



NOTICE OF THE 2022 ANNUAL GENERAL MEETING

Notice is hereby given that the **2022 Annual General Meeting (AGM)** of PULAMED will be held at **0900 Hours** on **Friday 02nd December 2022** virtually (meeting link will be provided in due course), and at **AVANI GABORONE RESORT & CASINO IN GABORONE,** as well as at **PHUDZI RESORT IN LETLHAKANE** for the purpose of transacting and considering the following business and if deemed fit, passing, with or without modification, the following resolutions:

AGENDA

ORDINARY BUSINESS

- To read the Notice convening the meeting and ascertain the quorum required in terms of the Rules of the Fund.
- 2. To adopt the Agenda.

3. ORDINARY RESOLUTION NO.1

To receive and confirm the Minutes of the previous Annual General Meeting held on 03rd December 2021.

- 4. To note the Chairman's remarks.
- 5. To receive, consider and adopt the Trustees' Report for the year ended 30th June 2022.

6. ORDINARY RESOLUTION NO.2

To receive, consider and adopt the Audited Financial Statements for the year ended 30th June 2022, together with the External Auditor's Report as contained in the annual report.

7. ORDINARY RESOLUTION NO.3

Remuneration of Trustees

To consider and approve the remuneration paid to Trustees for the year ended 30th June 2022 as disclosed in the Annual Report.

8. ORDINARY RESOLUTION NO.4

External Auditors

- (a) To approve the remuneration of the External Auditors,
 Deloitte & Touche, for the year ended 30th June 2022.
- (b) To appoint External Auditors of the Fund for the ensuing year.

9. SPECIAL RESOLUTION NO.1

To approve proposed changes to the Fund Rules.

10. ANY OTHER BUSINESS

To answer any questions put by members in respect of the

affairs and the business of the Fund and to transact any other business which may be transacted at an AGM.

11. PROXIES

A member entitled to attend and vote may appoint a proxy to attend and vote for him/her on his/her behalf. The instrument appointing such a proxy, if not completed online, must be emailed to **secretary@pulamed.co.bw** or deposited at the registered office of the Fund at:

AFA House

Plot 22

Khama Crescent

Gaborone

Proxies must be deposited no later than 0900 Hours on Thursday 01st December 2022.

12. ONLINE VOTING FOR RESOLUTIONS

Online voting will be conducted via a digital platform, and only Principal Members of the Fund who are in good standing may participate and vote. Members will be able to cast their votes via the digital voting platform on the day of the AGM. The link and details to access the digital platforms will be sent to Members in accordance with the AGM procedures.

13. NOTE TO MEMBERS

A copy of the Annual General Meeting Report together with proxy forms will be availed to Members by email and will be accessible at **www.pulamed.co.bw**

BY ORDER OF THE BOARD

N. L. Otsogile

CORPORATE SECRETARY

TABLE OF CONTENTS

CLICK TO NAVIGATE

04	Proxy

- Pulamed Timeline
- About Pulamed
- Chairperson's Foreword
- Principal Officer's Statement
- Governance Report
- Resolutions
- Financial Statements



PROXY

A. YOUR DETAILS

If you cannot attend the 2022 Annual General Meeting (AGM) of PULA MEDICAL AID FUND to be held at 09:00hrs on Friday 02nd December 2022 Virtually via ZOOM and physically at AVANI GABORONE RESORT & CASINO in Gaborone, and at PHUDZI RESORT in Letlhakane, and you are entitled to vote at the Annual General Meeting, you may appoint a proxy to vote on your behalf. This proxy only applies to the Annual General Meeting, and any adjournment of that meeting.

FULL NAMES				
MEMBERSHIP NO.				
POSTAL ADDRESS				
EMAIL				
B. WHO DO YOU WANT TO	APPOINT AS YOUR PROXY			
I appoint as my proxy (tick one	box only):			
The following person If you want to appoint sor your proxy.	neone else, give their details. If you do not provide a name, you will be take	n to have ap	pointed the C	Chairman as
FULL NAMES				
MEMBERSHIP NO.				
POSTAL ADDRESS				
EMAIL				
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The instrument appointing such a proxy, if not completed online, must be scanned and emailed to <u>secretary@pulamed.co.bw</u> or deposited at the office of the Administrator of the Fund, not later than 24hrs (Thursday 01st December 2022 at 0900hrs) before the time for holding the Annual General Meeting, at: AFA House, Plot 22, Khama Crescent, Gaborone.

 $^{^{\}star}$ A proxy nomination shall only be given to a member of the Fund.

NOTES

- 1. A Member' must insert the names of a proxy of their choice in the space provided, with or without deleting "Chairperson of the AGM". The person so appointed as a proxy must be a member of the Fund in good standing.
- 2. A Member's instructions to the proxy must be indicated by the insertion of a tick in the appropriate space provided. Failure to comply herewith will be deemed to authorise the proxy to vote at the AGM as they may deem fit in respect of the Member's vote exercisable thereat. However, where the proxy is the Chairperson, failure to comply will be deemed to authorise the proxy to vote in favour of the Resolution.
- 3. The instrument appointing such a proxy, if not completed online, must be scanned and emailed to secretary@pulamed.co.bw or deposited at the office of the Administrator of the Fund, not later than 24hrs (Thursday 01st December 2022 at 0900hrs) before the time for holding the Annual General Meeting, at:

AFA House Plot 22 Khama Crescent Gaborone

- 4. The completion and lodging of this proxy form will not preclude the relevant Member from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such Member wish to do so.
- 5. The Corporate Secretary may reject or accept any form of proxy not completed and/or received other than in accordance with these notes provided that she is satisfied as to the manner in which the Member concerned wishes to vote.
- 6. An instrument of proxy shall be valid for the AGM as well as for any adjournment thereof, unless the contrary is stated thereon.

Member shall bear the same meaning as that given in the Fund Rules (Rule 6.25) to mean a Principal Member.

click here to submit

The instrument appointing such a proxy, if not completed online, must be scanned and emailed to <u>secretary@pulamed.co.bw</u> or deposited at the office of the Administrator of the Fund, not later than 24hrs (Thursday 01st December 2022 at 0900hrs) before the time for holding the Annual General Meeting, at: AFA House, Plot 22, Khama Crescent, Gaborone.

OUR **JOURNEY** WITH YOU

From 1991



2001

HIV/AIDS DISEASE MANAGEMENT PROGRAM

HIV/AIDS Disease/Benefit Management Program (DMP) in Botswana for Pula Medical Aid Fund. Facilitates Service Provider training on HIV/AIDS treatment and development of the 1st Botswana Treatment Guidelines.



1991

PULA MEDICAL AID FUND ESTABLISHED

Pula Medical Aid Fund is established by a group mining and private companies to offer medical aid services to their employees.



BOKAMOSO PRIVATE HOSPITAL JOINT-VENTURE WITH BPOMAS LAUNCHES

BPOMAS and Pula Medical Aid Fund agree to build a highly advanced private hospital to provide Batswana with access to quality and accessible private healthcare. The hospital would later be opened to the public by His Excellency the President Pohamba of Namibia.



2012 **ELECTRONIC DATA INTERCHANGE (EDI)**

The Fund through its Administrators, AFA, introduces a revolutionary technology that enables paperless claims submission transactions to the Fund. EDI has changed the way medical aid administration is carried out in Botswana. 75% of claims are received through EDI, with a satisfaction rating of 85% from the Service Provider experience.



WEB-ACCESS

(Self Service Tool) Pula Medical Aid Fund introduces a web portal for all its stakeholders to facilitate self service. The portal allows members, employer groups and service providers to submit queries, get statements, change contact details, view benefit balances etc. Web access allows the Fund through its Administrator, to improve client satisfaction, communication and make business with its members and service providers seamless and easier.

The position of Principal Officer, as described in Rule 6.34, is introduced in November 2014 in conformity with industry best practice.

2015



PULABABY MATERNITY PROGRAMME

Pulamed introduces a maternity programme for its members to support safe births and to educate mothers and fathers on pregnancy, delivery & childcare.

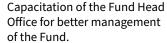
INTERNATIONAL TRAVEL INSURANCE



The Pula Medical Aid Fund international travel insurance benefit is introduced for all **Executive and Deluxe members** of the Fund at no-cost to the members, cover initially P2 million.



RELOCATION







PREVENTIVE CARE BENEFIT

The Fund introduces a preventive screening benefit for members on the Executive and Deluxe options in an effort to move towards preventive approach to members and their dependants.

PREMIUM WAIVER BENEFIT

The benefit is introduced to help alleviate the financial cost of medical aid following the passing on of a principal member. The cover is initially for 6 months at no cost to the remaining beneficiaries.

2020-21

COVID-19 BENEFITS



On the backdrop of the COVID-19 pandemic, the Fund takes an early lead to providing comprehensive 100% COVID-19 cover including, testing, medication, hospitalisation Care@Home and other interventions to assist members throughout the COVID-19 pandemic.



WHATSAPP BUSINESS APP

This self help chat based solution is introduced to enable access to information online. Members have 24hr access to services.

VACCINATION SITE

Pula Medical Aid Fund sets up the biggest COVID-19 vaccination site to assist Government's vaccination efforts. The site is free to all members of the public.

REBRANDING



The Fund embarks on a rebranding exercise aimed at repositioning the Fund in the 4th Industrial Revolution.



ENHANCEMENT OF BENEFITS -

Pula Medical Aid Fund reviews its Deluxe benefit and enhances the cover from P800,000 to P1.2 million per annum.

Introduction of Galaxy, Flexi (out-patient) and Executive options to meet emerging needs of members.

ABOUT PULAMED

Pulamed was registered as Pula Medical Aid Fund Trust in terms of Notarial Deed of Trust: MA 22/91 and was subsequently re-registered under the Trust Property Control Act (2018) bearing Trust No: **TUHGB-000071-20**. It is a not-for-profit open medical aid fund regulated by the Non-Bank Financial Institutions Regulatory Authority (NBFIRA). Pulamed is an open medical aid and any member of the public can join our medical aid subject to the Fund Rules.

Pulamed's objective is to assist its members defray healthcare costs, whilst the purpose of the Fund is to provide ease of access to affordable, equitable and high-quality healthcare to our members through innovative means. Pulamed belongs to its members and a Board of Trustees oversees its activities. The Fund outsources its administration, managed care, and health risk management to specialised independent service providers.

As at 30th June 2022, Pulamed had 22,259 principal members. Our value proposition to our members is access to affordable quality healthcare as espoused in our key strategic priorities of smart product offerings through digital transformation, benefit

enhancements, re-thinking the Fund's service delivery method, and improving member and customer relationship management. The Fund derives its income from member contributions and returns on investments. In setting member contributions, the Fund tries to ensure that there is sufficient contributions income to pay all claims with a little surplus to add to reserves to cushion future unexpected cost increases as a significant portion of the Fund's income is used to fund members' claims - this became evident during the COVID-19 pandemic. The remainder of the income is used to fund administration, health risk management and managed care costs.



Dr. Khumoetsile Mapitse

HEAD OF FINANCE & ADMINISTRATION

Ms. Maitumelo M. Mphoeng

CORPORATE SECRETARY

Ms. Nomsa L. Otsogile

Mr. Oteng Sebonego

Mr. Geoffrey Mahlaka

Mr. Anthony Masunga

Ms. Leawetsa Meyer

Ms. Kushatha Moswela

Mr. Ranjith Priyalal De Silva

Ms. Naiko Ralebala

Mr. Ishmael Dipholo

OUR CORE PURPOSE & VISION

The Fund is currently on a new 5-year strategy which commenced in July 2021. The new strategy seeks to derive more member value through the introduction of smart products, wellness and preventative care, improve member value proposition and customer care through digital transformation. Healthcare costs continue to rise at unsustainable levels and the Fund will employ strategies to mitigate these rising costs through health risk management and other strategies aimed at curbing fraud, waste and abuse (FWA).



CORE PURPOSE

Enabling access to healthier living.



VISION

To be your premiere health and wellbeing partner.



INTEGRITY

To promote and uphold ethical practice.

INNOVATION

To continuously look for ways to improve.

TRANSPARENCY

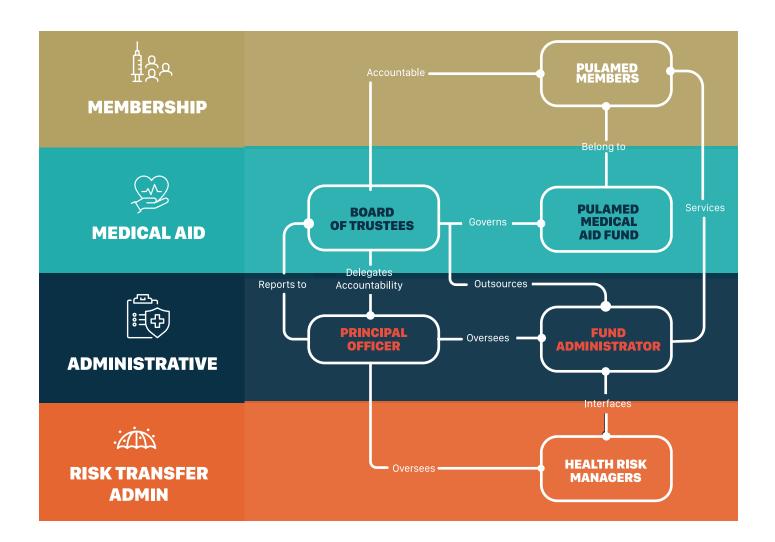
To conduct our business in an open and honest way.

AGILITY

To move better and quicker.

COMPASSION

To have a deep connection with our members and to have staff with a strong desire to help them.



OUR PRODUCTS

Pulamed currently offers the following benefit options. Members are liable for 10% co-payment for out of hospital benefits whilst the Fund pays VAT on behalf of Members and their dependents*. The Fund has, in the post reporting period, removed the 10% co-payment for chronic medications for all members registered in the Fund's chronic programme.

Executive	The Executive Benefit Option provides a comprehensive cover of P2Million per family per annum.		
Deluxe	The Deluxe Benefit Option provides a comprehensive cover of P1.2Million per family per annum.		
Galaxy The Galaxy Benefit Option provides a total of P100,000 per family per annum.			
Standard	The Standard Benefit Option offers a total of P40,000 per family per annum.		
Flexi	This Option offers a total of P60,000 flexible out-patient benefits per family per annum. This option does not have in-hospital benefits.		

^{*} THIS REQUIREMENT WAS WAIVED FOR THE COVID-19 BENEFIT AS EXPLAINED IN THE PRINCIPAL OFFICER'S STATEMENT.

PULAMED STAKEHOLDERS

Pulamed has a range of stakeholders who have an interest in the Fund and may be impacted by the services we provide and the way we operate.

By engaging constructively with our stakeholders we can create lasting value together. To this end, the Board of Trustees found it fit to establish the Stakeholder and Business Development department, which was fully capacitated during the period under review. The department is led by Mr. Kemmonye Phaladi who oversees stakeholder engagements and liaison.

STAKEHOLDER EXPECTATIONS, NEEDS & CONCERNS Pulamed is committed to providing Members MEMBERS & Members need consistent, convenient, **EMPLOYER GROUPS** accessible, premiere healthcare services and with relevant & competitive benefits through for the Fund to be there when they need it the innovative means. Several engagements were carried out during the period under review most. They expect reliability in terms of having their claims paid. Value for money benefit and the immediate post reporting period. options and services are essential to Members and they expect benefits and solutions that

Pulamed engages with its members and employer groups at each service point through a range of platforms, such as the Fund's Contact Centre, the member service point at AFA, social media, digital and self-service channels (the Fund website and Whatsapp line). Customer satisfaction surveys and brand audits are conducted regularly to establish member concerns and how they view the Fund as well as providing valuable industry insights.

address their needs (relevance).

The rebranding exercise that gave birth to the name "Pulamed" was the Fund's response to our members' concerns on the outdated look and feel as well as service inefficiencies they were experiencing. We listened and responded by improving service efficiency and continue aligning those services with our members' needs – one such improvement being the Pulamed designated service point within AFA premises, branded and furnished to depict the brand's premiere look. The new setup at the Administrators' offices is expected to improve service delivery as a one-touch service centre for members. Pulamed works continuously to make members' experience with the Fund simpler and more convenient.

During the period under review and immediate post reporting period, the Fund held member engagement sessions at strategic locations which our members could easily access and converge at. The roadshow started in Letlhakane followed by Palapye, Gaborone and Jwaneng. The sessions were also streamed live, allowing members who could not attend in person to join and participate virtually from their various locations.

These interactions proved worthwhile as a way of getting feedback on Pulamed products, services and processes. Members were at liberty to highlight areas of improvement for the Fund – the Fund is eternally grateful for the feedback. The interactions provided an opportunity for the Principal Officer to get first-hand information on service delivery issues impacting members, thus making it easier for the Fund Office to track improvement on the concerns raised.

The Fund has been at the forefront of supporting initiatives aimed at encouraging members to adopt healthier lifestyles such as exercising, eating healthy and undergoing tests and screenings for non-communicable diseases and other common conditions such as breast and prostate cancers. This is aligned to Pulamed's emphasis on preventative care over curative care. During the period under review, the Fund has supported wellness days of employer group entities such as Botswana Power Corporation, Ba Isago, Morupule Coal Mine, AECI Mining Explosives, Diamond Trading Company Botswana, MVA Fund, Botswana National Productivity Centre, amongst others. The Fund continues to support employer groups with their wellness programmes and we have seen an increase in these engagements over the past four (4) years.

The Fund, through the Stakeholder & Business Development department and the Administrators, has conducted visits and consultations at employer groups worksites with a view of engaging more with members. Whenever these engagements happen, the Fund's objectives are anchored on member education, updates on benefits, member KYC submission, on site profile amendments, queries resolutions, cards replacements, etc.

EMPLOYEES

Fund employees expect the Fund to provide job security, flexibility and appropriate reward and recognition. They want to be aligned to the Fund's values. Employees also expect development and future growth opportunities.

The Fund ensures that there is a training plan in place for its employees towards the achievement of the Fund's strategic objectives. Some of the Fund's programmes are rolled out to the Administrator's employees to ensure that Members receive quality services.

The Fund engages with employees through a range of formal and informal platforms. The primary focus of employee engagement during 2021 was ensuring employees (including those employed by the Administrator to service Pulamed members) were adequately equipped to work from home. The Fund monitored the impact of remote working on cultural alignment, employee engagement and performance management. Following the Fund's rebranding exercise and full capacitation of the Fund Office, the Fund will carry out a culture risk assessment survey to ensure that employees find the Pulamed work culture conducive.

SERVICE PROVIDERS

Service Providers who serve the Fund's membership expect fair, on-time payments and to be treated like partners. They expect fairness, transparency and equitable treatment.

The Fund continues to engage with different service provider groups on fair tariff adjustments and is committed to ensuring that they are paid timeously through weekly payment runs.

The Fund regularly engages service providers to hear out their concerns as well as ensure there is education on the Fund's products and services as they remain our members' first point of contact, hence they need to understand how the Fund is structured and what its products entail. Healthcare service providers are among our most important stakeholders. We continue to engage with health professionals and their professional societies to ensure their participation in decisions that optimise outcomes for all parties - the members, the healthcare providers and the Fund. During the period under review and immediately post review, Pulamed hosted a series of service providers engagement seminars in Maun, Letlhakane, Palapye, Gaborone and Jwaneng - the purpose of which was primarily to consult and get feedback on how service providers were serviced. The fora provided a platform of dialogue and exchange of ideas for the greater benefit of Pulamed members.

