

ANNUAL REPORT
2022/23



CONTENTS

CHAIRMAN'S FOREWORD 06

OUR PHILOSOPHY
RISK MANAGEMENT
TECHNOLOGY

PRINCIPAL OFFICER'S REPORT 09

COMPETITION AND OUR STRATEGIC RESPONSE
SERVICE PROVIDER MANAGEMENT APPROACH
MEDICAL AID FUNDS BILL: AN OVERVIEW
SERVICE EXCELLENCE
DATA PROTECTION ACT 2018: A STANCE ON COMPLIANCE

FINANCIAL REPORT 13

REVENUE AND PROFITABILITY
COST MANAGEMENT AND OPERATIONAL EFFICIENCY
INVESTMENTS AND FUTURE STRATEGY
LIQUIDITY AND FINANCIAL STABILITY
IFRS 17
FINANCIAL COMPLIANCE

OPERATING CONTEXT OVERVIEW 16

POLITICAL ENVIROMENT
REGULATORY ENVIROMENT
DIGITALISATION AND DISRUPTIVE TECHNOLOGIES
ARTIFICIAL INTELLIGENCE (AI), MACHINE LEARNING (ML), LARGE LANGUAGE MODEL (LLM) AND GENERATIVE AI IN HEALTHCARE

BUSINESS MODEL 20

BUSINESS MODEL
ORGANISATIONAL STRUCTURE
OUR PRODUCTS
THIRD PARTIES

CAPITALS 25

HUMAN CAPITAL
SOCIAL AND RELATIONSHIP CAPITAL
NATURAL CAPITAL
FINANCIAL CAPITAL
INTELLECTUAL CAPITAL

GOVERNANCE REPORT 30

OUR TRUSTEES
ABOUT THE BOARD
FUND'S ALIGNMENT & APPLICATION OF KING IV™
BOARD COMPOSITION AND ATTENDANCE

BUSINESS DEVELOPMENT & STAKEHOLDER MANAGEMENT 48

ABRIDGED ANNUAL FINANCIAL STATEMENTS 59

PROXY FORM 2023



If you cannot attend the **2023 Annual General Meeting (AGM)** of PULA MEDICAL AID FUND to be held at **0900** Hours on **Friday 1ST December 2023** Virtually via **ZOOM** (link to be provided in due course) and physically at **PROTEA BY MARRIOTT HOTEL GABORONE MASA SQUARE** in Gaborone, 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.

A. YOUR DETAILS

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, who is a member of the Fund:

If you want to appoint someone else, give their details. If you do not provide a name, you will be taken to have appointed the Chairman as your proxy.

FULL NAMES

MEMBERSHIP NO.

POSTAL ADDRESS

EMAIL

Chairman of the Annual General Meeting

If you appoint the Chairman as your proxy, and direct the Chairman on how to vote, the Chairman must call a poll on that vote and must vote the way you direct.

as my proxy to act for me at the General Meeting which will be held, in addition to considering the ordinary business, for the purpose of considering and if deemed fit, passing with or without modification, the resolutions to be proposed under the special business vote thereat and at each adjournment thereof, and to vote for or against the resolutions and/or abstain from voting in accordance with the following instruction:

ORDINARY RESOLUTIONS

	FOR	AGAINST	ABSTAIN
1. ORDINARY RESOLUTION 1: Approval of the Minutes of the Pulamed Annual General Meeting held on 02nd December 2022.			
2. ORDINARY RESOLUTION 2: Approval of the Audited Annual Financial Statements for the year ended 30 June 2023 together auditor's reports thereon be adopted.			

