere in this annexure:
(a) Inside the Republic
(i) Where inventories are included, inclusion at the smaller of book and realisable value
The assets held under this section exceeded the 2.5% limitation for the period April 2021 to October 2021, not exceeding 3.37% in any one month as a result of the increased inventory of medicine, PPE and vaccines directly related to COVID-19.

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 adhere to the requirements as per the Medical Schemes Act but due to the Covid 19 pandemic additional medicine, PPE and vaccine stock were carried during the third wave and the extensive COVID-19 vaccination campaigns (July 2021 to November 2021). After the third wave and vaccination campaigns the stock holding reduced to keep the assets within the 2.5% requirement.

The Council for Medical Schemes(Council) has been engaged by the Scheme on the non-compliance issue and the initial meeting was held on the 17th January 2022 where the Scheme detailed the reasons for the non compliance and what corrective action had been taken. During the session the Scheme explained to the Council how the Scheme's Health Maintenance Organization operated in order to give the Council a view of operations and how the 2.5% was breached as explained in the note. Further to this engagement with the Council the Principal Officer has sent through various correspondence on the matter of which the Scheme still awaits a formal response from the Council.

The Scheme will continue to engage with the Council in order to resolve the matter going forward so as not be non-complaint in the future.

12. RELATED PARTY TRANSACTIONS

Refer to related party disclosure in Note 30 of the financial statements.

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

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

14. AUDIT COMMITTEE

An Audit 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 Group. The Committee met on 13 April 2021, 19 August 2021, and 8 November 2021.

The Chief Executive Officer, Principal Officer and Chief Financial Officer of the Medical Scheme, 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 Committee which are formulated in the Audit Committee Charter are:

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

The Audit Committee comprises of the following:		Meetings Attended
Mr I Catt	(Independent Chairperson)	3 of 3
Mrs V Voogt	(Independent) (appointed 1 November 2021)	1 of 1
Mr P Fernandes	(Independent) (resigned 18 October 2021)	2 of 2
Mr D Cathrall	(Independent)	3 of 3
Mr C Smith	(Trustee)	3 of 3
Mr I Osman	(Trustee) (appointed 2 September 2021)	2 of 2*
Mrs L Roets	(Trustee) (resigned 19 April 2021)	1 of 1

- * Attended first meeting as an observer

15. INVESTMENT COMMITTEE

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

The Committee met on 14 January 2021, 13 April 2021, 19 August 2021 and 8 November 2021.

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.

15. INVESTMENT COMMITTEE (Continued)

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
Mrs L Roets	(Chairperson Trustee)	(resigned 19 April 2021)	2 of 2
Mr I Osman	(Chairperson Trustee)	(appointed 2 September 2021)	2 of 2*
Mr C Buchanan	(Independent Advisor)		4 of 4
Mr C Smith	(Trustee)		4 of 4
Mr J Hlangweni	(Trustee)		3 of 4

- * Attended first meeting as an observer

16. REMUNERATION COMMITTEE

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

The Committee met on 18 January 2021 and 17 November 2021.

The Chief Executive Officer, Human Resources Manager and the Chief Financial 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.

The Remuneration Committee comprises of the following:

		Meetings Attended
Mr P Krause	(Chairperson Trustee)	2 of 2
Mr C Smith	(Trustee)	2 of 2

17. GOING CONCERN

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

The Board of Trustees are of the opinion that the annual consolidated financial statements fairly present the financial position of the Group as at 31 December 2021, and the results of its operations and cash flow information for the year then ended.

Chairperson
Mr C Smith

12 April 2022
Johannesburg

PLATINUM HEALTH

PLATINUM HEALTH MEDICAL SCHEME

Annual General Meeting

03rd June 2022 at 12:00

King's Gate Hotel, Rustenburg

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

Proxy Form

I, _____

Being a member of Platinum Health Medical Scheme hereby appoints: -

_____

or failing, that person, the Chairman of the meeting, to act as my proxy to vote on my behalf at the Annual General Meeting of the Scheme to be held on 03rd June 2022.

Signed this _____ day of _____ 2022

Signature of Member _____ Membership Number | | | | | | | | | | |

Signature of appointed Proxy _____ Membership Number | | | | | | | | | | |

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