For all services required by the Fund, Pulamed applies a transparent tendering process and assesses tenders on multiple aspects. The Fund deliberately engages youth and citizen-owned suppliers/service providers in line with citizen economic empowerment drive

REGULATORS

The Fund is expected to keep up with trends and protect the integrity of the medical aid industry. The Fund's Regulators require good corporate governance and proactive adherence to regulatory requirements.

Pulamed complies with all laws and regulations governing it and engages in consultations with regulators (particularly NBFIRA) when solutions to regulatory issues are sought or new legislation is considered.

During the period under review, the Fund focused on its compliance with Anti-Money Laundering/ Combating the Financing of Terrorism (AML/CFT) and KYC regulations. The Fund, as part of the Health Funders Association of Botswana (HFAB), attended Regulatory consultative talks on the long-awaited Medical Aid Funds Bill with NBFIRA and the Ministry of Finance & Economic Development. The Medical Aid Funds Bill seeks to provide for the regulation of medical aid funds for the purpose of ensuring protection of members of medical aid funds, enhancing the soundness of medical aid funds and matters incidental thereto.

MEDIA

The media expects transparency and quick turnaround times to questions about the Fund.

The media is engaged through feedback and networking forums whenever required and the Fund generally responds to media enquiries in a timely manner as and when they arise.

During the period under review, the Fund worked with different media houses to deliver the rebranded Pulamed to its members and stakeholders.

COMMUNITIES

Communities want to share in Fund's surplus through corporate social investment initiatives.

The Fund is working towards its corporate social investment policy which will be part of the rebranding.

The Fund's community support and empowerment is conducted through the Stakeholder & Business Development department which considers and makes recommendation for the Fund's CSI funding. During FY2021/2022, the Fund was involved in the following CSI projects:

1. COVID-19 VACCINATION SITE (Oct 2021 – Mar 2022)

COVID-19 continued to dominate during this reporting period. It was during this period that the Government of Botswana rolled out and intensified vaccination of the population against COVID-19. In furtherance of its social investment, the Fund undertook to setup and operate a private vaccination site in partnership with the Grand Palm Hotel Casino Resorts. The Pulamed vaccination site, which was the largest site in the country, was opened in Gaborone from October 2021 to March 2022. The site provided services to the general public, including non Pulamed members, for free. This initiative was highly praised by both the public and Government as it contributed immensely to Government's efforts in vaccinating more people against the pandemic, and thus reaching the targeted herd immunity.

2. PHARMACEUTICALS SOCIETY OF BOTSWANA (PSB) (Mar 2022)

Pulamed supported the 2022 annual conference of the Pharmaceuticals Society of Botswana held in Francistown. The Fund sponsored merchandise (T-shirts and lanyards) and gave out a cash donation to aid the Society in carrying out its program. The Principal Officer of the Fund graced and delivered a speech at the event.

3. ORAPA, LETLHAKANE AND DAMTSHAA MINES (OLDM) GENERAL MANAGER'S CHARITY WALK (Aug 2022)

Post the reporting period, as COVID-19 restrictions were eased, the Fund sponsored and actively participated at the OLDM General Manager's Annual Charity Walk in Orapa. The annual walk attracts many participants and sponsors, and the 2022 edition was a resounding success with over 10,000 participants at the event. The proceeds so raised at the event went towards the social upliftment of disadvantaged communities in the Boteti area, ethos that are aligned to the Pulamed values.

4. PEERMONT GLOBAL BOTSWANA (PGB) GOLF DAY (Sep 2022)

Some members of staff took time off to play golf and network at the PGB golf day. Pulamed also made a cash sponsorship to the event as the proceeds of the event were to go towards a charity identified by PGB through their CSI program. PGB was a partner to Pulamed in the vaccination site project, hence it was befitting to join them in their CSI golf project.

5. KHOEMACAU COPPER MINING (KCM) GM'S LAKE NGAMI CYCLE CLASSIC (Oct 2022)

Pulamed continues to partner and support its stakeholders in endeavours geared towards improving the welfare of members and contributing towards the upliftment of members of the community. The Fund heeded the call by KCM for cash sponsorship and participation at a cycling and mini marathon event organized by KCM in Toteng. Pulamed supported the initiative as the proceeds from the event were used to improve social amenities within the region KCM operates. Pulamed staff members, amongst them the Principal Officer, participated in the race alongside the guest rider The First Lady of the Republic of Botswana, Mrs. Neo Jane Masisi.

6. THE TIME ADVENTURE CHALLENGE (Oct 2022)

The Pulamed team had an exhilarating Sunday Funday at the annual Time Adventure Challenge – a trail running and mountain biking marathon challenge. The team comprising of the Principal Officer, members of the staff from the Fund Office and employees from AFA, participated at the event. We are excited to have joined Time Projects by participating for a good cause and promoting an active culture in within our community.

GOVERNMENT	Government wants every resident and citizen to be included within the healthcare system.	Pulamed does not exclude anyone from becoming a member of the Fund. The Fund engages with Government on policy development and is willing to form public private partnerships with Government on areas of healthcare.
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ASSOCIATED FUND ADMINISTRATORS BOTSWANA (AFA)

independent is an administrator and managed care provider for medical aid schemes in Botswana. AFA provides scheme administration and Managed Care services to the Fund and their performance is monitored through a Service Level Agreement. There are regular monthly operational meetings between AFA and the Fund office and quarterly meetings with the Board of Trustees and its sub-Committees. AFA provides the Fund with a Pharmaceutical Benefit Management (PBM) service where they negotiate better tariffs for medicines to attain the Fund's aim of managing long-term affordability of contributions for our members in the face of high healthcare inflation.



ASSET MANAGERS AND INVESTMENT **CONSULTANTS**

Botswana Fund Insurance Management (BIFM) is the Fund's asset manager and AlexForbes Consulting has been appointed the Fund's investment consultant following a tender process. The Board of Trustees approved an Investment Strategy that optimises the return on investments and targets a real return of CPI + 3%. The revised investment portfolio appropriately diversified, in line with the Pulamed Investment Policy Document whilst ensuring that there is sufficient liquidity within the asset allocation to meet claims and other liabilities as they fall due. While it has been a challenging period for the local and global markets, the Board of Trustees believes that in the long term, the revised strategy will achieve the desired results.



ACTUARIAL SERVICES

Insight Actuaries and Consultants are engaged to provide actuarial services to the Fund. actuaries interact with the Administrator and the Fund Office on an on-going basis and attend all scheduled quarterly Board meetings. Since the onset of the pandemic, actuaries have been instrumental in providing modelling and insight on the pandemic to allow for the Fund to better plan and improve its benefit offering.







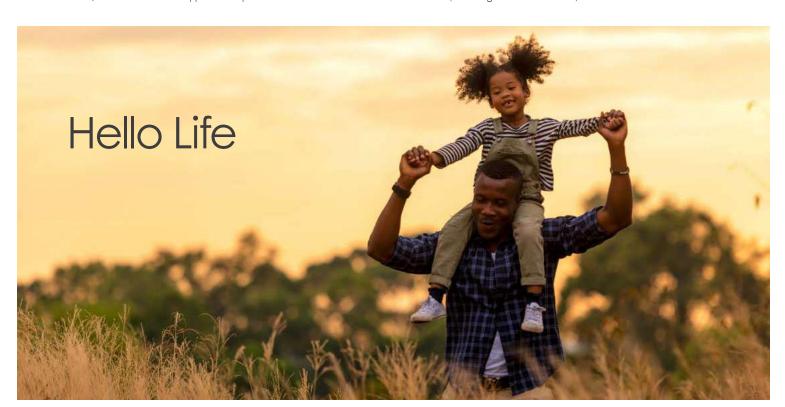
HEALTH RISK MANAGERS

In certain specialised clinical disciplines, the Fund and the Administrator may not have the necessary skills to adjudicate claims and monitor potential fraud, waste and abuse to the extent that specialised health risk managers are able to adjudicate such claims. In such instances the Fund opts to transfer the risk to such independent organisations with a view to protect the scheme's funds. The following health risk managers were appointed by the Fund to provide various specialised health risk management services:

- **Verimed Health Group** provides radiology and pathology benefit management.
- **Emergency Assist 991** provides emergency medical services.
- SHS Botswana provides dental risk management.

AUDIT SERVICES

During the period under review, Deloitte & Touche were the Fund's external auditors, having been duly appointed at the 2021 AGM. During the period under review, Grant Thornton was appointed to provide internal audit services to test the Fund's (including the Administrator's) internal controls.





International Student Plan

#HelloLife #HealthInSouthAfrica

The International Student Plan affords Pulamed members studying in South Africa the luxury of comprehensive health care.

Terms & conditions apply



INVESTMENT STRATEGY

One of the duties of the Board of Trustees is to invest the Fund's assets in a responsible and prudent manner. Pursuant to this objective, Pulamed has an Investment Policy Document (IPD) in place. The mandate of the IPD is to:

- Provide returns on investments that will yield at least CPI+3% over a three-year rolling cycle.
- Position the Fund's investments to achieve incremental cash contribution for the Fund.
- Anchor the solvency of the Fund by increasingly contributing to Fund reserves.

The Fund's financial assets at fair value as at the year ended 30th June 2022 compared to the prior year are tabulated below:

DESCRIPTION	FAIR VALUE HOLDINGS AS AT JUNE 2022 (BWP)	FAIR VALUE HOLDINGS AS AT JUNE 2021 (BWP)
Money Market and Term Deposits	74,072,169	69,413,697
Domestic Bonds	17,751,876	15,046,695
Domestic Listed Equities	65,108,006	49,767,233
TOTAL OF PUMEDF ASSETS	156,932,051	134,227,625

The period under review was a challenging year for the investment market, however, BIFM continued to perform better than the benchmark despite not realising the targeted returns of CPI +3% due to subdued markets. The total interest on investments for the year stood at P3.2M compared to P7.81M the previous year. The fair value gains on financial assets at fair value through profit or loss is P5.58M compared to a loss of P4.80M the prior year.

SUMMARY OF FINANCIAL PERFORMANCE

The table below summarises Pulamed's key financial indicators for FY2021/2022

Pulamed's Key Financial Indicators 2021/22 compared with 2020/21

	2021/2022 (BWP)	2020/2021 (BWP)	Change
Risk Contribution Income	411,368,823	379,554,986	8.38%
Incurred Claims & other benefits	409,487,034	308,648,425	32.67%
Administrative Expenses	55,498,029	40,602,275	36.69%
Net Surplus	(45,430,907)	34,810,015	(230.51%)
Solvency	34.95%	49.57%	(29.49%)
Net Asset Value	143,402,533	188,833,442	(24.06%)

INCOME/ REVENUE

The increase in contribution income was largely driven by premium adjustments and the 7.8% increase in membership attained during the financial year. The favourable demographics of new members also had a positive effect on contributions and claims costs.

CLAIMS COST

Member contributions are used to pay for services received by members. The claims ratio at the end of the year was 97.5%, an increase from 79% the prior year.

The risk of claims cost for the Fund arises from the risk relating to healthcare provider costs, and this risk relates to the health of Pulamed members. The Fund manages claims cost risk through benefit limits and sub-limits, and approval procedures for benefit transactions that involve:

- · Pricing guidelines
- · Pre-authorisation
- · Case management
- The monitoring of emerging clinical and claim risks
- · Analysis and profiling of clinical service providers
- · Monitoring fraud, waste and abuse.

ADMINISTRATIVE EXPENSES

Administrative expenses are those expenses that support the management of the Fund, enabling beneficiaries to receive high quality healthcare services while ensuring long-term sustainability. Non-Health Care Costs (NHCC) closed the year at P55.5M which is 13.5% of general contribution income compared to 10.7% in the prior year. The NHCC are dependent on the size of the membership.

CHALLENGES

COVID-19

The COVID-19 pandemic was the single biggest challenge the Fund had to face during the year. At the beginning of the pandemic in March 2020, the Fund made an undertaking to support its members through what was expected to be a very difficult period. The Fund carried through the promise into the period under review, with a COVID-19 Care benefit which provided unlimited cover for COVID-19 related health needs including hospitalisation, diagnostics, pathology and medications across all benefit options. The Care@Home benefit was added to facilitate COVID-19 care at home when the health facilities became overwhelmed. The Fund was at it again, providing the largest vaccination site in partnership with The Grand Palm Hotel Casino Convention Resort. The vaccination site was open to the general public and was a resounding success. The national vaccination program resulted in lower prevalence of COVID-19 and reduction in morbidity. The same was experienced within the Fund, with long periods of zero hospitalisations, therefore the Fund discontinued the benefit as a standalone benefit with unlimited cover, but absorbed it into the existing benefit options in line with those particular benefit options. The Fund continues to cover COVID-19 in line with the Rules and benefit options.

FRAUD, WASTE & ABUSE

Pulamed employs health risk managers to mitigate Fraud, Waste and Abuse (FWA) and ensure that payment of claims to Service Providers are for legitimate claims and that payments are in accordance with the Rules of the Fund while ensuring that service providers follow best practice clinical protocols. The Fund administrator, AFA, monitors, scrutinises and actively profiles service provider claims activity and patterns to identify areas suggestive of FWA. Any errant service providers are cautioned, suspended or even terminated from servicing the Fund. The Fund, through the Healthcare Funders Association of Botswana (HFAB), also participates in the Health Forensic Management Unit (HFMU) of the Board of Health Funders of Southern Africa (BHF). The outcome of this engagement will be minimised FWA throughout the healthcare funding industry. The benefits derived from addressing FWA as an industry, especially as the HFAB:

- ï Cost-effectiveness: the costs of analytics and verification of claims relating to addressing FWA between HFAB medical aid schemes will be shared;
- ï Uniformed approach: Allow for a uniformed approach towards dealing with FWA;
- i Effectiveness: Deal more effectively with perpetrators of FWA across the medical scheme industry and avoid them moving from one scheme to another with the same habits; and
- i Quality Assurances: Overseeing the quality of the various processes involved in dealing with FWA from a central point to ensure its implementation across the spectrum to protect the reputation of the medical aid industry.

The Fund has experienced very high claims during the period under review. It is important that the Fund reduces FWA within the claims as much as possible. The Board of Trustees would like to remind members to be prudent with their medical aid benefits and ensure that all invoices are checked for services actually provided before signing them off. The Fund will be engaging in member education forums, creating awareness among members on the prudent use of benefits, avoiding overuse and wastage, and ensuring sustainability of their Fund.

Pulamed operates on the principle of social solidarity, where resources are pooled together for the common good of making quality private healthcare accessible to all of us. It is therefore important to selflessly guard and protect our medical aid against anything that

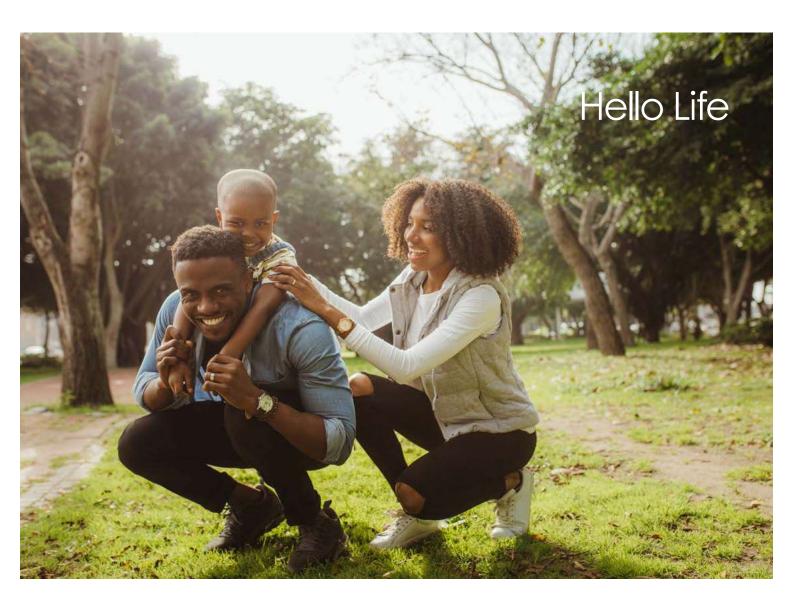
will adversely affect it. We implore all our members to educate themselves on their chosen benefit options & associated conditions, to interrogate the value they are getting from services rendered by service providers, to question anything that is not clear and to report to the Fund any and all suspicious activities. The Fund reserves its right to terminate any member who has committed or enabled fraudulent activities. Any suspected fraud can be reported at +267 365 0500 or fraudtips@afa.co.bw.

NON-COMMUNICABLE DISEASES

The focus on this past period has been on the COVID-19 pandemic, a communicable disease which caused considerable harm. Non-communicable diseases, however, kept rising while the focus was elsewhere. We advise our Members to adopt healthy lifestyles by exercising regularly and lead healthier and fulfilling lives. The Fund's Wellness programme is expected to roll-out during the FY2022/2023, initially through a Lifestyle App, to mitigate the increasing burden of non-communicable diseases on both the Fund and its Members, through communicating healthy lifestyles. The Fund encourages Members who are taking chronic medications to register on the chronic diseases programme to ensure better management of their benefits and their health whilst also benefitting from the no-copayment on chronic meditations. The scrapping of the copayment will go a long way in ensuring that members have access to their medications at all times.

OUTLOOK

The COVID-19 experience is behind us, with a lot of lessons learnt. This was quickly followed by the global economic downturn which emanated from the Ukraine/Russia conflict. This has led to a runaway inflation, disruptions in the medicine supply chain, loss of jobs and increasing unemployment rates. This paints a gloomy picture, however, the Fund is resilientit has put measures in place to address the high claims and is moving forward with implementing its strategic priorities for the current strategy period. The Fund is cognisant of the delicate balance required to ensure affordability by its members and the requirements of healthcare service providers and other third party providers and will ensure that overall, this ecosystem is sustainable. The strategies put in place, enabled by the solvency of the Fund should give members sufficient assurance that their Fund is in good health.



NEWLY ADDED BENEFITS

Travel Insurance

Up To P25 Million International Travel Cover

Pulamed introduces the new revised and enhanced International Travel Insurance; Silver and Gold Cover.

The Silver Package for up to 92 days per travel worth P 1 Million for Lesotho, South Africa, Namibia & Eswatini.

The Gold Package for up to 92 days' worth P25 Million for the rest of the world.



Repatriation of remains and coffin costs of up to P10 000

If you or your covered dependents pass on whilst on travel, the insurer will provide transportation costs to the country of origin and coffin costs up to P10 000



Up to P25 million emergency medical & related costs



P500 000 Kidnapping & Wrongful DetentionIf you

find yourself in the wrong side of the law or you are kidnapped with the intention to seek ransom or extortion



P20 000 Hijack

The cover provides for hijack when travelling outside the Country



The benefit includes cover of theft and damage to personal property caused by third party



Up to P300 000 death and disability cover

The cover includes cover for disability and death for you or dependants when travelling outside the country



The cover provides for the safe return of accompanying children and travel companion back to the country of origin

and travel companion



Up to P7500 for missed flight connection

The cover will also provide Up to P1000 for flight delays

92

Up to 92 consecutive days outside Botswana



VISA application letters. Apply for travel insurance online at www.pulamed.co.bw Travel insurance number at the back of your card +44 1273 7745 69

Available to members on the Executive and Deluxe Options. Policy Wording available at www.pulamed.co.bw

T&C apply, subject to Policy Wording Document. Cover is underwritten by Botswana Insurance Company and AIG Travel.