3. ORDINARY RESOLUTION 3:

To consider and note that the following Trustees retire in terms of the Fund Rules and do not offer themselves for re-election and retire as Independent Trustees of the Fund:

- 3.1 Mr. Maleho Mothibatsela
- 3.2 Dr. Bakani Thipe
- 3.3 Mr. Geoffrey Mahlaka
- 3.4 Mr. Oteng Sebonego

4. ORDINARY RESOLUTION 4:

To approve and confirm the appointment of new Independent Trustees as recommended by the Board of Trustees:

4.1 Ms. Matshidiso Matome

4.2 Dr. Gomolemo Tangane

4.3 Ms. Lesego Keitsile

5. ORDINARY RESOLUTION 5:

5.1 To Consider and Ratify the remuneration paid to Trustees of the Fund for the year ended 30th June 2023

5.2 To approve the revised remuneration rates of the Trustees effective 1st July 2023.

6. ORDINARY RESOLUTION 6:

Ratification of the External Auditor's fees for the year ended 30th June 2023

7. ORDINARY RESOLUTION 7:

Appointment of Deloitte & Touche as the Fund's External Auditors for the ensuing year

SPECIAL RESOLUTIONS

8. SPECIAL RESOLUTION 1:

Approval of proposed amendments to the Fund's Rules

DATE: _____ SIGNATURE: _____

* A proxy nomination shall only be given to a Member of the Fund.

* The instrument appointing such a proxy, if not completed online, must be emailed to

secretary@pulamed.co.bw

24hrs before the time for holding the Annual General Meeting (Thursday 30th November 2023 at 0900hrs):

Pulamed Head office

Plot 74358, Unit 1 (Acacia)

Prime Plaza, Western Commercial Road

New CBD

Gaborone

SUBMIT FORM
secretary@pulamed.co.bw

PERFORMANCE & FINANCIAL HIGHLIGHTS



Members
22,259 Jun-22
23,371 Jun-23



Chronic meds users
7.5% Jun-22
8.1% Jun-23



Beneficiaries
53,665 Jun-22
56,329 Jun-23



Pensioners
2.3% Jun-22
3.6% Jun-23



Average age of beneficiaries (yr)
28.2 Jun-22
28.5 Jun-23

Description	Fair Value Holdings as at June 2023 (BWP)	Fair Value Holdings as at June 2022 (BWP)	Fair Value Holdings as at June 2021 (BWP)
Money Market and Term Deposits	56,687,925	74,072,169	69,413,698
Domestic Bonds	27,599,488	17,751,876	15,046,695
Domestic Listed Equities	77,329,978	65,108,006	49,767,233
TOTAL OF PULAMED ASSETS	161,617,391	156,932,051	134,227,626

	2022/2023 (BWP)	2021/2022 (BWP)	Change
Risk Contribution Income	480,900,880	411,368,824	16.9%
Incurred Claims & other benefits	448,477,141	409,487,034	9.5%
Administrative Expenses	52,399,149	55,498,029	(5.6%)
Net Surplus	(1,168,477)	(45,430,908)	97.4%
Solvency	30%	35%	(15.5%)
Net Asset Value	142,234,054	143,402,531	(0.8%)

CHAIRMAN'S FOREWORD

OPENING REMARKS

On behalf of the entire Board, I extend a warm welcome to each one of you.

At Pulamed, our primary objective is to ensure that every individual has access to quality and affordable healthcare. We firmly believe that healthcare is a basic human right that should be available to all, regardless of their social or economic background.

In today's rapidly evolving world of medical advancements and rising healthcare costs, it has become imperative to find innovative solutions that can bridge the gap between affordability and the provision of comprehensive medical services. Pulamed has been at the forefront of this endeavour, continually striving to provide our Members with the best possible healthcare coverage, in a more sustainable manner.

Our commitment to excellence is evident in our extensive network of healthcare providers, state-of-the-art facilities, and a dedicated team of professionals who ensure that our Members receive the highest standard of care. We constantly review and enhance our offerings to meet the

changing needs and expectations of our Members, and to stay ahead in an ever-evolving landscape of medical advancements.

Furthermore, Pulamed is not just a Medical Aid Fund (MAF); it is a community built on trust, transparency, and empathy. We understand the challenges faced by our Members during times of medical crisis, and we stand by them as a reliable partner, providing the support and guidance needed to navigate through the complexities of the healthcare system.