Dear valued member,

In our quest to keep our promises to you, Pulamed has made great strides in the last year and equally encountered unprecedented challenges, both internal and external. Notwithstanding, the outturn of the financial years' performance, I am pleased that the Fund remains robust and well poised to face and adapt to the challenges of the future.

In all we do and have done, as the Board and Management in enhancing the value proposition of Pulamed, we have remained steadfastly focused on strategy and governance as well as on our core mandate of defraying the cost of access to quality healthcare services for you while managing external pressures and maintaining strong solvency.

Accordingly, our strategy and commitment to being there for our members, has guided our responses to internal and external headwinds.

Financial Performance

The year under review was extremely challenging for the Fund as it witnessed a 33% increase in healthcare costs because of COVID-19 related claims, along with post-COVID-19 deferred medical treatments, culminating in an unprecedented operating deficit of P45 million.

While this represents a significant (and certainly the worst) one-year financial performance for the Fund, it must be viewed in the context of the strong solvency position of the Fund that enabled the Board a high degree of tolerance and expansibility to deliver bold and unprecedented interventions to support you and your loved ones, whom we cherish. We mourn those that passed away, and those that continue to endure significant challenges because of the pandemic. Gomotsegang Betsho.

Membership growth

Despite the challenging operating environment, Pulamed managed to register a year-on-year membership growth of 7.8%. The strategic decision to

insource the marketing function of the Fund has begun to yield desired improvement in public knowledge and awareness of Pulamed and its value proposition. The growth in membership is a vote of confidence by the public on the continuous benefit enhancements and value proposition that Pulamed offers. The grwoth in the membership is a vote of confidence by the public on the continuous benefit enhancements and value propositions that Pulamed offers.

Supporting you through the pandemic



During this period, we continued to avail COVID-19 cover for all our members regardless of benefit option. This we believe, has been our most significant support intervention in response to the pandemic. As you will recall, the Fund undertook several other interventions at the peak of the crisis including, but not limited to provision of oxygen concentrators and pulse oximeters, and home-based support. Additionally, the Fund established a vaccination facility at the Grand Palm Hotel Convetion Casion & Resort. This facility provided vaccine access to both Pulamed members and

beneficiaries, as well as the public at large.

Advancing Our Strategic Objectives



As I indicated, significant claims related financial outlays did not detract from our strategic intent as we embarked upon the Fund's rebranding that was rolled out during the financial year, despite the multitude of external pressures. Other initiatives that were part of the rollout package include significant digitalisation of the Fund's access platforms and an expanded wellness programme. These enhancements to the Fund and value proposition for you, will continue into the following year and be communicated accordingly to all members and stakeholders.

Ultimately, it is our hope, that the rebrand to "Pulamed" begins to resonate more fully with you, and serve to re-energise the values for which we exist and our future direction.

Regulation & Compliance



Pulamed remains committed to the highest standards of corporate governance as espoused in the King Code of Ethics (King IV). In addition, I am pleased to report that your Fund remains compliant with the regulatory and oversight requirements of the Non-Bank Regulatory Institutions Financial Authority ("NBFIRA"); Botswana Accountancy Oversight Authority ("BAOA") and the Financial Intelligence Authority ("FIA").

The long outstanding medical aid funds regulations may well be in place in 2023 following the drafting of the Medical Aid Funds Bill which has been discussed extensively with the Health Funders Association of Botswana (HFAB), of which Pulamed is a member. The draft Bill seeks to ensure that medical aid funds adopt best practice and are more accountable to members. Pulamed adopts best practice standards both in administration and governance and therefore the Bill will not significantly affect Pulamed in this respect. However, the Bill is likely to

require the Fund to be registered as a society under the Societies Act – a change that will see the Fund migrating from being a Trust registered under the Trust Property Act. The Medical Aid Funds Bill and the Regulations thereon are a long-awaited regulatory development that the Fund anticipates with a lot of eagerness.

Governance



To maintain high standards of governance, the Board undertook an independent evaluation in 2021. I am pleased to report that the performance of the Board and its Committees was of a very high standard demonstrated competence. experience and commitment of the Trustees to serve the Fund. It is envisaged that Board evaluations will be carried out on two-year cycles to ensure consistent high performance, requisite skills as well as ongoing identification of development gaps. Resulting from these, continuing monitoring and implementation of recommendations made by independent consultants will be maintained.

Leadership & Succession



It is with great pride, and sense of loss that the financial year 2023 will mark the end of my tenure with Pulamed. That said, I equally leave with a deep sense of privilege and humility that you have granted me the honour to lead your Fund as its chairman since 2016 and as its vice chairman, over the period 2011 to 2015. Accordingly, this letter, serves as my last AGM report to members.

Further to note in this regard, will be the simultaneous departure of my fellow colleagues, Dr. Bakani Thipe and Mr. Oteng Sebonego, that have equally served the Fund with dedication, and a high degree of commitment for 12 year, as well as Mr Geoffrey Mahlaka who shared his dedication with the Fund for 10 years. In this regard, we will collectively pass on the baton to new leadership. Please join me in thanking them and wishing them well in the next chapter of their journey.

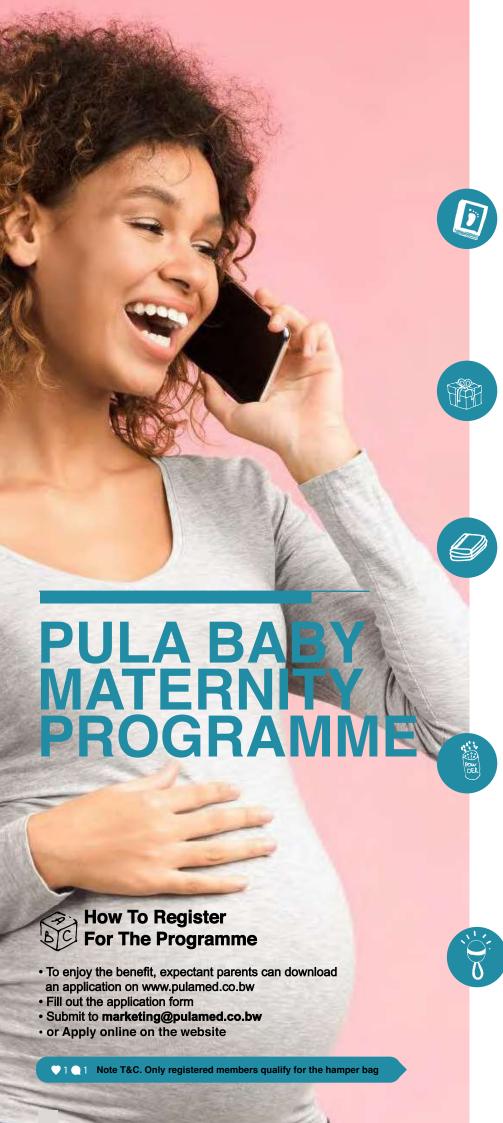
We have collectively been part of the navigation journey of Pulamed from technical insolvency in 2011; turnaround and transformation (2011-2015); growth (2016-2021) and have since, laid the platform for a strong competitive realignment positioning for Pulamed into the future.

To this end, and in line with the Board succession plan, a recruitment process for new Trustees has commenced and recommendations for appointment and ratification will be made to you at the 2023 AGM. Salang sentle!

On behalf of the Board of Trustees, I would like to thank all our stakeholders for their continued support and our efforts to improve service to our members. I further take this opportunity to thank the management team and the staff of Pulamed for their dedication and hard work.

I would also like to extend my gratitude to my fellow Trustees for their dedication, energy, and professional commitment during the past year, in providing the much-needed guidance and strategic leadership to the Fund. To you, Pulamed members, I thank you for your loyal support and the continued confidence you continue to show in our stewardship of your Fund.

Maleho Mothibatsela Chairman of the Board of Trustees



At Pulamed, we understand that being pregnant is a very important time in a woman's life and that having a baby is a life changing experience, and can be rather overwhelming to the family. This is why we have PulaBaby, a tailored maternity care programme that offers the best care to you and your partner throughout the stages of pregnancy. We walk this most exciting period with you by offering;

Advice And Educational Material

Throughout the various stages of pregnancy, we provide you with a learning opportunity so that you and your partner are prepared to participate in your own medical care and even make informed choices relating to delivery, mother and baby's health. We give both the expectant mother and father advice and educational materials.

Hamper Bag

What is pregnancy without goodies or a smile on your face. During the last trimester of the pregnancy our expectant members receive a hamper bag with goodies and educational materials on the mother and the baby's health as well as a guide to the father.

Early Identification Of High Risk Pregnancy

Not all pregnancies are the same; some are healthy while others can be a bit risky where you and the baby have an increased chance of health complications. At Pulamed we are committed to helping you deliver that bundle of joy safely and healthy, our programme is geared towards early identification of high risk pregnancy for referral to the relevant service provider.

Email Service To Expectant Father

Pregnancy is a transformational process for a man as such we do not leave our expectant fathers behind. We ensure that as a father you are fully involved from the first trimester to the last by providing you with an email service on what to expect when expecting to assist you to better understand the demands of expecting and be better placed to guide your partner.

On-going Telephone Advice And Support

Our advice and tips do not end with the first trimester of our members' pregnancy. During the second and third trimester we also provide on-going advice and support through the telephone. This allows our members to seek timely clarification and or further information. The opportunity also gives the necessary contact required during pregnancy.

PRINCIPAL OFFICER'S STATEMENT

DR. KHUMOETSILE MAPITSE

PRINCIPAL OFFICER

The Principal Officer derives his responsibilities through delegation from the Board of Trustees, in which the Trustees delegate accountability for the day-to-day management of the Fund to the Principal Officer.

The Principal Officer is required to carry out decisions of the Board and bears ultimate responsibility for all management functions.

The strategic objective of fully capacitating the Fund Head Office was achieved with the appointment of the Head of Stakeholder & Business Development, Business Development Officer and the Marketing Executive during the period under review.

The Fund Head Office houses the Principal Officer, Executive Assistant, the Finance & Administration department, Stakeholder & Business Development Management and Legal & Compliance functions.



STRATEGY PERFORMANCE

The 2022-2026 Pulamed strategy period is anchored on Digital Transformation. The goal is to ensure that there is seamless transacting and optimal process efficiency within the Fund, while also enabling our members to have access to all important Fund information at their fingertips, using smart communication devices such as their smart mobile phones.

Kev to achieving this digital transformation is an exercise of business process mapping to identify areas where automation and elimination duplication can improve efficiencies, both on the part of the Fund and the Fund Administrator. To this end, the executive team spent much of the period under review working on business process mapping, a thorough and meticulous exercise that took the better part of the second half of the financial year and which has now been completed. Business process mapping provides the backbone of our digital transformation journey in terms of establishing a baseline and a trajectory going forward.

Full capacitation of the Pulamed Head Office was an item carried over from the previous strategic period and finalised during FY2021/2022 with the appointment of the Head of Stakeholder & Business Development, the Business Development Officer and the Marketing Executive. The Stakeholder & Business Development department has now been fully established. This brings the Fund Head Office capacitation to an end, and any further resourcing will be based on the needs on the ground, particularly as far as digitalisation requirements are concerned.

REBRANDING

One of the main deliverables of this current strategy period is a rebranded Pula Medical Aid Fund. The rebranding exercise was completed during the year, and a new brand, Pulamed, with a fresh, new logo, was launched in March 2022. This was the first time the brand had been refreshed since the Fund's inception in 1991. The new Pulamed tagline is "Hello life", and we believe the new logo and tagline will infuse new life into our brand and succinctly outline Pulamed's objectives for the future.

The new brand comes with improved and added benefits and with significant enhancements to the maternity, optical and PulaBaby benefits as well as recent upgrades to the chronic medications benefit.

We believe the rebranding exercise has been resounding success. profile-raising Comprehensive activities surrounding the launch ensured that our new brand is "out there", informing members about the changes and emphasising Pulamed's renewed commitment to service and customer satisfaction. The post-launch strategy is still ongoing, and the intention is to conduct a dipstick survey that will gauge members' awareness of the new brand and its accompanying benefit improvements and interrogate their product knowledge.

FUND ADMINISTRATION

A tender to identify and appoint a Fund Administrator was flighted in the previous financial year, and the current administrators, Associated Fund Administrators (AFA), were reappointed by the Board of Trustees to serve as the Fund's administrators following a successful tender bid. Contract negotiations with the administrator are ongoing to ensure that we bring our members Innovation in line with the Fund's Digitalisation Strategy.

A significant change required by the Fund during tender was that the Administrator should provide Pulamed members with a customised Pulamed look, feel and experience. To this end, the Administrator found it befitting to relocate from Fairgrounds to Main Mall with a view to creating a dedicated service area that will facilitate an improved service experience for Pulamed members. The layout of the Administrator's new space will allow our members to be welcomed to Pulamed from the point of entry and to experience customised and prioritised service.

The Fund's Digitalisation Strategy not only entails improving efficiencies with the Fund's processes, but more importantly, it will ensure that there is an enhanced customer experience for the members. We hope to reduce the need for our members to physically visit our offices as they will have uninterrupted access to all pertinent information on their mobile devices. The objective of the strategy is to make things easier and simpler for members to transact and for service providers to experience improved turnaround time for authorisations and payments.

Several digitalisation strategy projects are currently in progress. These include a lifestyle App with have wellness features that will allow members to input information and track their wellness. The lifestyle App will offer them advice on how to adapt their lifestyles for improved health and wellness outcomes.

Another important project that lies ahead is the introduction of the designated service provider (DSP) model. The Fund will seek a network of approved service providers that will offer services to Pulamed members. This is necessitated by the need for better outcomes and cost efficiencies in managing the Fund and is premised on the need for Fund sustainability. The DSP model will ensure that the Fund contracts with service providers to provide more reliable outcomes and provide cost efficiencies to both the Fund and members.

FINANCIAL PERFORMANCE

It has been a very difficult year for Pulamed. The Fund experienced a deficit of P45 Million, the largest deficit ever recorded. Although Management expected it to be a tough year as a result of the Fund's COVID-19 mitigation strategies such as the provision for testing & vaccinations as well as providing unlimited cover for all COVID-19 related claims, outcomes were significantly more severe than anticipated. The Fund waived all COVID-19 related co-payment requirements to ensure that there were no barriers to members accessing necessary care at a dire time of need. Unfortunately, this resulted in huge claims costs as the Fund recorded sharp increases in the number of members requiring hospitalisation. Other causal factors that led to increased claims were the resumption of elective medical procedures at the various healthcare facilities once COVID-19 restrictions were eased. Treatments that had been deferred due to COVID-19 restrictions were able to be completed and this led to significant increase in claims submissions.

The 8% increase in contributions during FY2021/2022 was overshadowed by a 33% increase in healthcare costs. This discrepancy was the primary driver of the P45M deficit for the year under review. Fortunately, our "rainy day fund", the sizeable surplus that had been accumulated in previous years, enabled the Fund to support members and honour submitted claims. The claims ratio during the period was 99% compared to 79% in the previous reporting period. This means that 99% of the contributions made by the members were paid out as claims.

The Fund continued to implement its health risk management strategy that is aimed at reducing instances of Fraud, Waste and Abuse (FWA). An excellent example of this strategy at work is the strides that have been made by SHSB Botswana, the Fund's dental risk management service provider. Dental claims that had previously resulted in double digit year-on-year increases in claims were, during the year under review, in line with the expected utilisation and mirrored international

standards. These positive outcomes give us greater impetus to take the necessary steps to ensure that we implement, thorough health risk management, protocols wherever there are signs of escalating claims.

To ensure regulatory compliance and minimise incidents of membership suspension or termination, we continue to request that our members submit their current KYC documents as required under the Financial Intelligence Act. As KYC is a statutory requirement, there will come a point when the Fund will have to take stern measures and actions to coerce compliance in order to ensure that members have uninterrupted access to benefits. Progress in the Fund's digitalisation process has made KYC document submission a lot cumbersome than it was in the past and as such, the Fund pleads with members to ensure that they are compliant. To this end to avoid service disruptions, members are urged to submit their documents to kycpula@afa.co.bw.

CUSTOMER

Pulamed completed two surveys over the reporting period. The first was a dipstick brand awareness survey that preceded the rebranding exercise. The results of that survey indicate that members are generally happy with the brand, the services that are being provided by the Fund and particularly, the Fund's response to the COVID-19 pandemic. An area of concern raised by some members during the survey was the lack of brand visibility and community impact by the Fund. This feedback was taken into consideration during the rebranding deliberations and we are of the view that the new logo, vision & purpose statements, the Fund's values and strategic priorities address these expectations. The newly capacitated Stakeholder & Business Development department has been mandated to respond to all the areas of concern garnered from members through these surveys.

The second survey conducted during the year under review was the annual customer satisfaction survey. We are pleased to announce that the 2022

satisfaction index was 83% and the loyalty index was 87%. These figures are a continuation of positive survey scoring from previous years and an indication that our members are generally happy. While we are appreciative of the positive endorsement, we are not resting on our laurels and assure you that we have taken note of aspects of our value delivery chain that require remedial actions.

Pulamed was the first Botswana medical aid to commit to 100% unlimited COVID-19 cover, inclusive of testing, diagnostics, consultations, and hospitalisation. In addition to these benefits, the Fund introduced the Care@Home programme that offered members support when hospitals became overwhelmed, partnering with Emergency Assist 991 to deliver this service. Members had access to oxygen concentrators and pulse oximeters to ensure that they received care that was as close to hospital level care as possible.

Furthermore, the Fund was at the forefront of the COVID-19 vaccination drive. In partnership with the Grand Palm Hotel & Resort, the Fund opened the largest vaccination site in the country with 10 vaccination booths. The vaccination site managed the inevitable high volumes by permitting people to pre-book their vaccination appointments via WhatsApp. This Pulamed initiative was one of many that illustrate the benefits of our digitalisation strategy and the improved wellness outcomes that are enabled by technology. The Fund received positive feedback from members and the public in relation to the level of professionalism and organisation exhibited at the vaccination site. The Fund closed the vaccination site in March 2022 when the uptake volumes waned.

MEMBERSHIP

The Fund registered a 7.8% growth in membership over the reporting period. This growth was above the industry mean and the insourcing of the marketing functions was a core catalyst for these positive results. The marketing team have a membership growth strategy that we believe will continue to yield industry-leading outcomes.

Pulamed has removed the 10% co-payment on chronic medications for all members and beneficiaries registered in the Fund's chronic disease program. This waiver is in line with the Fund's belief that treatment adherence will greatly improve the overall wellness of members and reduce the need for hospitalisation. The co-payment requirement was a barrier for many of our chronic care members and consequently chronic medications are now covered 100% by the Fund at agreed tariffs.

The Fund also improved the optometry benefit in the past year by increasing the limits and removing sub-limits, while limits for frames and lenses were also scrapped. These changes had the net effect of driving up the optometry claims by 90% during the financial year and the Fund is monitoring the situation to mitigate against any possible fraud, waste and abuse.

Pulamed has taken note of the concerning escalation in supplier driven demand. There has been a significant increase in the number of registered service providers in the last few years which has led to increased utilisation and consequent higher claims. In a bid to ensure long-term sustainability, the Fund is working on member education, benefit design, networks, amongst other things, as a proactive response to the changing environment. We are confident that members will appreciate adjustments to come in light of this and will derive maximum value from them. The proposed adjustments will be duly communicated to members.

RISK

The prevalence of Fraud, Waste and Abuse (FWA) is always a concern whenever there are disproportionately high claims in any funding industry. As a result, the Fund has put measures in place to try and curb FWA through the review of Fund Rules and appointing health risk managers in the various specialty care areas.

The Fund appreciates that it can never fully eliminate all incidences of FWA, however, the Pulamed management team remains ever vigilant and consistently monitors activities in the industry to identify any suspicious behaviour. We continue to engage with the Board of Healthcare Funders to assist us in

monitoring emergent negative trends in the region.

One of the monitoring measures to be put in place to curb FWA is the adoption of a single number Practice Code Numbering System (PCNS), which is a project the Health Funders Association of Botswana is working on alongside the Board of Healthcare Funders Southern Africa. The PCNS project will allow for all Botswana medical aid funds to register and allocate service providers one practice code. The envisaged change will allow for a one stop service centre for all service providers e.g., for KYC submission and monitoring of the claims. The project is expected to complete by mid 2023.

INVESTMENT

Pulamed continues to explore new opportunities to enhance its diversified investment strategy. Part of this strategic shift is the expansion of the investment portfolio to participate in both the domestic and international markets. Previously, the Fund invested solely in Botswana, and this did not yield the desired growth as the local stock market is relatively illiquid. While immediate benefits have not yet been realised, the strategic shift has been fully implemented and the Fund firmly believes that it is the correct decision for long-term growth. The international markets, as most are aware, have been turbulent due to the Ukraine/Russia conflict. However, the Fund and its newly appointed asset consultant, AlexForbes Consulting, are optimistic about the stabilisation of the international markets in the medium to long term. The appointment of AlexForbes came on the back of an open tender flighted in March of this year. Botswana Insurance Fund Management (BIFM) remain the Pulamed asset managers.

PRODUCT DEVELOPMENT

The maternity benefit was enhanced to meet the needs of service providers. The Fund additionally removed the 10% co-payment to ease the burden on members as they have many other expenses outside of medical expenses to contend with when welcoming a new member into their family. The Fund's PulaBaby product has been enhanced by providing virtual classes for expectant mothers and fathers, an improved maternity pillow gift, and ensuring that the new range of bags are more ergonomically sound for parents to carry baby essentials without compromising wellness. The Fund also hosts Mother's Day seminars conducted by expert consultants to allow our members to gain more insight and perspective on issues that affect expectant and new mothers on a day-to-day basis.

Pulamed continues to provide international travel insurance for members that are on the Executive and Deluxe packages. The international travel insurance cover was increased to up to P25 million. As the world continues to open up after the pandemic, our members can take comfort in the knowledge that Pulamed will be able to assist them with international medical and travel cover. Travel insurance is an add on benefit that was put in place to ensure that members who may fall ill during their travel are covered- the primary objective of the cover still being in line with the Fund's core mandate of defraying healthcare costs for members. Whilst the cover comes with other benefits, the Fund's primary objective must be borne in mind. To this end, members are allowed, at their own cost, to include additional areas they may wish to be covered for besides those provided in the Fund's availed covers.

Pulamed extended the premium waiver from six (6) to twelve (12) months. Premium waiver is another add-on benefit for the Fund's members that is activated in the unfortunate demise of a principal member. Dependents of such a principal member would continue to receive medical aid cover for 12 months after the passing of the principal member. This benefit assisted many families during the darkest days of COVID-19 when families lost their loved ones.

CSI

Whilst it has been a difficult year due to COVID-19, Pulamed managed to carry out some CSI initiatives. At the beginning of the financial year, we participated in a donation ride in partnership with KK Motshidisi Foundation. We went to the Okavango area to deliver masks and thermometers to clinics within that location. The Fund additionally sponsored cycling events and charity walks, women centred initiatives and assisted the less privileged.

APPRECIATION

As this will be the last AGM for the Chairman, Mr. Maleho Mothibatsela, and three other outgoing Trustees (Dr. Bakani Thipe, Mr. Geoffrey Mahlaka and Mr. Oteng Sebonego), all of whom have served the maximum number of terms, I would like to take this opportunity to thank them for their dedicated work for the Fund over the last 10-12 years. I also extend my thanks to the Board, the management team, and the staff for their sterling efforts through trying times.

Finally, I take this opportunity to express my heartfelt appreciation to you, the members, in whose interests we strive to continue taking Pulamed forward.



Principal officer



Premier Waiver Benefit

The Fund assisted 56 families by continuing to provide their medical aid cover when the principal member passed on during the financial year.



Principal Membership Growth

72020/21 Principal Members grew from 20,648 in FY2020/21 to 22,259 in FY2021/2022

22,259 FY2021/22

Dependents increased from 29,448 in FY2020/2021 to 31,496 in FY2021/2022



PulaBaby

of our expectant mothers registered on the PulaBaby program and benefited from all the goodies that come with it.

343 REGISTRATIONS AGAINST A TOTAL OF 356 BIRTHS.

Customer Satisfaction Survey 2022

83%

Customer Loyalty Satisfaction Index

Index

87% Loyalty Index



Travel Insurance

812

policies were issued out during the period under review

Funeral Benefit

136

claims were paid during the period under review



Claims Ratio FY2021/2022

The Fund continues to live up to its mandate and its promise to its members – to defray medical costs for members.

97.5%

FY2021/22

To this end, the Fund's claims ratio for FY2021/2022 was 97.5% an all time high compared to the last 5 years when claims ratio averaged 81%









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Compare MiningCompare Mining



PULAMED Member Engagement Letlhakane Maun Orapa



































« PULAMED Rebranding Launch















Pulamed and AFA Strategy Session







GOVERNANCE REPORT

Pulamed is dedicated to implementing effective structures, policies and practices that enhance corporate governance and create sustainable value for its members and stakeholders.

Rule 25.1 of the Fund Rules, the affairs of the Fund shall be managed according to the Fund Rules by a Board of Trustees consisting of a maximum of ten (10) and minimum of five (5) Trustees. The Fund adopted the King IVTM Code of Governance in 2019 and the composition of the Board of Trustees became six (6) independents and four (4) employer group representatives in line with the governance standard. The Board comprises of highly skilled professionals with diverse skills and experience to ensure robust oversight for the Fund. Our Trustees have expertise in areas of law, human resources, actuarial science, finance, investment, ICT and governance. All Trustees appointed to the Board are vetted by NBFIRA and should pass the fit and proper test before assuming office – all Pulamed Trustees have been found to be fit and proper.

As corporate governance custodians of a duly registered medical aid scheme under the laws of Botswana, the Board of Trustees of Pulamed has legal and regulatory obligations aimed at ensuring its effectiveness. The Non-Bank Financial Institutions Regulatory Authority (NBFIRA), the Trust Property Control Act, the Botswana Accountancy Oversight Authority (BAOA), the Financial Intelligence Act (FIA) and related guidelines such as the King IV Report on Corporate Governance all form part of a governance framework that guides the Board in the discharge of its duties.

Pulamed Board Trustees are as follows:

OUR TRUSTEES



MALEHO MOTHIBATSELA

CHAIRMAN

DATE OF FIRST APPOINTMENT: AUGUST 2011

* Additional 2-year term approved by the AGM in December 2020

Mr Mothibatsela has spent 24 years in the financial services sector, 23 years of which have been dedicated to institutional, retail, and private high net-worth investment management & corporate advisory, both locally and abroad. Maleho is currently executive director and Chief Investment Officer at BlackThread Capital, a company he co-founded in 2007.

Mr. Mothibatsela commenced his investment career with Fleming Asset Management Botswana and was later seconded to Robert Fleming, UK where he joined the Global Emerging Markets desk as a buy-side equity analyst. Further to this, he served as Associate Analyst, and Country and Sector Specialist at JP Morgan Chase and later, JP Morgan Europe Ltd also based in London. Maleho had sector responsibility for banking; mining and in particular Platinum group metals; and major industrial conglomerates under management within the broader Global Emerging Markets group, for institutional and retail clients in global listed equities. In 2004 he joined the Imara Holdings group in Botswana where he served in various capacities commencing with the position of CEO of Imara Asset Management Botswana, Country head of Botswana for the Imara group reporting to the Group board, Co-lead manager to Imara's Flagship Fund, namely; the "Imara African Opportunities Fund" with regional focus on Botswana and West Africa, until September 2007 before setting up BlackThread Capital. Maleho has served in various fiduciary capacities over his career including, Chairman of the Investment Committee of the Botswana

Public Officers Medical Aid Scheme; Independent member of the Investment Committee of Fleming Asset Management Botswana; Treasurer to the Anglican Diocese of Botswana as well as Trustee to the Anglican Bishopric Endowment Fund. Maleho currently serves as the Chairman of the Board of Trustees of Pulamed. He is also a director on the board of Okavango Diamond Company and Mosokelatsebeng Cellular.



DR BAKANI THIPE

TRUSTEE

DATE OF FIRST APPOINTMENT: JUNE 2011

* Additional 2-year term approved by the AGM in December 2020

Dr. Thipe is a General Practitioner with over 25 years of medical practice. He has a Bachelor's degree in Medicine and Surgery (MBChB) from the University of Manchester, United Kingdom and a Master's in Business Administration (MBA) from the University of North West, South Africa. He has worked for both Debswana Hospitals (Orapa and Jwaneng) as Medical Officer and Senior Medical Officer respectively. He has also worked at Tati Nickel Mine Company as Head of Health Services. Bakani

has also served, on secondment, at Groote Schuur Hospital in South Africa as a Trauma, Orthopaedic and ICU registrar. Currently, Dr Thipe operates a Private Medical Practice in Palapye.



OTENG SEBONEGO

TRUSTEE

DATE OF FIRST APPOINTMENT: DECEMBER 2011

(additional 2-year term approved by the AGM in December 2020)

Mr. Sebonego holds a BA (cum laude) in Actuarial Science from the University of Hartford and an MBA from the Kellogg School of Management, Northwestern University. He has broad experience in Healthcare Insurance, Private Equity, Financial Services and Technology across Africa. His earlier experience was with Fortune 500 companies, GE and Aetna, based in the United States. He was previously a Managing Director of O&E Consulting, where he was responsible for the business development and execution of mostly acquisition related mandates across Africa. Mr. Sebonego is currently an Investment Director at Norsad Capital.



GEOFFREY MAHLAKA

TRUSTEE

DATE OF FIRST APPOINTMENT: JULY 2013

Mr. Mahlaka is a qualified Attorney and a Fellow member of the International Academy of Business & Financial Management, the Insurance Institute of South Africa, Institute of Directors South Africa (IoDSA) and OCEG & GRC He is certified in Risk Management, Anti-Money Compliance, Laundering Prevention, Compliance Management, Corporate and Board Governance, Internal Audit Processes, Contract Management and Short-Term Insurance. Recently, Mr Mahlaka qualified and has been certified as a Governance, Risk Management Compliance Professional (GRCP) through OCEG & GRC Certify.

Mr. Mahlaka has over 18 years of experience obtained in various sectors ranging from banking, parastatals and mining and mining investment. He previously served on the board Botswana Environmental Assessment Practitioners Association as a member and legal advisor. Mr. Mahlaka has also served as a Trustee and Chairman of the Botswana Ash Pension Fund. Mr Mahlaka currently sits as a Non-Executive Director on the Board of Botswana Institute for Technology Research and Innovation - BITRI.

Mr. Mahlaka is currently the Chief Governance Officer for Minerals Development Company Botswana (Pty) Ltd (MDCB) (having previously served as the Corporate Secretary of Minerals Development Company Botswana since 2016). Mr. Mahlaka holds an LL.B from the University of Botswana and an Executive MBA with the Botswana Open University.



ANTHONY MASUNGA

TRUSTEE

DATE OF FIRST APPOINTMENT: MAY 2016

Mr. Masunga holds a BSc Computer Science from McGill University (Canada) and an MBA from De Montfort University (UK). He is also an Alumni of the University of Stellenbosch Business School, having completed their Executive Development Programme.

Mr. Masunga is currently the Managing Director of BTC where he is tasked with providing overall leadership of the business and infusing a performance driven culture. He has served in several leadership positions ranging from BTC's Chief Operating Officer, Acting Group General Manager Commercial, Privatisation Programme Manager, General Manager of beMOBILE (now BTC Mobile) to Chief Technical Officer of a mobile operator in Botswana. He has over 25 years' experience in the field of Telecommunications and Information Technology.



LEAWETSA MEYER

TRUSTEE

DATE OF FIRST APPOINTMENT: FEBRUARY 2019

Ms. Meyer has over 24 years of Nursing Experience (15 of which she has been in Management). She holds a Diploma in Registered Nursing (Institute of Health Sciences, Molepolole), BSc with Honours in Neonatal Care (Leeds University, UK) and an MBA from the University of Botswana. She worked in a teaching hospital in the United Kingdom for 7 years where she gained vast experience in Clinical Management. She is an experienced and an astute nursing leader in the Private Health Care Sector. She brings on board her skills in the areas of strategic planning, operations management and critical thinking. Ms. Meyer is currently the Acting Nursing Services Manager at Lenmed Health Bokamoso Private Hospital.



KUSHATHA MOSWELA

TRUSTEE

DATE OF FIRST APPOINTMENT: JULY 2019

Kushatha Moswela is the Managing Director of Old Mutual Short Term Insurance Botswana, a position she has held since July 2016. Previously she was the COO of Old Mutual Botswana, and this was a period when she started Old Mutual Botswana Life Insurance operations in Botswana. She has a proven impressive track record on good leadership and exceptional business performance delivery to date. Prior to joining Old Mutual, she was with KPMG South Africa and Botswana in their Actuarial and Risk Advisory Services.

She is an actuarial professional who holds an MSc in Actuarial Science. Ms. Moswela has over 15 years working experience in the fields of actuarial, capital markets and risk management. She has worked in South Africa, UK and Botswana.

Ms. Moswela is former chairperson of the Botswana Short Term Insurers and Underwriters Association (BSTIUA). She also serves as an Independent Non-Executive Director for Seedco International Limited.



ISHMAEL DIPHOLO

TRUSTEE

DATE OF FIRST APPOINTMENT: JULY 2019

Mr. Dipholo holds a Bachelor of Arts Degree in Social Sciences and a Master's in Business Administration (MBA), both from the University of Botswana. He is a well-rounded business executive with over 23 years' experience in Human Resources Management. **Business** Development, Operations Management and Business Strategy. He is currently employed by the Botswana Accountancy College as Head of Human Resources. He has previously worked for Boitekanelo College as Director Human Capital, the Botswana National Sports Commission (BNSC) as Human Resources and Administration Director and prior to that he held the role of Human Resources Director and Lead Consultant with Clearwater Consultants. He has also worked with G4S (Botswana) Limited as a Human Resources Director, Regional Manager and Business Development Analyst. Prior to that he was employed by Air Botswana as a Commercial Planning Analyst.



NAIKO CAROL RALEBALA

DATE OF FIRST APPOINTMENT: JULY 2019

Mrs. Naiko Carol Ralebala, is a Senior Finance Manager at Debswana Jwaneng Mine. She has over 22 years' experience in the field of finance, which include external auditing, internal auditing, financial accounting business performance analysis, budgeting and forecasting.

Prior to joining Debswana in 2007, Mrs. Ralebala, was a Business Finance Manager at Standard Chartered Bank at which she served in Botswana and the United Arab Emirates (UAE). She started her accounting career as an auditor with PriceWaterhouse Coopers.

Mrs. Ralebala, is a member of the Association of Chartered Certified Accountants (ACCA) and Botswana Institute of Chartered Accountants (BICA). She also holds a MSc in Leadership and Change from Leeds Metropolitan University. Mrs. Ralebala, has completed the Global Executive Development Programme from Gordon Institute of Business Science.



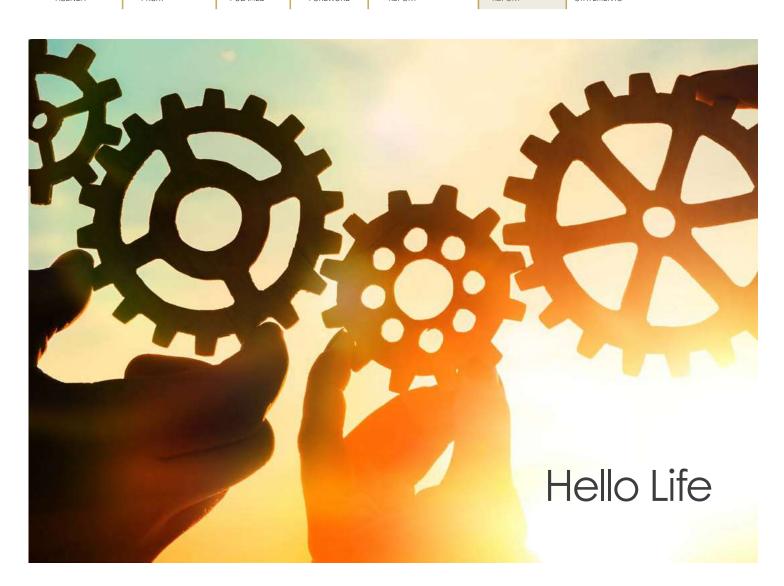
PRIYALAL DE SILVA

TRUSTEE

DATE OF FIRST APPOINTMENT: JULY 2019

Mr. De Silva is a Chartered Accountant whose expertise covers Auditing, Accounting, Tax Planning, Financial Investigations and Financial Management. Now retired, he has spent 36 years with PricewaterhouseCoopers (PwC) in a number of countries; mainly at PwC Botswana, where he was a partner for 19 years and Chief Operating Officer for 9 years. While still with PwC Botswana, he served a large portfolio of Audit/Tax Clients and provided business advisory services to many large privately-owned corporates in Botswana.

Mr. De Silva is an Independent Non-Executive Director for three Old Mutual Insurance subsidiaries in Botswana, he also serves on the boards of BTC Limited, FAR Property Company Limited and Debt Participation Capital Funding Limited. He is a member of numerous professional bodies including Associate Member of the Chartered Institute of Management Accountants (CIMA) of UK and Fellow Member of the Botswana Institute of Chartered Accountants (BICA) and the Institute of Chartered Accountants of Sri Lanka.



ROLE AND INDEPENDENCE OF THE BOARD CHAIRMAN

The Board Chairman is responsible for leading the Board and focusing it on strategic matters, overseeing the business of the Fund and setting governance standards. He presides over Board meetings & ensures that meetings are run smoothly and orderly. The Board Chairman is entrusted with ensuring the effectiveness of the Board as a collective and individual Trustees. The Fund's Chairman is Mr. Maleho Mothibatsela, who is serving his last year on the Board following the 2021 AGM's approval to extend his term by two (2) years to ensure succession planning was in place.

CORPORATE SECRETARY

The Corporate Secretary is responsible to the Board for ensuring adherence to sound corporate governance principles and compliance with prescribed procedures. The Fund's Corporate Secretary is Ms. Nomsa L. Otsogile. All Trustees have unrestricted access to the advice and services of the Corporate Secretary in all aspects of the Board's mandate. The Board of Trustees, through the Corporate Secretary's office, strives to ensure that the business of the Fund complies with the best governance standards and operates within the laws and regulations of the Republic of Botswana. An assessment of the performance of the Corporate Secretary is undertaken annually and as part of the Board evaluation process. The assessment confirmed that the Company Secretary is: competent, suitably qualified and experienced • has the requisite skills, knowledge and experience to advise the Board on good governance • has discharged her responsibilities effectively for the year under review.