Today, as we gather here, I invite you to join hands with us in our mission to make healthcare accessible and affordable for all. Together, we can create a society where every individual can live a healthy and fulfilling life, without the fear of financial burdens that often accompany medical emergencies. I am confident that with the collective efforts of our esteemed Board of Trustees, dedicated staff, and the support of our Members and partners, Pulamed will continue to be the leading Medical Aid Fund, setting new benchmarks in healthcare provision and financial sustainability.

We arrived at a crucial time for the organisation. Pulamed has emerged from technical insolvency and faced numerous challenges, including operational reconfiguration and the need to establish a new image that resonated with our Members' demographic profile. Additionally, we had to navigate the uncertain

announcements and promulgations of the Non-Bank Financial Institutions Regulatory Authority (NBFIRA), while proceeding with caution and ensuring a solid Governance architecture.

Our primary goal was to position Pulamed as a leader in innovation and technological advancement. We recognised the need to automate processes and enhance the overall Fund Member experience, from streamlined claims processing to seamless onboarding procedures. Addressing operational issues, such as the disaggregation of duties between the Fund and its Administrator, was also critical due to regulatory changes and the development of a vital relationship.

Avoiding the strategic missteps that led to the previous technical insolvency was paramount. We focused on preserving reserves and implementing internal processes to curtail potentially fraudulent activities. Building up our reserves became the foundation upon which Pulamed could establish a solid base for progress and sustainability.

To achieve these objectives, the Board of Trustees assembled a core Executive team and initiated the development of a new Fund office. The rebranding was not just about changing insignias; it was about completely transforming the Pulamed brand experience. We aimed to create a brand that resonated with our Members, instilling trust, and confidence in our services.

MR. MALEHO MOTHIBATSELA
CHAIRMAN



CHAIRMAN'S FOREWORD

Furthermore, Pulamed's aspirations extended beyond mere curative care. We sought to promote a comprehensive wellness approach, encouraging early access to healthcare, and empowering our Members to understand the drivers of certain conditions. Our focus shifted towards viewing our Members as the core and viable entity to which we owed our undivided attention and purpose.

Following building reserves, curtailing Fraud, Waste and Abuse (FWA), Fund's stability – the Fund then introduced the new benefits, product development including wellness benefits.

Another critical aspect of our strategic objectives was aligning with our core technical partner, the Administrator, to ensure seamless delivery of Pulamed's goals. Together, we aimed to create a sustainable Fund that offered adaptable products to meet the evolving needs of our Members.

We are committed to driving Pulamed's success and securing its future. With the right team, a reimagined brand experience, and a focus on Member well-being, we will position Pulamed as an industry leader, embracing technology and innovation to deliver the best possible healthcare services. Together, we will build a strong and sustainable future for Pulamed and its Members in alignment with the newly launched brand position.

OUR PHILOSOPHY

Pulamed is dedicated to advancing healthcare outcomes through a philosophy that prioritises the value of partnerships in the healthcare industry. By focusing on measurable healthcare outcomes, Fraud, Waste, And Abuse (FWA), prevention, and the safeguarding of funds, we aim to enhance medical cost management for our Members. Our approach is rooted in creating synergistic relationships with service providers, fostering an environment where both Members and providers benefit. As a philosophy-driven organisation, we place our core principles at the heart of every decision we make, ensuring that our Fund product is optimal, our stakeholder relationships are managed with integrity, and our Members' needs are always the primary focus.

Pulamed maintained this core philosophy during the COVID-19 pandemic by prioritising Member access to vaccines and extending support to the wider community. Our independent and cautious decision-making helped us to utilise and preserve our reserves effectively. This approach enabled us to support our Members comprehensively throughout the pandemic, including the establishment of a special fund to ensure no Member was left unsupported.

Data Analytics

Pulamed relies on data to make decisions, a strategy that was especially beneficial during the COVID-19 crisis, helping us in making the correct decisions.