BOARD EVALUATION

The Board Chairman and the Governance Committee, with the assistance of the Corporate Secretary, are responsible for ensuring that the evaluation of the performance and effectiveness of the Board, the Committees and individual Trustees is conducted annually. The Board evaluation which includes evaluation of the Board, Chairman, individual trustees, Corporate Secretary, independence assessments, peer assessment and skill assessment were conducted by an independent consultant in July 2021, with the next Board evaluation scheduled for July 2023. Overall, the outcomes and the performance of the Board and its Committees was satisfactory and finding from the evaluation are being implemented and monitored. Below is a list of some of the recommendations from the Board evaluation that the Board of Trustees is currently implementing:

Implementation of Cyber Security and Data protection measures	 A recommendation was made for Trustees to undergo cybersecurity training. The Trustees underwent training, through the Board of Healthcare Funders Southern Africa, during the period under review in July 2022. In furtherance to the recommendation, the Board assigned the Governance Committee the responsibility to oversee issues of cyber security and data protection as part of its broader IT Governance mandate.
Develop a Board Succession Plan	 With four (4) Trustees retiring in FY2022/2023, it became apparent that Board succession planning be made an area of priority for the Fund, hence the recommendation. The Board has commenced the development of a Board Succession Planning policy for the Board Trustees. The policy is to outline the process to be followed when replacing Trustees, whilst ensuring the following objectives are met: Identifying potential Trustee candidates. Identification and training of Trustees to ensure no loss of
	 institutional memory and no loss of key expertise. Reviewing and confirming the desired expertise and qualifications for new Trustees in accordance with the needs of the Fund.
Embark on a Digital Transformation journey	Whilst this was not a recommendation, it was a commitment made by the Board of Trustees – to embark on a digitalisation project for the Fund. This is an exciting project that the Fund wishes to deliver to members in phases leading to 2024.

BOARD SUCCESSION PLANNING

In FY2022/2023, four (4) independent Trustees will retire from the Board, having served their maximum terms. These Trustees are:

- Mr. Maleho Mothibatsela (12 Years)
- Dr. Bakani Thipe (12 Years)
- Mr. Oteng Sebonego (12 Years)
- Mr. Geoffrey Mahlaka (10 Years)

A Board Succession Plan was approved by the Board of Trustees and implementation of the plan is ongoing. Positions for the vacant positions were advertised during the immediate post reporting period. The Fund's Board Succession Plan seeks to ensure that there is Board continuity and that the right knowledge, skills, and experience needed by the Fund at any point are attained. All Fund Trustees have gone through Board induction, new Trustees will undergo an induction programme as well.

FUND'S ALIGNMENT AND APPLICATION OF KING IV™

Whilst the implementation of the King IV^TM Code of Governance is a work in progress, the Fund continues to make all effeorts to be aligned with the Code. Below is a highlight of how far the Fund continues to ensure compliance with King IV^{TM} :

	STATUS	ALIGNMENT & ADOPTION BY PULA MEDICAL AID FUND	
PRINCIPLE 1 The Governing Body should set the tone and lead ethically and effectively	Applied	 The Board has set the tone of ethical leadership by developing and adopting the following policies, codes, rules and practices: Fund Rules – require that in the discharge of their duties, the trustees must act in good faith towards the Fund's stakeholders; avoid conflict of interests and act with impartiality in respect of Members and Beneficiaries. The Code of Conduct – prescribes how the Trustees, staff and any service providers of the Fund are to conduct themselves in carrying out their respective functions. Declarations – principles and procedures to be adhered to regarding disclosure of conflicts of interest. 	
PRINCIPLE 2 The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	Applied	Integrity, honesty, fairness, equity, justice, and compassion are principles expected from every employee of the Fund. The Fund's for is embedding and institutionalisation of the ethics culture by ensuring operationalisation of policies and enhanced ethical values amongst employees. Assessing and sanctioning appropriate corrective measures, administrative actions and any other penalties in respect of incident of misconduct, corruption, breaches of policy and or unlawful practices.	
PRINCIPLE 3 The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	Applied	Pulamed remained true to the mandate of offering real help to communities as demonstrated by the CSI initiatives carried out duri the period under review and immediate post reporting period. Furthermore, the Board applies a citizen economic empowerment initiative through which the Fund undertakes to create an environm in which citizens of Botswana, and citizen owned companies, are empowered to participate meaningfully in the economy of the coun especially in its procurement of goods and services.	

	STATUS	ALIGNMENT & ADOPTION BY PULA MEDICAL AID FUND
PRINCIPLE 4 The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	Applied	The Board of Trustees in its responsibility of developing strategic direction, ensures the existence of key policies, compliance with IFRS, 100% compliance with all regulatory requirements and that value is created and outputs contribute to positive sustainability outcomes in the long term.
PRINCIPLE 5 The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects.	Applied	The Board is responsible for ensuring the integrity and completeness of this report. With the support of the Finance, Audit & Risk Committee, the Board collectively assessed the report's content and believes that it provides a fair and balanced representation of the Fund's performance and prospects. The report is prepared in line with recognised local and international guidelines including International Financial Reporting Standards (IFRS). The Board is comfortable that the Report to members provides a comprehensive view of the Fund's business and performance for FY2021/2022.
PRINCIPLE 6 The governing body should serve as the focal point and custodian of corporate governance in the organisation.	Applied	The Board's governance framework (Board & Committee charters and Fund Rules) has been updated and ensures that the Board serves as the custodian of corporate governance and acts in the best interest of the Fund in accordance with their fiduciary duties. The Board is held accountable by Members at an AGM.
PRINCIPLE 7 The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively	Applied	The Governance Committee, which is in charge of Board nominations considers the composition of the Board in accordance with the Rules and the needs of the Fund. The Committee ensures a balance of knowledge, skills, experience, and independence.
PRINCIPLE 8 The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.	Applied	The Board may delegate some of its functions to Committees, but the delegation of authority to Committees does not absolve nor transfer the responsibilities of the Board to the respective Committees, and the Board remains ultimately accountable to the Members of the Fund. Decisions made by Committees are recommended to the Board for approval. The Chairperson of the Board is not a member of the Finance, Audit & Risk Committee.

FINANCIAL STATEMENTS

	STATUS	ALIGNMENT & ADOPTION BY PULA MEDICAL AID FUND
PRINCIPLE 9 - The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	Applied	Self-assessments of governance and the compliance function of the Board and Board Committees was conducted by an independent consultant in July 2021. The Fund's board evaluation exercises are conducted every two years to allow for traction on recommendations made. The Board evaluation included evaluation of the Board, Chairperson, individual Trustees, Corporate Secretary, independence assessments, peer assessment and skill assessment.
PRINCIPLE 10 - The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	Applied	There is a Delegation of Authority matrix which provides different levels of authority to the Fund's Executive team with the Principal Officer being the overall accountable officer for the Fund's day-to-day activities as per the Board's delegation.
PRINCIPLE 11 - The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	Applied	By consistently monitoring existing and emerging risks through the Fund's Risk Register, the Board of Trustees, through the Finance, Audit & Risk Committee is able to ensure that appropriate risk mitigation measures and controls are put in place.
PRINCIPLE 12 - The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.	Applied	The Board has found it fit for the Fund to undergo digitalisation transformation which is one of the key priorities for strategy 2022-2026, which will see the Fund turn a completely new leaf in order to effectively govern the Fund's technology and information. The process commenced with the Fund's rebranding exercise during the period under review. The Board oversees this process.
PRINCIPLE 13 - The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.	Applied	The Finance, Audit & Risk Committee assists the Board monitor and evaluate the adequacy and efficiency of the Fund's internal controls in compliance with applicable legal requirements, regulatory requirements, corporate governance, and accounting standards.

	STATUS	ALIGNMENT & ADOPTION BY PULA MEDICAL AID FUND
PRINCIPLE 14 - The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	Applied	The Governance Committee makes recommendations to the Board strategic human resource policies and strategies to adopt in line with best practice and to help the Fund attract, retain, motivate, train and reward the best employees. Salary structures are reviewed every two (2) years to ensure that the Fund's salaries are within the market's attractive levels. There is a Remuneration Policy in place.
PRINCIPLE 15 - The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision making and external reporting purposes.	Applied	The Finance, Audit & Risk Committee oversees the Fund's interaction with Internal and External Auditors and oversees the selection process of these assurance bodies and recommends their appointment to the Board of Trustees and ultimately the AGM. The external audit function provides reasonable assurance on the accuracy of financial disclosures within the approved thresholds of materiality. The external auditors' plan is reviewed by the Finance, Audit & Risk Committee and approved by the Board of Trustees to ensure all significant areas of concern are covered, without infringing on the external auditor's independence and right to the audit.
PRINCIPLE 16 - In the execution of its governance roles and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	Applied	The Board encourages proactive engagement with Members and stakeholders, including engagement at the AGM where Trustees are present to respond to queries on how the Board has executed its governance duties. On a day-to-day basis, the Benefits Management Committee, assists the Board engage with Members through various requests, adequacy of benefits, proposed benefits, ex-gratia considerations, which help the Fund serve Members better.

BOARD COMPOSITION AND ATTENDANCE

1. INVESTMENT COMMITTEE

The Committee's mandate is to assist the Board in discharging its responsibilities in respect of investments on behalf of the Fund. The Committee oversees the implementation of the Fund's Investment Policy Document (IPD). The Fund's Asset Managers and the Asset Consultant report quarterly to the Committee.

Frequency of meetings: Quarterly

Committee members as at 30th June 2022:

1	Naiko Carol Ralebala	Committee Chairperson	
2	Kushatha Moswela	Member	
3	Maleho Mothibatsela	Member	

2. FINANCE, AUDIT & RISK COMMITTEE

The Committee has the mandate to consider and advise the Board on all Finance matters and tracks the Fund's audit and risk portfolio. Some of the duties of the Committee include;

- a. oversight of the integrity of the Fund's financial statements, systems and/or records;
- b. budgeting and financial planning, financial reporting, and the creation and monitoring of internal controls and accountability policies;
- c. financial strategy and objectives;
- d. monitoring the Fund's risk profile;
- e. being responsible for the overall internal and external audit functions and liaise with auditors;
- f. tracking and ensure that audit findings are corrected;
- g. ensuring the Fund's statutory and regulatory compliance.

Frequency of meetings: Quarterly

Committee members as at 30th June 2022:

1	Priyalal De Silva	Committee Chairperson
2	Geoffrey Mahlaka	Member
3	Naiko Carol Ralebala	Member

3. GOVERNANCE COMMITTEE

The Governance Committee's mandate is to assist the Board discharge its responsibilities by ensuring that the Fund's role of oversight and reporting on governance, IT governance, organisational ethics, responsible corporate citizenship, sustainable development, procurement and stakeholder relationships whilst also ensuring that the Fund remunerates fairly, responsibly and transparently so as to promote the achievement of its strategic objectives and positive outcomes in the short, medium and long-term. The Committee also provides oversight over all procurement and asset disposal issues and to provide recommendations on which third party entities may be engaged to provide services to the Fund.

Frequency of meetings: Quarterly

Committee members as at 30th June 2022:

1	Anthony Masunga	Committee Chairperson
2	Ishmael Dipholo	Member
3	Bakani Thipe	Member

4. BENEFITS MANAGEMENT COMMITTEE

The Benefits Management Committee's mandate is to advise the Board on member related issues and benefits. The Committee also assesses member requests for ex-gratia payments and fosters a culture of service excellence within the Fund. The Committee is responsible for reviewing member benefits and product development.

Frequency of meetings: Bi-annually & ad hoc

Committee members as at 30th June 2022:

1	Bakani Thipe	Committee Chairperson	
2	Leawetsa Meyer	Member	
3	Oteng Sebonego	Member	

THE TRUSTEES' ATTENDANCE FOR THE FY2021/22

The Board of Trustees meets on a prescribed regular basis (minimum four (4) times a year) to consider the financial and operational performance of the Fund. The Board Committees are constituted according to the needs of the Fund to assist the Board to fulfil its fiduciary duties effectively. The Committees make recommendations to the Board for approval of decisions. Special meetings of the Board are also called to consider special items such as budget, audit results and on-going projects.

The Trustees' attendance for the FY2021/22 was as follows:

Name	Designation	Board	Special Board	Strategy Review Session	Annual General Meeting	Finance, Audit and Risk	Special Finance, Audit and Risk	Investment Committee	Governance Committee	Benefits Management Committee
Maleho Mothibatsela	Chairman	4/4	3/3	3/3	1/1			4/4		
Bakani Thipe	Trustee	4/4	3/3	3/3	1/1				4/4	1/1
Oteng Sebonego	Trustee	3/4	2/3	3/3	1/1					1/1
Geoffrey Mahlaka	Trustee	4/4	3/3	3/3	1/1	4/4	2/2			
Anthony Masunga	Trustee	4/4	3/3	2/3	1/1				4/4	
Leawetsa Meyer	Trustee	4/4	3/3	3/3	1/1					1/1
Naiko Ralebala	Trustee	4/4	3/3	3/3	1/1	2/4	2/2	4/4		
Kushatha Moswela	Trustee	4/4	3/3	3/3	1/1			4/4		
Priyalal De Silva	Trustee	4/4	3/3	3/3	1/1	4/4	2/2			
Ishmael Dipholo	Trustee	4/4	2/3	3/3	1/1				4/4	

Notes:

Board of Trustees The Board of Trustees met for four (4) scheduled quarterly meetings during the period under review. A further three (3) special meetings were held for the Board's BHF Training, Budget approval and Annual Financial Statements approval.

Finance, Audit and Risk Committee – The Committee had four (4) scheduled meetings and sat four (4) times during the period. Two (2) special meetings were held to consider the external audit close out and the FY2022/2023 Budget.

Investment Committee - The Committee had four (4) scheduled meetings and sat four (4) times during the period.

Governance Committee - The Committee had four (4) scheduled meetings and sat four times during the financial year.

Benefits Management Committee – The Committee had two (2) scheduled meetings and met once during the period under review to discuss proposed product enhancements.

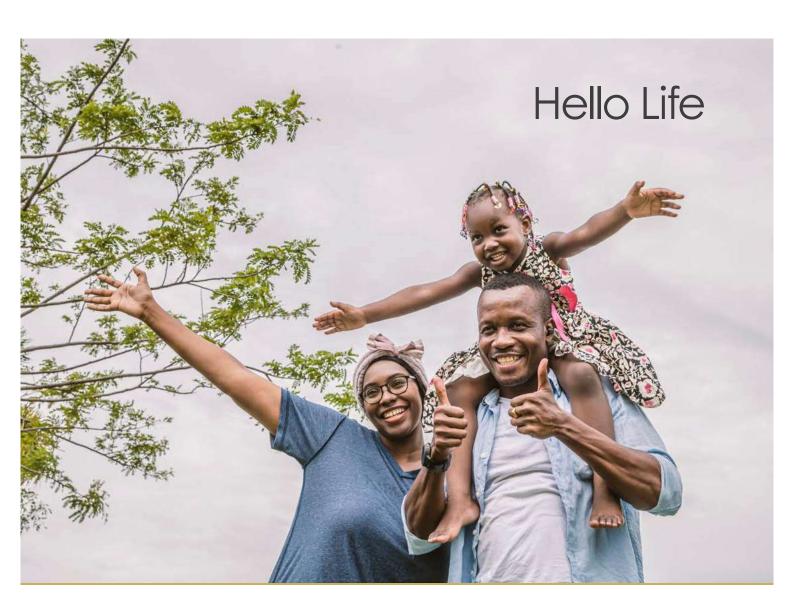
TRUSTEES FEES

The fees payable to Trustees are based on a meeting attendance fee structure, which is set as per the attendance table above. The applicable Trustees' fees were approved by the Annual General Meeting in 2020 and are as follows:

Chairman	P15 000 (taxable) per meeting	
Other Trustees	P7 500 (taxable) per meeting	
Annual Retention	P50 000 (taxable) per Trustee	

In addition to fees paid for meetings as per the attendance table above, Trustees are paid fees in relation to other Board activities, such as, strategy review sessions and Trustee development. Additional expenses are incurred for Trustee business travel, accommodation and food in relation to the various activities' or events cited above.

Name	Board Sitting Remunerations BWP	Retainer Fee	Total BWP
Maleho Mothibatsela	232,500	50,000	282,500
Bakani Thipe	112,500	50,000	162,500
Oteng Sebonego	90,000	50,000	140,000
Geoffrey Mahlaka	127,500	50,000	177,500
Anthony Masunga	112,500	50,000	162,500
Leawetsa Meyer	82,500	50,000	132,500
Naiko Ralebala	150,000	50,000	200,000
Kushatha Moswela	112,500	50,000	162,500
Priyalal De silva	127,500	50,000	177,500
Ishmael Dipholo	105,000	50,000	155,000
Total	1,252,500	500,000	1,752,500





REQUESTED RESOLUTIONS FOR THE 2022 ANNUAL GENERAL MEETING

1. APPROVAL OF THE MINUTES OF THE PULAMED ANNUAL GENERAL MEETING HELD ON 03RD DECEMBER 2021 (ORDINARY RESOLUTION NO.1)

The Minutes of the Fund's 2021 Annual General Meeting (AGM) were duly circulated to members of the Fund. Only members that were present at the previous AGM may approve the minutes.

REQUESTED RESOLUTION

The Annual General Meeting hereby **APPROVES** the minutes of the Fund's Annual General Meeting held on 3rd December 2021 as a true reflection of proceedings held on that day.

2. APPROVAL OF THE AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30[™] JUNE 2022 TOGETHER WITH THE EXTERNAL AUDITOR'S REPORT THEREON BE ADOPTED (ORDINARY RESOLUTION NO.2)

The Fund's Audited Annual Financial Statements for the year ended 30th June 2022 together with the External Auditor's report are presented for adoption.

REQUESTED RESOLUTION

The Annual General Meeting hereby **ADOPTS** the Financial Statements for the year ended 30th June 2022 together with the External Auditor's report.

The link to the full set of Audited Financial Statements is provided to members seperately.

3. TRUSTEES' FEES (ORDINARY RESOLUTION NO.3)

The fees payable to Trustees as approved at the 2020 Annual General Meeting are as follows:

Chairman	BWP 15 000 (taxable) per meeting
Other Trustees	BWP 7 500 (taxable) per meeting
Annual Retainer (All Trustees)	BWP 50 000 (taxable) per annum

The fees paid to Trustees for the FY2021/2022 amount to **BWP 1,752,500** and a breakdown appears in the Annual Report under the Governance Report.

REQUESTED RESOLUTION

It is RESOLVED that the Annual General Meeting hereby ratifies the fees paid to Trustees for the FY 2021/2022.

4. REMUNERATION OF EXTERNAL AUDITORS (ORDINARY RESOLUTION NO. 4)

During the period under review, the Fund's external auditors, Deloitte & Touche were paid BWP 474,880 for the FY 2021/2022 audit.

REQUESTED RESOLUTION

It is hereby **RESOLVED** that fees paid to the Fund's external auditors amounting to **BWP 474,880** (VAT-inclusive) for the FY 2021/2022 external audit are hereby ratified.

5. APPOINTMENT OF EXTERNAL AUDITORS (ORDINARY RESOLUTION NO.5)

In terms of the Fund Rules, an external auditor shall be appointed, subject to the approval of the members, at each Annual General Meeting, to hold office from the conclusion of that Annual General Meeting, until the conclusion of the next Annual General Meeting. The Board of Trustees recommends the appointment of Deloitte & Touche as the Fund's external auditors for a period of two (2) years subject to annual appointment by the AGM in terms of the Rules of the Fund.

REQUESTED RESOLUTION

It is **RESOLVED** that Deloitte & Touche be and are hereby re-appointed as external auditors of the Fund from conclusion of this AGM until conclusion of the 2023 AGM at a fee to be negotiated and agreed upon.

1. APPROVAL OF PROPOSED AMENDMENTS TO THE FUND'S RULES (SPECIAL RESOLUTION NO.1)

The following changes are proposed to the Fund Rules:

PROPOSED AMENDMENT / PROPOSED NEW RULE	PROPOSED RULE WORDING	REASON FOR PROPOSED CHANGE	
GENERAL PROPOSED CHANGE	S		
The Fund proposes that the member contribution tables (Annexure A) be removed from being an Annexure of the Rules. The contribution tables will be provided to members as a separate brochure.	Everywhere where there is reference to Annexure A will be replaced with the words "contribution tables".	This is in line with best practice and to avoid the competition having all our trade secrets in one easily accessible document. This will also allow for contributions review to happen easier with the Regulatory authorities without then incurring the cost of changing and printing the entire Rule Book.	
PROPOSED DEFINITIONS			
NEW DEFINITION FOR 6.31 PRE-EXISTING CONDITION	Delete the current definition and replace it with the following: A medical illness or injury that one may have before they enrol on a new medical aid may be considered a preexisting condition and typically one would have received treatment or diagnosis before enrolling in a medical aid.	The change is meant to avoid ambiguity.	
NEW DEFINITION 6.44- ANTI-SELECTION	6.44 Shall mean a tendency by a person to take out medical aid cover/contract/ option or request a waiver based on personal circumstances because they are aware or believe that their health risk is higher than what the Fund has allowed for in the calculation of its premium amount.	To inform members as to how their intentions and requests will be addressed in view of the anti-selection conditions (such as change of benefit option, waivers etc.)	
Rule 6.9.5.2 Child of a member - "shall mean a member's child. Step child, child under legal guardianship or legally adopted child, who is under the age of 21 years, who is unmarried and not in receipt of a regular monthly income exceeding the amount in Annexure "A" "	Rule 6.9.5.2 Child of a member - "shall mean a member's child. Step child, child under legal guardianship or legally adopted child ,who is under the age of 21 years , who is unmarried and not in receipt of a regular monthly income exceeding the amount in Annexure "A" "The member shall submit proof of parenthood or legal guardianship.	From time-to-time members query why the Administrators demand documents proving the dependant's association with the principal member. This is therefore to make it a requirement under the Rules to submit the specified documents so that it is clear and unambiguous.	
NEW DEFINITION AFTER 6.8 CHRONIC DISEASE	Chronic Disease shall mean any ailment, illness, or condition which in the opinion of the medical adviser appointed by the Fund, would last three (3) months or more and requires ongoing medical attention.	Chronic Diseases have no definitions in the current Rules and there is a challenge with respect to what chronic diseases are as members always have their own varying definitions. It is therefore, important to have a definition in the Rules.	

NEW DEFINITION- 6.37	Definition of Reinstatement: shall mean re-activation of a terminated membership within three (3) months from date of termination. The member shall be eligible for medical cover subject to Fund Rules.	There are new Rules proposed to govern the process of reinstatements and therefore, there is need to have a definition of reinstatement.
Amendment immediately after 6.35.3 to include a new sentence	as may be published by Members or as may be published on the Pulamed website from time to time.	To inform members that the whole publication cannot be included in the Rule Book but may be availed upon request/ during recon. There will be an indication on the Fund's website where these tariffs are published and also state that the tariffs are not exhaustive.
PROPOSED RULES - NEW AND	AMENDMENTS	
New Rule 8.2.2.3	A child under the age of majority who is represented by a legal guardian or foster parent, who shall pay contributions on behalf of the child and represent the child at an Annual General Meeting of the members.	New Rule to include children under the age of majority under the definition of "Individual Member". The Fund has had cases where there was need for a minor to be provided for as a principal member. This is new Rule 8.2.2.3 is included to provide for such instances.
Rule 8.4 Late Joiner Penalty; Any applicant who is (50) years of age or older who was not a member of one or more medical schemes at the time of joining the Fund will incur a penalty by way of additional contributions as follows; 1-4 years - *1.25; 5-14 yrs-* 1.5; 15-24yrs- *1.75; 25yrs -*2.	Rule 8.4 Late Joiner Penalty; Any applicant who is (50) years of age or older who was not a member of one or more medical schemes at the time of joining the Fund will incur a penalty by way of additional contributions as follows; 0-4 years - *1.25; 5-14 yrs-* 1.5; 15-24yrs - *1.75; 25yrs -*2.	The 0 is to remove ambiguity in that the Rule left a gap for people 50 years +1 day and seemed to imply that the contributions would start when one is 51 years.
Rule 9.1 Subject to the terms and conditions applicable to the admission of other members, the Board of Trustees may admit to membership of the Fund, without a waiting period, entrance fee or imposition of new restrictions on account of the state of his health or the health of any of his dependants, who has been a member or a dependant of a member of any medical aid scheme for a continuous period of at least one (1) year and who applies to become a member within three (3) months after the date on which he ceased to be a member or a dependant of a memberof such a scheme, provided that the member or	Rule 9.1 Subject to the terms and conditions applicable to the admission of other members, the Board of Trustees may admit to membership of the Fund, without a waiting period, entrance fee or imposition of new restrictions on account of the state of his health or the health of any of his dependants, any person domiciled and resident in Botswana who has been a member or a dependant of a member of any medical aid scheme for a continuous period of at least one (1) year and who applies to become a member within three (3) months after the date on which he ceased to be a member or a dependant of a member	This change allows for the Fund to curb the abuse that it has identified from members who are no longer resident nor domiciled in Botswana (and are not away for limited periods) who use the Funds rich benefits in territories where medical aid costs are twice as much as those in Botswana.
dependant is not hospitalised at the time of application. In the event that the member or dependant is hospitalised at the time of the application, Rule 9.3 and 9.4below shall apply.	of such a scheme, provided that the member or dependant is not hospitalised at the time of application. In the event that the member or dependant is hospitalised at the time of the application, Rule 9.3 and 9.4below shall apply.	

Rule 9.2 At the admission date or the date of employment, if later, an employee shall complete and submit to the Fund, the applications forms required by the Fund; provided that no person under the age of 16 years shall be admitted to membership without the consent of his parent or guardian. Every applicant shall, on submission of the application for membership in respect of himself and his dependants, furnish satisfactory evidence of age, employment details, including evidence of monthly salary or wage, together with such other information as the Board of Trustees may require from time to time.	At the admission date or the date of employment, if later, an employee shall complete and submit to the Fund, the applications forms required by the Fund; provided that no person under the age of 18 years shall be admitted to membership without the consent of his parent or guardian. Every applicant shall, on submission of the application for membership in respect of himself and his dependants, furnish satisfactory evidence of age, employment details, including evidence of monthly salary or wage, together with such other information as the Board of Trustees may require from time to time.	To replace 16 years with 18 years to align the provision with age of majority in Botswana. *** a further proposal is to replace 16 years with 18 years wherever it appears in the Rules for consistency with the Age of Majority
Rule 9.3 Subject to Rule 9.1, no employee or individual shall become a member, and no person shall be recognised as a dependant for the purposes of these Rules, unless he has provided proof of good health in respect of himself and his dependants to the satisfaction of the Board of Trustees; provided that the Board of Trustees may, in any particular case, require a medical examination, the cost of which will be paid by the Fund.	9.3 Subject to Rule 9.1, no employee or individual shall become a member, and no person shall be recognised as a dependant for the purposes of these Rules, unless he has provided proof that he is domiciled and resident in Botswana. Furthermore, no employee or individual shall become a member nor be recognised as a dependant under these Rules unless he has provided proof of good health in respect of himself and his dependants to the satisfaction of the Board of Trustees; provided that the Board of Trustees may, in any particular case, require a medical examination, the cost of which will be paid by the Fund.	This change allows for the Fund to curb the abuse that it has identified from members who are no longer resident nor domiciled in Botswana (and are not away for limited periods) who use the Funds rich benefits in territories where medical aid costs are twice as much as those in Botswana.
Rule 9.5 After consideration of the information referred to in Rule 9.3, the Board of Trustees may, subject to the provision of Rule 9.1, limit or exclude benefits in respect of a particular disease, disorder or disability which existed at the time of admission as a member. No such limitation or exclusion in respect of congenital on a child born into the Fund. Any such exclusion shall be listed on the member's membership card.	9.5 After consideration of the information referred to in Rule 9.3, the Board of Trustees may, subject to the provision of Rule 9.1, limit or exclude benefits in respect of a particular disease, disorder or disability which existed at the time of admission as a member. No such limitation or exclusion in respect of congenital ailments or conditions shall be imposed on a child born into the Fund. Any such exclusion shall be listed on the member's membership card. Furthermore, where a member is found to no longer be domiciled and resident in Botswana, and without prior notice of absence to the Fund, but still claims under the Fund from a place other than Botswana, the Board of Trustees may withhold such member's benefits, suspend or terminate his membership.	This change allows for the Fund to curb the abuse that it has identified from members who are no longer resident nor domiciled in Botswana (and are not away for limited periods) who use the Funds rich benefits in territories where medical aid costs are twice as much as those in Botswana.
Rule 10.4 Subject to the provisions of Rule 40, the Board of Trustees may exclude from membership or terminate the membership of a member whom the Board of Trustees finds guilty of abusing the priviliges of the Fund. The Board of Trustees shall inform such	10.4 Subject to the provisions of Rule 40, the Board of Trustees may exclude from membership or terminate the membership of a member whom the Board of Trustees finds guilty of abusing the privileges of the Fund or is found to have participated in fraud,	This is intended to help the Fund curb Fraud, Waste & Abuse. The Rule will also allow for enforcement of collections from such members by the Fund.

member in writing of the reasons for such a decision. In such event, the member may be required by the Board of Trustees to refund to the Fund any sum which, but for his abuse of the privileges of the Fund, would not have been paid to him or on his behalf.

waste or abuse against the Fund. The Board of Trustees shall inform such member in writing of the reasons for such a decision. In such event, the member shall be required by the Board of Trustees to refund to the Fund any sum which, but for his abuse of the privileges of the Fund, would not have been paid to him or on his behalf.

To cater for members who wish to rejoin the Fund after termination. There is a high number of members wishing to re-join the Fund e.g., employment by contract after retirement, voluntary resignations, student dependants etc.

NEW - RULE 11 REINSTATEMENTS

RULE 11 - subject to provisions of Rules 8, 9 and 10, a member may apply for reinstatement of membership within 3 months from date of termination. The Fund shall reserve the right to re-admit to membership a terminated membership under the following conditions:

a) Reinstatement without Gap - a member shall be reinstated without application of underwriting and exclusions and the membership shall continue as it was prior to termination. The benefit date shall be reckoned from the initial benefit date, and monthly subscriptions of the period of termination recoverable from member or employer group at the prevailing rate. The Fund may not assume any liability incurred during the period that the membership was terminated/suspended.

The Fund proposes to have a Rule relating to reinstatements as it is a standing business process especially when it comes to employer groups (emanating mostly from issues or reconciliation or communication lapses from employer groups). This will help the Fund in membership retention.

b) Reinstatement with a Gap - where membership is reinstated and is subject to underwriting and exclusions as provided for by the Rules with a new benefit date from date of reinstatement and monthly subscriptions are not recoverable. The prevailing monthly subscription shall apply. The Scheme shall not assume any liability incurred during the period that the membership was terminated.

Notwithstanding a) and b) above, the Fund reserves the right to protect itself against any anti-selection and may refuse the reinstatement of any member

Rule 8.2 -states that a member who resigns can only apply to join the Fund after 2 years. This is to provide for instances where a member resigns (either due to an employment contract being terminated or otherwise) and later, within the stated timeframe, applies to re-join the Fund.

CHANGE OF ADDRESS OF MEMBERS

Rule 15 A member shall notify the Administrator or the Fund without delay, of any changes in their member details, including but not limited to contact and bank details, on the prescribed form. The Fund shall not be held liable if a member's rights are prejudiced or forfeited as a result of neglect to comply with the requirements of this Rule.

A member shall notify the Administrator or the Fund without delay, of any changes in their member details, including but not limited to contact and bank details, on the prescribed form. The Fund shall not be held liable if a member's rights are prejudiced or forfeited as a result of neglect to comply with the requirements of this Rule. To this end, any member who ceases to remain a resident of Botswana or becomes domiciled outside of Botswana for a period exceeding thirty

- This change allows for the Fund to curb the abuse that it has identified from members who are no longer resident nor domiciled in Botswana (and are not away for limited periods) who use the Funds rich benefits in territories where medical aid costs are twice as much as those in Botswana.
- 2. The change allows for the Fund to enforce AML/CFT laws on

	(30) days shall notify the Fund of such change to avoid forfeiture of benefits whilst in that country. The Fund reserves the right to withhold benefits, not honour claims, suspend or terminate membership where it is evident that a member did not notify the Fund of his change in address and his claims emanate from a country other than Botswana.	members.
ANNEXURE B-E 1. Dentistry Subject to annual limit or balance thereof	ANNEXURE B-E DENTISTRY Subject to health risk management interventions and annual limit or balance thereof.	To inform members that the benefits are subject to assessment/review by the dental Risk Manager
	Note: The Annexures will be duly renumbered once the contribution tables are removed from forming part of the Rule Book.	*** Further proposal Is to include that dentistry benefits are subject to health risk management interventions wherever dentistry benefits are mentioned.

REQUESTED RESOLUTIONThe Annual General Meeting hereby **APPROVES** the proposed Fund Rule amendments.



GENERAL INFORMATION

for the year ended 30 June 2022

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Pula Medical Aid Fund (the "Fund") raises funds from and provides assistance to its members and their dependents to defray medical and related services expenses.
Board of Trustees	Maleho Mothibatsela (Chairperson) Bakani Thipe Geoffrey Mahlaka Oteng Sebonego Kushatha Moswela Leawetsa Meyer Naiko Carol Ralebala Ishmael Dipholo Anthony Masunga Priyalal De Silva
Principal Officer	Khumoetsile Mapitse
Registered office	Unit 1 (Acacia), Prime Plaza Plot 74358 4th Western Commercial Road, New CBD Gaborone Botswana
Postal address	P O Box 891 AAD Gaborone Botswana
Bankers	First National Bank Botswana Limited Access Bank Botswana Limited ABSA Bank Botswana Limited BBS Bank Limited Stanbic Bank (Botswana) Limited
Independent auditors	Deloitte & Touche Plot 64518 Fairgrounds Gaborone Botswana
Administrators	Associated Fund Administrators Botswana Proprietary Limited
Investment manager	Botswana Insurance Fund Management Proprietary Limited
Legal advisors	Armstrongs Attorneys
Registration	The Fund is registered under the Trust Property Control Act of Botswana (registration number TUHGB-000071-20).
Functional currency	Botswana Pula (P)

ABRIDGED FINANCIAL STATEMENTS

for the year ended 30 June 2022

CONTENTS

	PAGE
Board of Trustees' Responsibility Statement and Approval of the Abridged Financial Statements	3
Board of Trustees' Report	4
Statement by Management on the Abridged Financial Statements	5
Statement of Financial Position	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Changes in Reserves	8
Statement of Cash Flows	9
Significant Accounting Policies	10 - 21
Notes to the Abridged Financial Statements	22 - 31

BOARD OF TRUSTEES' RESPONSIBILITY STATEMENT AND APPROVAL OF THE ABRIDGED FINANCIAL STATEMENTS

for the year ended 30 June 2022

The Board of Trustees is responsible for the preparation of the abridged financial statements and all explanatory information presented therewith. The abridged financial results have been extracted from the Fund's audited financial statements, which have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, as modified by the measurement of certain financial assets at fair value. This extract has not been reviewed by the auditors. The accounting policies followed in preparation of the annual financial statements are consistent with those applied in the prior year and the Fund's auditors, Deloitte & Touche, have issued an unqualified audit opinion of the financial statements on which these abridged annual financial results are based.

The Board is required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Fund as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with IFRS. The independent auditors are engaged to express an independent opinion on the abridged financial statements.

The Board's responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The abridged annual financial annual statements are prepared in accordance with IFRS and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Board's responsibility also includes maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The Board members acknowledge that they are ultimately responsible for the system of internal financial control established by the Fund and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Fund and all employees are required to maintain the highest ethical standards in ensuring the Fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Fund is on identifying, assessing, managing and monitoring all known forms of risk across the Fund. While operating risk cannot be fully eliminated, the Fund endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Board has made an assessment of the ability of the Fund to continue as a going concern and has no reason to believe the Fund will not be a going concern in the year ahead. Consequently, these abridged financial statements have been prepared on a going concern basis.

The independent auditors are responsible for independently auditing and reporting on the Fund's financial statements. The financial statements have been examined by the Fund's independent auditors and their report is available for inspection on the Fund's website or during working hours at the Fund's registered offices.

Approval of the abridged financial statements of the Fund

The abridged financial statements set out on pages 55 to 82, which have been prepared on the going concern basis, were approved by the Board of Trustees on 27 October 2022 and were signed on their behalf by:

Chairperson

Trustee

NOTICE AND AGENDA RESOLUTION AND PROXY

ABOUT PULA

CHAIRMAN'S FOREWORD PRINCIPLE OFFICER'S REPORT

GOVERNANCE REPORT FINANCIAL STATEMENTS

BOARD OF TRUSTEES' REPORT

for the year ended 30 June 2022

The Trustees have pleasure in submitting their report on the abridged financial statements of Pula Medical Aid Fund for the year ended 30 June 2022.

1. Nature of business

Pula Medical Aid Fund (the "Fund") is registered under the Trust Property Control Act of Botswana to collect contributions from and provide assistance to members of the Fund and their dependents to defray medical and related services expenditure. The Fund is domiciled in Botswana.

There have been no material changes to the nature of the Fund's business from the prior year.

2. Review of financial results and activities

The abridged financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies have been applied consistently compared to the prior year. Full details of the financial position, results of operations and cash flows of the Fund are set out in these abridged annual financial statements.

3. Contact information

Registered office Unit 1 (Acacia), Prime Plaza

Plot 74358,

4th Western Commercial Road, New CBD

Gaborone Botswana

Postal address P O Box 891 AAD

Gaborone Botswana

4. Events after the reporting period

The Trustees are not aware of any material event which occurred after the reporting date and up to the date of this report which are not dealt with in these abridged financial statements.

5. Going concern

Management performed an assessment of the Fund's ability to continue operating as a going concern. On the basis of this assessment, management believes that the Fund will have sufficient financial resources to continue operating as a going concern in the foreseeable future. Consequently, these abridged financial statements have been prepared on a going concern basis.

6. Auditors

Deloitte & Touche were appointed as the Fund's auditors for the 2022 financial year.