As we move forward, we recognise that the world has changed and will not

return to the way it was before COVID-19. Pulamed is committed to improving our use of data to better adapt our products and to invest in tools that predict healthcare trends for future development.

RISK MANAGEMENT

Our Fund's unwavering resilience: An attribute we are immensely proud of, is our robust risk management practices and the bedrock of the Board's independent oversight. Every critical decision that has been made emanates from a meticulous evaluation of facts, anticipated outcomes, and rigorous management of our internal processes.

We have always eschewed the shortsighted approach of limiting benefits or increasing contributions as a knee-jerk response to external pressures.

The philosophy we uphold is clear: we will never compromise the integrity and quality of our product. It is a testament to our commitment that, regardless of the complexities of the operating environment, we consistently strike a judicious balance between access, quality, and sustainability.

It is worth noting that our claims experience is high when compared to pre-COVID levels but has been better than the industry experience. This commendable position can be attributed to the astute understanding and extrapolation of our Membership composition, demographics, benefit design and the fine balancing of premiums and tariffs for both Members and service providers which inherently

minimises adverse claims outcomes.

Risk management is not just a function within our organisation – it's an ethos. It ensures that our Fund remains sustainable, trustworthy, and always in the best position to serve the needs of our Members. As we chart our path forward, let us continue to uphold these standards of excellence and safeguard the future of our organisation.

TECHNOLOGY

Pulamed has consistently led the charge in the realm of technological innovation. As early as 2012, when much of the industry was mired in paper-based processes, we had the foresight to embrace the Electronic Data Interchange (EDI) platform. This pivotal move not only set us ahead of the curve but also set in motion a digital transformation that stands as a testament to our forward-thinking ethos. A mere decade ago, fewer than 40% of claims submitted to us were digital. Contrast that to today, where an impressive 85% of claims are processed in real-time via EDI submission. Such efficiency has catalysed our ability to conduct weekly payment runs to our esteemed Service Providers, underscoring our commitment to efficiency and timely service.


We have always held the conviction that technology's transformative potential is not limited to mere operational enhancements. Rather, its true value lies in revolutionising the customer experience. To that end, we have continually sought to leverage technology to streamline and simplify our myriad processes. Our Members, for

CHAIRMAN'S FOREWORD

instance, have enjoyed early access to their accounts via the Fund's web portal, a testament to our proactive approach. And as communication paradigms evolve, Pulamed remains at the vanguard of this change. Our adoption of platforms such as the WhatsApp Business API, SMS and recently launched Pulamed Wellness App technologies ensures our Members are consistently informed, reinforcing our commitment to transparency and real-time updates.

The Pulamed Wellness App offers Members convenient access to health management tools and resources. With features like health tracking, personalised wellness plans, and direct communication with healthcare professionals, the App empowers Members to take charge of their health and wellness journey, ensuring a more engaged and proactive approach to their well-being.

In essence, our technological strides are not just about staying current; they are about setting industry benchmarks and redefining excellence in service.



We sought to promote a comprehensive wellness approach, encouraging early access to healthcare, and empowering our Members to understand the drivers of certain conditions.

PRINCIPAL OFFICER'S REPORT

POST COVID-19 AND ITS IMPACTS ON PRIVATE HEALTHCARE FUNDING

The healthcare funding industry has been under tremendous pressure since the advent of COVID-19. During the COVID-19 pandemic, Pulamed went to extra lengths to ensure that Members are cushioned as much as possible from the effects of the pandemic. The Fund had ensured that it continued to provide for its Members by dipping into its reserves to fund the deficit. Post COVID-19, the funding industry continued to experience very high levels of utilisation, beyond what is normally expected. The year-on-year increase in the Botswana healthcare funding industry's utilisation was 7.3% for the calendar year 2022, which resulted in an industry operating deficit of P223M (source: BHF Country Report 2022). What is clear is that this is not sustainable, and the industry cannot continue on this trajectory.