STATEMENT BY MANAGEMENT ON THE ABRIDGED FINANCIAL STATEMENTS

for the year ended 30 June 2022

The financial statements are summarised from a complete set of the Financial Statements on which the Independent Auditors, Deloitte & Touche, have expressed an unqualified audit opinion, which is available for inspection at the Fund's registered office.

This report is extracted from audited information, but is not itself audited. The Auditor's Report does not necessarily report on all of the information contained in this report. Members are therefore advised that in order to obtain a full understanding of the nature of the Auditors engagement they should obtain a copy of the Auditor's Report together with the accompanying financial information from the Fund's registered office.

The Trustees of Pula Medical Aid Fund take full responsibility for the preparation of this report and that the financial information has been correctly extracted from the underlying annual financial statements. A copy of the Annual Financial Statements that have been summarised in this report can be obtained from the Fund's registered office.

STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2022

Figures in Pula	Note(s)	2022	2021	2020
			Restated *	Restated *
Assets				
Non-Current Assets				
Equipment	2	1,730,639	1,873,113	2,216,260
Right-of-use assets	3	932,077	1,159,929	1,319,182
Intangible assets	4	103,458	143,913	164,461
Investments at fair value	5	89,456,401	64,723,932	64,306,251
		92,222,575	67,900,887	68,006,154
Current Assets				
Investments at amortised cost	6	57,514,847	52,109,515	21,054,850
Investments at fair value	5	1,397,850	15,260,868	17,951,350
Trade and other receivables	7	3,225,315	4,855,065	1,816,823
Cash and cash equivalents	8	51,911,414	99,796,076	80,725,036
·		114,049,426	172,021,524	121,548,059
Total Assets		206,272,001	239,922,411	189,554,213
Reserves and Liabilities				
Reserves				
Accumulated surplus		143,402,533	188,833,441	154,023,426
Liabilities				
Non-Current Liabilities	0	044 000	075 577	4464.040
Lease liabilities	3	814,322	975,577	1,164,819
Current Liabilities				
Lease liabilities	3	252,444	281,152	198,373
Trade and other payables	9	20,825,912	9,623,744	10,521,967
Contract liabilities - contributions received in advance	10	2,936,790	4,298,497	2,145,628
Provision for outstanding claims	11	38,040,000	35,910,000	21,500,000
		62,055,146	50,113,393	34,365,968
Total Liabilities		62,869,468	51,088,970	35,530,787
Total Equity and Liabilities		206,272,001	239,922,411	189,554,213

^{*} Details relating to the restatement of prior period errors have been disclosed in note 19.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2022

Figures in Pula	Note(s)	2022	2021
Income from contributions	12	411,368,824	379,554,987
Claims expenditure and other member benefits	13	(409,487,034)	(308,648,425)
Net contribution (loss)/surplus		1,881,790	70,906,562
Other operating income		41,224	196,692
Net movement in allowance for credit losses	14	(698,683)	1,388,623
Other operating expenses		(55,498,029)	(40,602,275)
Operating (loss)/surplus	14	(54,273,698)	31,889,602
Investment income	15	8,585,333	7,810,461
Finance costs	16	(73,975)	(85,517)
Fair value gain/(loss) on investments at fair value through profit or loss	17	331,432	(4,804,531)
(Loss)/profit for the year		(45,430,908)	34,810,015
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(45,430,908)	34,810,015

STATEMENT OF CHANGES IN RESERVES

for the year ended 30 June 2022

Figures in Pula

Restated* Balance at 01 July 2020

Total comprehensive income for the year

Balance at 01 July 2021

Total comprehensive loss for the year

Balance at 30 June 2022

Total reserves	Accumulated surplus
154,023,426	154,023,426
34,810,015	34,810,015
188,833,441	188,833,441
(45,430,908)	(45,430,908)
143,402,533	143,402,533

STATEMENT OF CASH FLOWS

for the year ended 30 June 2022

Figures in Pula	Note(s)	2022	2021
Cash flows from operating activities			
(Loss)/profit for the year		(45,430,908)	34,810,015
Adjustments for:			
Depreciation - equipment		531,887	524,090
Depreciation - right of use assets		321,952	293,110
Amortisation of intangible assets		40,455	40,087
Dividends received		(4,019,608)	(3,698,466)
Finance income		(4,565,725)	(4,111,995)
Finance costs		73,975	85,517
Fair value gains/(losses) on financial assets at fair value through profit or loss		(331,752)	4,804,531
Net movement in allowance for credit losses		698,683	(1,388,623)
Loss on disposal of equipment		18,077	-
Movements in provision for outstanding claims		2,130,000	14,410,000
Changes in working capital:			
Trade and other receivables		931,067	(1,649,619)
Trade and other payables		11,202,168	(898,223)
Contract liabilities		(1,361,707)	2,152,869
Cash (applied to)/generated from operations		(39,761,436)	45,373,293
Cach (applied 10)/generated nom operations		(00), 01, 100)	10/07 0/200
Cash flows from investing activities			
Purchase of equipment	2	(425,490)	(180,943)
Purchase of other intangible assets	4	-	(19,539)
Net purchases of investments		(13,740,150)	(33,586,395)
Proceeds from disposal of equipment		18,000	_
Investment income		2,362,844	4,111,995
Dividends received		4,019,608	3,698,466
Net cash used in investing activities		(7,765,188)	(25,976,416)
Cash flows from financing activities			
Payment on lease liabilities		(284,063)	(240,320)
Finance costs		(73,975)	(85,517)
Net cash used in financing activities		(358,038)	(325,837)
Total cash and cash equivalents movement for the year		(47,884,662)	19,071,040
Cash and cash equivalents at the beginning of the year		99,796,076	80,725,036
Total cash and cash equivalents at the end of the year	8	51,911,414	99,796,076

for the year ended 30 June 2022

General information

Pula Medical Aid Fund (the "Fund") is registered under the Trust Property Control Act of Botswana to collect contributions from and provide assistance to members of the Fund and their dependents to defray medical and related services expenses. The Fund is domiciled in Botswana.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these abridged financial statements are set out below.

1.1 Basis of preparation

The abridged financial statements have been prepared on the historic cost basis except for certain financial assets which are measured at fair value. They are presented in Botswana Pula, which is the Fund's functional currency.

The abridged financial statements incorporate the significant accounting policies set out below, which are consistent with those adopted in the previous financial year, except for the adoption of new IFRS standards and amendments which became effective during the current financial reporting year. These new standards and amendments did not have any significant impact on the company accounting policies and financial statements.

1.2 Statement of compliance

The financial statements from which these abridged financial statement have been extracted from have been prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS).

1.3 Critical judgements in applying accounting policies and significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgements, apart from those involving estimations, that the Trustees have made in the process of applying the Fund's accounting policies and that have the most significant effect on the amounts recognised in the financial statements used to prepare the abridged financial statements for the year ended 30 June 2022:

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and all other financial assets is an area that requires the use of models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring expected credit loss (ECL), such as:

- Choosing appropriate models and assumptions for the measurement of ECL,
- Establishing groups of similar financial assets for the purposes of measuring ECL, and
- Other financial assets.

for the year ended 30 June 2022

1.3 Critical judgements in applying accounting policies and significant judgements and sources of estimation uncertainty (continued)

Provision for outstanding claims

The provision for outstanding claims, which represents estimate claims incurred but not yet reported, has been estimated by the Trustees. In coming to their estimate, the Trustees have relied on the estimation by a third party professional actuarial services company. The assumptions that have the greatest effect on the measurement of the outstanding claims provision are the expected claims development for the most recent benefit months estimated with reference to membership growth, inflation rates, contribution increase and assumed bad debts. There is estimation uncertainty that has to be considered in the provision for the estimate of the liability arising from outstanding claims. Sources of unreported claim payments include:

- Unknown and hence unreported claims; and
- Closed claims that later become reopened and have additional payments made.

If no or insufficient allowance is made for these claims, the result is that the Fund is likely to hold insufficient funds aside for paying claims. This in turn impacts the Fund's cash flow and ability to honour claims. The Fund does not discount its provision for outstanding claims as the effect of the time value of money is not considered material.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Fund is the current mid price.

Money market funds are valued at the closing price reported by the investment managers from an actively traded exchange. Term deposits are valued at amortised cost, which approximates their fair values.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

1.4 Equipment

Equipment represents tangible assets which the Fund holds for its own use and which are expected to be used for more than one year.

An item of equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Fund, and the cost of the item can be measured reliably.

Equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition of the asset.

Expenditure incurred subsequently for major services, additions to or major replacements of parts of equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Fund and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Fund. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

for the year ended 30 June 2022

1.4 Equipment (continued)

The useful lives of items of equipment have been assessed as follows:

Item	Depreciation Method	Average useful life
Office equipment	Straight line	6 years
IT Equipment	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss.

Impairment tests are performed on equipment when there is an indicator that they may be impaired. When the carrying amount of an item of equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Capital work in progress expenditure during construction period incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the fixed assets, and are included under capital work in progress. These expenses are apportioned to fixed assets on commencement of commercial production. Capital work in progress is stated at the amount incurred up to the date of reporting.

1.5 Intangible assets

Intangible assets are recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the Fund;
 and
- the cost of the asset can be measured reliably.

Intangible assets are initially measured at cost and subsequently are carried at cost less any accumulated amortisation and any impairment losses.

The estimated useful lives of the intangible assets are reviewed, and adjusted if appropriate, at each financial reporting date.

Intangible assets are tested for impairment and their carrying amounts are written down to recoverable amounts if the intangible assets are impaired. The remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation Method	Average useful life	
Accounting Software	Straight line	5 years	

An intangible asset is derecognised on disposal or when no future benefits are expected from its use or disposal. The gain or loss on derecognition is the difference between any net disposal proceeds and carrying amount of the asset and is included in profit or loss.

for the year ended 30 June 2022

1.6 Financial instruments

Financial instruments held by the Fund are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Fund, are as follows:

Financial assets which are equity instruments:

· At fair value through profit or loss; or

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified
 dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is
 held under a business model whose objective is met by holding the instrument to collect contractual cash flows);
 or
- At fair value through profit or loss.

Financial liabilities:

Amortised cost.

Note Financial instruments and risk management presents the financial instruments held by the Fund based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Fund are presented below:

Investments at amortised cost

Classification

Investments at amortised cost comprise of short term deposit with reputable financial institutions. These short term deposits are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Fund's business model is to collect the contractual cash flows on these deposits.

Recognition and measurement

Short term deposits are recognised when the Fund becomes a party to the contractual provisions of the loan. The short term deposits are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the short term deposits initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest rate method

Finance income is calculated using the effective interest rate method, and is included in profit or loss in investment income (note 15).

for the year ended 30 June 2022

1.6 Financial Instruments (continued)

Trade and other receivables

Classification

Trade and other receivables comprises subscriptions due and other sundry receivables, excluding prepayments, and are classified as financial assets (note 7).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Fund's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Fund becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating expenses.

Impairment

The Fund recognises a loss allowance for expected credit losses on trade and other receivables, excluding prepayments. The amount of expected credit losses is updated at each reporting date.

The Fund measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The Fund makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 7.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 14).

for the year ended 30 June 2022

1.6 Financial Instruments (continued)

Write off policy

Defaulting members are suspended, with the member retaining eligibility for medical coverage while cutting off medical aid benefits during the period of default. Medical aid benefits are reinstated upon settlement of the outstanding arrears otherwise the defaulter's membership is terminated. Any outstanding receivables recognised prior to termination of these defaulted members are written off in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 7) and the financial instruments and risk management note.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

Investments at fair value through profit or loss

The Fund, at initial recognition, has designated financial assets that do not meet the criteria for being measured at amortised cost to be measured at fair value through profit or loss. In particular, the designation relates to its investments designated at fair value which are managed as a group and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Fund's key management.

Investments in equity instruments

Classification

Investments in equity instruments are presented in note 5. They are classified as being at fair value through profit or loss (irrevocably designated at initial recognition).

Recognition and measurement

Investments in equity instruments are recognised when the Fund becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are recognised in profit or loss.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised in profit or loss. Details of the valuation policies and processes are presented in note.

Fair value gains or losses on investments at fair value through profit or loss are recognised in profit or loss.

Dividends received on equity investments are recognised in profit or loss when the Fund's right to received the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income (note 15).

Investments denominated in foreign currencies

When an investment in an equity instrument is denominated in a foreign currency, the fair value of the investment is determined in the foreign currency. The fair value is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss as part of the fair value adjustment for investments which are classified as at fair value through profit or loss. Foreign exchange gains or losses arising on investments at fair value through other comprehensive income are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of investments.

NOTICE AND AGENDA RESOLUTION AND

ABOUT PULA

CHAIRMAN'S FOREWORD PRINCIPLE OFFICER'S REPORT

GOVERNANCE REPORT FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 30 June 2022

1.6 Financial Instruments (continued)

Impairment

Investments in equity instruments are not subject to impairment provisions.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

The gains or losses which accumulated in equity in the reserve for valuation of investments for equity investments at fair value through other comprehensive income are not reclassified to profit or loss on derecognition. Instead, the cumulative amount is transferred directly to retained earnings.

Investments in debt instruments at fair value through profit or loss

Classification

Debt instruments which do not qualify for classification at amortised cost are at initial recognition irrevocably designated as financial assets measured at fair value through profit or loss.

The Fund holds investments in debentures and corporate bonds (note 5) which are measured at fair value through profit or loss.

Recognition and measurement

Investments in debt instruments at fair value through profit or loss are recognised when the Fund becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses are recognised in profit or loss (note 17). Details of the valuation policies and processes are presented in note.

Finance income on debt instruments at fair value through profit or loss are included in investment income (note 15).

Investments denominated in foreign currencies

When an investment in a debt instrument at fair value through profit or loss is denominated in a foreign currency, the fair value of the investment is determined in the foreign currency. The fair value is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised as part of the fair value adjustment in profit or loss.

Impairment

Investments in debt instruments at fair value through profit or loss are not subject to impairment provisions.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

for the year ended 30 June 2022

1.6 Financial Instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 9), excluding amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Fund becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Trade and other payables expose the Fund to liquidity risk and possibly to interest rate risk. Refer to note for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period.

Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating expense. Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value.

Derecognition

Financial assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

for the year ended 30 June 2022

1.6 Financial Instruments (continued)

Financial liabilities

The Fund derecognises financial liabilities when, and only when, the Fund obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The Fund only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.7 Tax

No provision for income tax was recognised in these financial statements as the Fund is registered under a Notarial Deed of Trust and according to part 1, paragraph (v) of the second schedule of the Income Tax Act Chapter 52.01 (2006) of Botswana, the Fund is exempt from income tax.

1.8 Leases

The Fund assesses whether a contract is, or contains a lease, at the inception of the contract.

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.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Fund has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Fund as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Fund is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Fund recognises the lease payments as an operating expense (note 14) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

for the year ended 30 June 2022

1.8 Leases (continued)

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Details of leasing arrangements where the Fund is a lessee are presented in note 3 - Right of use asset.

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 by using the rate implicit in the lease. If this rate cannot be readily determined, the Fund uses its incremental borrowing rate.

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

- fixed contractual lease payments;
- lease payments in an optional renewal period if the Fund is reasonably certain to exercise an extension option;
 and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 16).

The Fund remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Fund will exercise a purchase, termination or extension
 option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised
 discount rate:
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease
- payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

Right-of-use assets

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- · Lease payments made at or before commencement of the lease;
- Initial direct costs incurred.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Fund expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

for the year ended 30 June 2022

1.9 Impairment of non-financial assets

The Fund assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Fund estimates the recoverable amount of the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Impairment losses recognised in the prior periods are assessed at each reporting date for any indication that these losses have decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment was recognised. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Employee benefits

Employee entitlements to annual leave, bonuses and medical aid are recognised when they accrue to employees and an accrual is recognised for the estimated liability as a result of services rendered by employees up to the reporting date and are not discounted.

Employees who are not members of these approved pension funds and are not entitled to gratuities per their employment contracts, are entitled to severance benefits as regulated by the Employment Act Chapter 47.01 (2010) of Botswana.

1.11 Provision for outstanding claims

Claims incurred consist of claims paid during the financial year together with the movement in the provision for outstanding claims. The provision for outstanding claims comprises the Fund's estimate of the cost of settling all claims incurred but not intimated at the reporting date. The outstanding claims provision is determined by way of statistically sound analyses of a number of factors, which include previous experience in claim patterns, claim settlement patterns, changes in the number of members according to gender and age, trends in claim frequency, changes in the claims processing cycle, and variations in the nature and average cost incurred per claim. The provision is net of estimated recoveries from members for co-payments. The actuaries follow a standard operating procedure governing the calculation of the provision to ensure consistency in application and interpretation of results. The Fund does not discount its outstanding claims provision since the effect of the time value of money is not considered material.

Each notified claim is assessed on a separate, case by case basis with due regard to the claim circumstances, information available from managed care organisations and historical evidence of the quantum of similar claims. The provisions are based on information currently available. However, the ultimate liabilities may vary as a result of subsequent developments. The impact of many of the items affecting the ultimate cost of the loss is difficult to estimate. The provision estimation also accommodates the processing and adjudication of different categories of claims (i.e. in hospital, chronic and above threshold benefits). This is caused by differences in the underlying insurance contract, claim complexity, the volume of claims, the individual severity of claims, the determination of the occurrence date of a claim, and reporting lags.

for the year ended 30 June 2022

1.11 Provision for outstanding claims (continued)

Members must submit all claims for payment within three months of seeking medical treatment (i.e. the date of service). The cost of outstanding claims at the reporting date is estimated with reference to the actual claims submitted within the first three months after the reporting date that relates to the period before the reporting date. The claims to be submitted in the fourth month, relating to the reporting period, are then extrapolated using the chain ladder, method. The chain ladder is the most popular approach for calculating IBNR reserves for medical schemes. This method was originally developed for insurance losses where the period from occurrence to settlement was measured in years. The method has been adapted by medical schemes by using monthly claim development factors rather than annual development factors.

1.12 Revenue

Revenue is recognised over time or at a specific point in time depending on the nature of the performance obligations embedded in the contract. Revenue recognition follows a five-step model framework model listed below:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Subscriptions represent the gross subscriptions receivable from active members according to the registered rules. The earned portion of subscriptions received is recognised as revenue. Subscriptions are earned from the date of attachment of risk, over the indemnity period on a straight-line basis. Subscriptions are presented before the deduction of service fees and other acquisition costs.

The timing of revenue recognition often differs from contract payment schedules, resulting in revenue that has been earned but not billed. These amounts are recorded as progress payments to be billed also known as contract assets. Amounts billed in accordance with customer contracts, but not yet earned, are recorded and presented as part of deferred revenue also known as contract liability.

Member prepayments and overpayments to be allocated as payments against future billings are recorded and presented as subscriptions in advance on the statement of financial position.

Member overpayments which are not allocatable to future billings (due to member termination or refund request by a member) are refunded to the specific member. These amounts are included in trade and other payables on the statement of financial position.

Finance income is recognised in the statement of comprehensive income using the effective interest rate method, and taking into account the expected timing and amount of cash flows. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability.

Dividend income is recognised in the statement of comprehensive income when the right to receive payment is established.

1.13 Translation of foreign currencies

A foreign currency transaction is recorded, on initial recognition in Botswana Pula, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the
 exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

for the year ended 30 June 2022

1.13 Translation of foreign currencies (continued)

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous abridged financial statements are recognised in profit or loss in the period in which they arise.

1.14 Administration fees

Administration fees payable relate to amounts due to the Fund's administrators. The fees are charged to the statement of comprehensive income as the services are rendered.

1.15 Related parties

Related parties are defined as those parties that:

- a) directly, or indirectly through one or more intermediaries:
 - control or are controlled by, or under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries)
 - · have an interest in the entity that gives them significant influence over the entity; or

b) are members of the key management personnel of the entity or its parents including close members of the family.

All dealings with related parties are transacted on an arms length basis.

1.16 Claims expenditure and other member benefits

Claims incurred comprise the total estimated cost of all claims (including claim handling costs) arising from healthcare events that have occurred in the year and for which the Fund is responsible in terms of its registered rules, whether or not reported by the end of the year.

Net claims incurred comprise of the following:

- Claims submitted and accrued for services rendered during the year, net of discounts received, recoveries from members for co-payments and personal medical savings accounts;
- Movements in the outstanding claims provision.

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

for the year ended 30 June 2022

2. Equipment

Figures in Pula	2022				2021	
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Office Equipment	2,454,138	(974,850)	1,479,288	2,314,726	(581,638)	1,733,088
IT Equipment	434,388	(433,037)	1,351	434,388	(294,363)	140,025
Capital work in progress*	250,000	-	250,000	-	_	-
Total	3,138,526	(1,407,887)	1,730,639	2,749,114	(876,001)	1,873,113

Figures in Pula	2020		
	Cost	Accumulated depreciation	Carrying value
Office Equipment	2,181,931	(200,682)	1,981,249
IT Equipment	386,240	(151,229)	235,011
Capital work in progress*	-	-	-
Total	2,568,171	(351,911)	2,216,260

Reconciliation of equipment - 2022

	Opening carrying value	Additions	Disposals	Depreciation	Closing carrying value
Office Equipment	1,733,088	175,490	(36,077)	(393,213)	1,479,288
IT Equipment	140,025	-	-	(138,674)	1,351
Capital work in progress	-	250,000	-	_	250,000
	1,873,113	425,490	(36,077)	(531,887)	1,730,639
Decembrication of annium and 0004					

Reconciliation of equipment - 2021

	Opening carrying value	Additions	Depreciation	Closing carrying value
Office Equipment	1,981,249	132,795	(380,956)	1,733,088
IT Equipment	235,011	48,148	(143,134)	140,025
	2,216,260	180,943	(524,090)	1,873,113

Reconciliation of equipment - 2020

	Opening carrying value	Additions	Depreciation	Closing carrying value
Office Equipment	-	2,181,931	(200,682)	1,981,249
IT Equipment	297,520	59,763	(122,272)	235,011
	297,520	2,241,694	(322,954)	2,216,260

The estimated useful lives, residual lives and depreciation methods are reviewed by management at each reporting date, with the effect of any changes in estimates accounted for on a prospective basis. The review did not highlight any requirement for an adjustment to the residual values and useful lives used in the current or prior years.

^{*}Work in progress comprise of computer equipment whose use is pending operational software installations and commissioning as at the financial reporting date.

for the year ended 30 June 2022

3. Right-of-use assets and lease liabilities

The Fund holds two (2) lease agreements for its motor vehicles and its operating premises in Gaborone. The terms for the motor vehicles and property leases are two years and five years respectively. An incremental borrowing rate of 6.5% (2021:6.5%) was applied in the calculation of the discounted present value of the building lease liability and right of use asset and an interest rate implicit in the motor vehicle lease of 9.76% (2021:9.25%) was applied in the calculation of the discounted present value of the motor vehicle lease liability and right of use asset.

Reconciliation of right-of-use assets

Balance at 30 June 2019
Additions
Balance at 30 June 2020
Additions
Re-measurements
Balance at 30 June 2021
Re-measurements
Balance at 30 June 2022

Total	Motor Vehicles	Buildings
-	-	-
1,484,080	-	1,484,080
1,484,080	-	1,484,080
104,594	104,594	-
29,263	-	29,263
1,617,937	104,594	1,513,343
94,099	628	93,471
1,712,036	105,222	1,606,814

Accumulated depreciation

Balance at 30 June 2019
Amortisation
Balance at 30 June 2020
Amortisation
Balance at 30 June 2021
Amortisation
Balance at 30 June 2022

Buildings	Motor Vehicles	Total
-	-	-
(164,898)	-	(164,898)
(164,898)	-	(164,898)
(249,526)	(43,583)	(293,109)
(414,424)	(43,583)	(458,007)
(269,175)	(52,777)	(321,952)
(683,599)	(96,360)	(779,959)

Net carrying amount as at:

30 June 2020
30 June 2021
30 June 2022

Buildir	ngs Mo	tor Vehicles	Total
1,319,1	182	-	1,319,182
1,098,9	919	61,011	1,159,930
923,2	215	8,862	932,077

Other disclosures

Figures in Pula

Interest expense on lease liabilities
Lease principal repayment
Total cashflows from leases

2022	2021	2022
73,975	85,517	58,715
284,063	240,320	120,888
358,038	325,837	179,603

for the year ended 30 June 2022

3. Right-of-use assets and lease liabilities (continued)

	2022	2021	2020
Lease liabilities			
Minimum lease payments due			
Within one year	332,731	351,475	276,589
Two to five years	849,511	1,079,219	1,221,506
More than five years	-	-	109,258
	1,182,242	1,430,694	1,607,353
	(115,476)	(173,965)	(244,161)
Present value of minimum lease payments	1,066,766	1,256,729	1,363,192
Present value of minimum lease payments due			
Within one year	252,444	281,152	198,373
Two to five years	814,322	975,577	1,056,406
More than five years	-	-	108,413
	1,066,766	1,256,729	1,363,192
Non-current liabilities	814,322	975,577	1,164,819
Current liabilities	252,444	281,152	198,373
	1,066,766	1,256,729	1,363,192

4. Intangible assets

Figures in Pula	2022 202			2021		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Accounting Software	202,274	(98,816)	103,458	202,274	(58,361)	143,913

		2020	
		Accumulated amortisation	Carrying value
counting software	182,735	(18,274)	164,461

Reconciliation of intangible assets - 2022

	Opening value	Amortisation	Closing value
Accounting software	143,913	(40,455)	103,458

Reconciliation of intangible assets - 2021

	Opening value	Additions	Amortisation	Closing value
vare	164,461	19,539	(40,087)	143,913

for the year ended 30 June 2022

4. Intangible assets (continued)

Figures in Pula		2022	2021 Restated	2020 Restated
Reconciliation of intangible assets - 2020				
· ·	Opening value	Additions	Depreciation	Closing value
Accounting Software	-	182,735	(18,274)	164,461
5. Investments at fair value*				
Equity investments at fair value through profit or loss		33,071,064	49,767,233	52,844,372
Debt investments at fair value through profit or loss		57,783,187	30,217,567	29,413,229
		90,854,251	79,984,800	82,257,601

Summary of investments held by Fund Manager (BIFM)

Non-current assets	2022	2021	2020
Listed shares	33,071,064	49,767,233	52,844,372
Listed bonds	12,471,154	14,886,472	11,378,869
Mutual funds	43,914,183	70,023	83,010
	89,456,401	64,723,728	64,306,251
Current assets			
Listed bonds	1,053,432	751,696	2,038,698
Money markets investments	344,418	14,509,376	15,912,652
	1,397,850	15,261,072	17,951,350
Total investments			
Listed shares	33,071,064	49,767,233	52,844,372
Listed bonds	13,524,586	15,638,168	13,417,567
Mutual funds	43,914,183	70,023	83,010
Money markets invetsments	344,418	14,509,376	15,912,652
	90,854,251	79,984,800	82,257,601

Fair value information

Refer to note fair value information for details of valuation policies and processes.

Risk exposure

The investments held by the Fund expose it to various risks, including credit risk, interest rate risk and price risk. Refer to note financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

for the year ended 30 June 2022

6. Investments at amortised cost

	2022	2021	2020
	Р	Р	Р
Short term deposit with financial institutions	57,514,847	52,109,515	21,054,850

Short-term deposits as at the reporting date have an average maturity term of 11 months (2021:10.5 months) and earn an average interest of 5.63% (2021:4.81%) per annum.

7. Trade and other receivables

Financial instruments:			
Contributions receivables	3,705,530	3,470,841	3,102,468
Loss allowance	(869,820)	(171,137)	(1,559,760)
Trade receivables at amortised cost	2,835,710	3,299,704	1,542,708
Other receivables	217,632	1,410,608	220,611
Non-financial instruments:			
Withholding tax refundable	58,221	58,221	32,000
Prepayments	113,752	86,532	21,504
Total trade and other receivables	3,225,315	4,855,065	1,816,823
Total trade and other receivables	3,225,315	4,855,065	1,816,823
Total trade and other receivables Split between non-current and current portions	3,225,315	4,855,065	1,816,823
	3,225,315 3,225,315	4,855,065 4,855,065	1,816,823 1,816,823
Split between non-current and current portions	3,225,315		
Split between non-current and current portions Current assets Financial instrument and non-financial instrument components of trade	3,225,315		
Split between non-current and current portions Current assets Financial instrument and non-financial instrument components of trade	3,225,315		
Split between non-current and current portions Current assets Financial instrument and non-financial instrument components of trade and other receivables	3,225,315	4,855,065	1,816,823

Exposure to credit risk

Trade receivables inherently expose the Fund to credit risk, being the risk that the Fund will incur financial loss if customers fail to make payments as they fall due. In order to mitigate the risk of financial loss from defaults, the Fund only deals with reputable customers with consistent payment histories. All potential members are vetted for creditworthiness before acceptance to the Fund membership. Defaulting members are suspended, with the member retaining eligibility for medical coverage while cutting off medical aid benefits during the period of default. Medical aid benefits are reinstated upon settlement of the outstanding arrears otherwise the defaulter's membership is terminated. Any outstanding receivables recognised prior to termination of these defaulted members are written off in profit or loss. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

for the year ended 30 June 2022

7. Trade and other receivables (continued)

The Fund's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2022	2022	2021	2021	2020	2020
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:						
Not past due: 6.64% (2021:2.02%) (2020: 33.7%)	2,603,939	(172,795)	2,708,758	(54,583)	2,327,398	(784,690)
Less than 30 days past due: 73.26% (2021: 7.34%) (2020: 100%)	522,612	(382,843)	256,327	(18,823)	245,341	(245,341)
31 - 60 days past due: 53.19% (2021: 12.63%) (2020: 100%)	275,075	(146,307)	200,363	(25,311)	27,916	(27,916)
61 - 90 days past due: 56.87% (2021: 17.21%) (2020: 100%)	157,980	(89,843)	165,168	(28,425)	20,278	(20,278)
91 - 120 days past due: 53.47% (2021: 31.37%) (2020: 100%)	145,924	(78,032)	140,225	(43,995)	481,535	(481,535)
Total	3,705,530	(869,820)	3,470,841	(171,137)	3,102,468	(1,559,760)

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand
Bank balances
Money market settlement accounts

2022	2021	2020
110	71	-
41,004,774	97,661,454	80,074,552
10,906,530	2,134,551	650,484
51 911 414	99 796 076	80 725 036

Surplus funds are retained in the current, call or short term deposit accounts. The call accounts bear interest at current commercial bank rates. For the purpose of the statement of cash flows, cash and cash equivalents include total current and call account balances.

for the year ended 30 June 2022

	2022	2021	2020
	Р	Р	Р
9. Trade and other payables			
Financial instruments:			
Creditors for claims	7,252,490	1,950,063	2,805,911
Administration fees payable	1,885,128	1,748,692	3,684,571
Other accounts payable	2,644,814	1,936,384	2,142,813
Non-financial instruments:			
Payroll accruals	3,969,109	3,988,605	1,888,672
VAT	5,074,371	-	-
	20,825,912	9,623,744	10,521,967
Financial instrument and non-financial instrument components of trade and other payables			
At amortised cost	11,782,432	5,635,139	8,633,295
Non-financial instruments	9,043,480	3,988,605	1,888,672
	20,825,912	9,623,744	10,521,967

Creditors for claims represents claims that have been processed and approved for payment but have not yet been paid at the reporting date.

The fair value of trade and other payables approximates their carrying amounts.

	2022	2021	2020
	Р	Р	Р
10. Contract liabilities - contributions received in advance			
Summary of contract liabilities			
Contract liabilities - contributions received in advance	2,936,790	4,298,497	2,145,628

for the year ended 30 June 2022

11. Provision for outstanding claims

Reconciliation of	provision for	outstanding	claims - 2022
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Provision for outstanding claims (P)

Opening balance	Movement	Total
35,910,000	2,130,000	38,040,000

Reconciliation of provision for outstanding claims - 2021

Provision for outstanding claims (P)

Оре	ening balance	Movement	Total
2	21,500,000	14,410,000	35,910,000

Reconciliation of provision for outstanding claims - 2020

Provision for outstanding claims (P)

Opening balance		Movement	Total
	17.530.000	3.970.000	21.500.000

The provision for outstanding claims, which represents estimate claims incurred but not yet reported, has been estimated by the Trustees. In coming to their estimate, the Trustees have relied on the estimation by a third party professional actuarial services company.

The following are key assumptions applied in the computation of provision for claims which were Incurred But Not Reported (IBNR) as at 30 June 2022:

Key assumptions	2022	2021	2020
Membership growth - % per annum			
-Executive option	10%	5%	8%
-Standard option	5%	1%	-6%
-Deluxe option	7%	0%	4%
-Galaxy option	21%	29%	53%
-Flexi	46%	17%	2%
Other assumptions			
Inflation rate - % per annum	5.00%	3.00%	3.60%
Claims loss ratio	99%	79%	72%
Contribution increase - % per annum	4%	5%	14%

for the year ended 30 June 2022

11. Provision for outstanding claims (continued)

Sensitivity analysis

As opposed to claims for the financial year 2020-2021, that have already been incurred, the claims for financial year 2021-2022 incurred but not yet reported and estimated to be payable are still subject to uncertainty. The table below illustrates the effect of a 10% increase and decrease in this provision amount:

Figure in Pula	Current	10% increase in claims estimated to be paid in future period	10% dencrease in claims estimated to be paid in future period
Provision for outstanding claims	38,040,000	41,844,000	34,236,000
	1	2022	2021
		2022 P	2021 P
12. Income from contributions			
Revenue from contracts with customers - rendering so	411,368,824	379,554,987	
	,000,02	0.0100.100.	
13. Claims expenditure and other member benefits			
Rendering of services		409,487,034	308,648,425
Expenditure from rendering of services			
Claims benefits		401,093,659	301,465,213
Other member benefits		8,393,375	7,183,212
		409,487,034	308,648,425
Claims benefits consist of:			
Claims paid		398,963,659	287,055,213
Movement in claims provision		2,130,000	14,410,000
		401,093,659	301,465,213
Other member benefits consists of:			
Funeral policy premium		899,225	1,101,745
Travel insurance	691,550	254,156	
Medical evacuation premium		5,395,083	4,885,901
Pula maternity program		573,343	554,960
Premium waiver		834,174	386,450
		8,393,375	7,183,212

for the year ended 30 June 2022

	2022 P	2021 P
14. Operating surplus	r	rr_
Operating surplus for the year is stated after charging (credited) the		
following, amongst others:		
Amortisation of intangible assets	40,455	40,088
Audit fees - external audit	458,989	432,967
Audit fees - internal audit	264,537	207,000
Depreciation of equipment and right-of-use assets	853,839	817,200
Employee benefits expense	10,018,308	8,003,464
Lease expenses	11,783	5,992
Net movement in allowance for credit losses	698,683	(1,388,623)
Realised foreign exchange gains	109,528	(256,457)
Board and management strategy retreat	113,001	124,830
Trustees' sitting allowances and trustees' fees	2,138,665	2,465,751
Trustees' training	64,995	25,950
Administration fees	22,102,553	20,779,656
Consultancy fees	628,647	538,560
Loss on disposal of equipment	18,077	
15. Investment income		
15. Hivestment income		
Dividend received	4,019,607	3,698,466
Finance income on short-term investments	4,565,726	4,111,995
Total Investment income	8,585,333	7,810,461
Total invocation income		
16. Finance costs		
Finance costs - lease liabilities	73,975	85,517
17. Fair value loss on financial assets at fair value through profit or loss		
	(004.45.7)	
Fair value loss on financial assets at fair value through profit or loss	(331,432)	4,804,531

18. Taxation

No income tax was recognised in these financial statements as the Fund is exempt from income tax according to part 1, paragraph (v) of the second schedule of the Income Tax Act, 2006.

for the year ended 30 June 2022

19. Classification of investments at fair value - prior period error

The Fund's investments at fair value were wholly presented as current assets in the prior year financial statements. Upon finalisation of the financial statements for the year ended 30 June 2022, management evaluated that these investments did not meet the criteria to be classified as current assets as defined by IAS 1. IAS 1 states that an entity shall classify an asset as current when:

- a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- b) it holds the asset primarily for the purpose of trading;
- c) it expects to realise the asset within twelve months after the reporting period; or
- d) the asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. An entity shall classify all other assets as non-current.

As of 30 June 2021 and 30 June 2020, there was no reasonable expectation to realise these investments within twelve months after reporting date. The investments are not cash equivalents and are not held primarily for purposes of trading.

Whilst the Fund occasionally liquidates some of its investments at fair value to meet its investment requirements, the timing of the realisation of some of its investments is in the long term or uncertain. The Fund has concluded that the previously issued 2021 financial statements are materially misstated. As a result, the current assets amount in the prior year were overstated by P64,723,932 (2020: P64,306,251) and the non-current assets were understated by P64,723,932 (2020: P64,306,251).

Accordingly, the Fund has restated its financial statements as of 1 July 2020 and 30 June 2021 to classify the investments at fair value as non-current assets. The restatement only affected the current and non-current assets classification in the Statement of Financial Position and did not have any impact on the Fund's reported profit, liabilities or equity.

The effect of the correction of the prior period error on these financial statements is summarised below:

Statement of financial	2021	2021	2021	2020	2020	2020
position In Pula	As previously reported	Impact	Restated	As previously reported	Impact	Restated
Non-Current Assets						
Equipment	1,873,113	-	1,873,113	2,216,260	-	-
Right-of-use assets	1,159,929	-	1,159,929	1,319,182	-	-
Intangible assets	143,913	-	143,913	164,461	-	-
Investments at fair value	-	64,723,932	64,723,932		64,306,251	64,306,251
	3,176,955	64,723,932	67,900,887	3,699,903	64,306,251	68,006,154
Current Assets						
Investments at amortised cost	52,109,515	-	52,109,515	21,054,850	-	21,054,850
Investments at fair value	79,984,800	(64,723,932)	15,260,868	82,257,601	(64,306,251)	17,951,350
Trade and other receivables	4,855,065	-	4,855,065	1,816,823	-	1,816,823
Cash and cash equivalents	99,796,076		99,796,076	80,725,036		80,725,036
	236,745,456	(64,723,932)	172,021,524	185,854,310	(64,306,251)	121,548,059

NOTICE AND RESOLUTION AND ABOUT PULA CHAIRMAN'S PRINCIPLE OFFICER'S GOVERNANCE FINANCIAL STATEMENTS

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