During this period, our Fund has shown commendable resilience in the context of the broader trends affecting private healthcare services and financing. Despite challenging conditions:

The Fund posted a deficit of P1.2M for the

FY2022/23. This was largely driven by the very high levels of utilisation, which was unprecedented. When compared to industry experience, Pulamed's experience was significantly better. The Fund solvency is 30% which is well within the required regulatory minimum and the Fund's non-healthcare costs (NHCC) was 10.3%, showing the Fund's focus on prioritising healthcare for our Members.

During and post-COVID-19, the industry experienced a sharp increase in healthcare Service Providers to meet the demand of COVID-19. The increase in supply of healthcare providers improved access to healthcare for our Members and which had the unexpected consequence of an increase in utilisation this in turn resulted in higher-than-expected increase in utilisation.

In 2022, healthcare expenses across the sector/private healthcare industry resulted in a notable operating deficit of P223 million. Such elevated costs exert pressure on the main revenue stream for Medical Aid Funders, which is Member premiums. The crux of our current challenge is striking the right balance: ensuring the Fund 's sustainability while keeping premiums/contributions affordable for our Members.

Moving forward, we remain vigilant in monitoring and responding to industry trends. Our primary focus continues to be on serving our Members and ensuring both sustainability and affordability.

Premier Waiver Benefit



The Fund assisted 35 Families by continuing to provide their medical aid cover when the principal member passed on during the financial year

PulaBaby

95% of registered expectant mothers accessed and enjoyed full spectrum of the PulaBaby program including the goodies on offer.



95%

Customer Satisfaction Survey 2023

81%

Customer Satisfaction Index

86%

Loyalty Index



Travel Insurance

1734



1734 policies were issued out during the period under review

Funeral Benefit



136

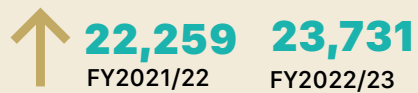
claims were paid during the period under review

DR. KHUMOETSILE MAPITSE
PRINCIPAL OFFICER

MEMBERSHIP MANAGEMENT

Transparency with Members: The Fund holds Member engagement sessions annually throughout the country and continuously communicates with Members over various media for a on issues that affect them or developments within the industry. Any proposed rule changes that materially affect the Member are taken to the Annual General Meeting (AGM) for consideration and approval. Each Member has access to their benefits utilisation over the web portal and have access to the Fund Contact Centre where they can seek clarity on any issue they may have with their account or the Fund. Membership increased by 6.6% compared to 7.8% in the prior year. It must be noted that Pulamed Membership has been increasing at a higher rate in the open medical aid funds/schemes in the last few years and this we view as a vote of confidence by our citizenry. In the calendar year 2022, the industry Membership grew by 3.4% (source: BHF Country Report 2022)

Principal Membership Growth



Principal members grew from **22,259** in FY2021/22 to **23,731** in FY2022/23 representing 6.6% growth.

COMPETITION AND OUR STRATEGIC RESPONSE

In this year's annual report, we navigate through Pulamed's challenging operational landscape, marked by high service utilisation, increasing business costs, and supply-driven demand pressures, which collectively shape our strategic response and financial stewardship.

We remain focused on our mission of ensuring our Members have access to private healthcare. Our consistent commitment is well captured by the adage, **"the main thing is to keep the main thing, the main thing."** This unwavering focus ensures that we don't deviate into areas that don't bring value to our Members.

Competitive Landscape: Pulamed's commitment to differentiation through research and development (R&D) is a key strategy for staying ahead of the competition. By investing in innovative healthcare solutions and continuously improving our services, we ensure our beneficiaries receive exceptional value and access to high-quality healthcare. This focus on research and development (R&D) not only fortifies our market position but also reinforces our promise to provide our Members with the best possible care.

Approach to Wellness and Treatment: Our strategy prioritises comprehensive health care, ensuring that clinical interventions are rooted in thorough medical evaluations and guided by evidence-based medicine. Our primary objective is to ensure Members have

access to the best possible healthcare. Even more importantly, we have bolstered our preventative care benefit and wellness program to make it more interactive, meaningful and impact the long-term health balance sheet of the Fund.

Balancing Prudence with Enhancement: Pulamed skilfully balances financial prudence with the enhancement of our product offerings. We judiciously allocate resources to ensure that our improvements are both sustainable and impactful, providing Members with advanced healthcare options without compromising our fiscal responsibility. This careful stewardship allows us to continually introduce thoughtful innovations that serve our Members' evolving needs while maintaining our commitment to providing access to healthcare and long-term viability.

Collaboration with Healthcare Entities: Our good standing and collaboration with institutions such as hospitals and other service providers is a testament to our balanced and informed approach. We have always believed in a system nuanced on the traditional 'kgotla' system, which emphasises consultation, giving our stakeholders ample opportunities to be heard, and to contribute to the solution. The Fund holds annual service provider engagements and discipline specific engagements throughout the year as a way of sharing information and creating good relationships.

SERVICE PROVIDER MANAGEMENT APPROACH

In managing our service providers, our approach is rooted in transparent communication, equity, and inclusive decision-making. Here's a closer look at our philosophy:

Fair and Balanced Communication: Our strategy pivots on fairness. We believe in engaging Service Providers in open dialogues, ensuring they feel valued and are on the same page with us.

Tripartite Stakeholder Management: Our model involves three key stakeholders: the Member, the Service Provider, and ourselves. It's vital that all these entities understand and value each other. This understanding can only be fostered through consistent and clear communication.

Providing Adequate Transition Periods: When introducing new systems or processes, such as the move to Electronic Data Interchange (EDI), we ensure that service providers have ample time to adapt. This involves guiding them on how to make the transition smoothly and providing resources or contacts to assist them.

Our approach is to cultivate an environment where all stakeholders feel heard, valued, and informed. By maintaining transparent channels of communication and being receptive to feedback, we ensure that decisions are made with the best interests of all parties in mind.

MEDICAL AID FUNDS BILL: AN OVERVIEW

Introduction: The Medical Aid Funds Bill, a legislative proposition, aims to regulate medical aid Funds. Medical Aid Funds Bill- regulator is NBFIRA.

Our regulator NBFIRA, together with the Ministry of Finance has been engaging with the private healthcare funders with the aim of bringing a new Bill to be presented before Parliament that will regulate the healthcare funding industry. The Fund is keeping a close eye on the developments and any material changes that will affect the Membership or the Fund will be communicated timeously.

Our Consultative Approach: Pulamed, in its endeavour to remain transparent and compliant, has held substantial consultations with the regulator. These consultations have confirmed that the potential implications of this bill on our Fund would be minimal. Our longstanding adherence to best practices, specifically the King IV™ standard, underscores our commitment to being ahead of regulatory requirements.

SERVICE EXCELLENCE

A Legacy of Excellence: With three decades of service, Pulamed has continuously refined its services to align with global benchmarks while considering the unique attributes of regional contexts. Through periodic evaluations and regional benchmarking, we ensure our offerings remain relevant, benefiting from the collective

wisdom of industry best practices. We have therefore managed a very tight ship, ensuring that contributions remain competitive (lower by regional comparisons), therefore affordable to our Members whilst not compromising on the quality of care.

Feedback-Driven Evolution: Our commitment to our Members is evident in our consistent efforts to gauge their satisfaction and address their needs. Annual customer satisfaction surveys, coupled with regular feedback from various stakeholder engagements, furnish us with valuable insights. These insights, meticulously analysed by our team of data specialists and actuaries, drive our strategic decisions. We have gained valuable insights from our last customer satisfaction survey and loyalty index. The Fund scored 81% against 83% from the prior year and 86% on loyalty index compared to 87% from the previous year. This underscores that our Members are happy with the services from the Fund.

Our Member-centric approach has manifested in the enhancement of several benefits over the years. We've improved maternity and optical benefits, eliminated co-payments in select areas, and amplified our international travel cover to an impressive P25 million. This evolution is a testament to our commitment to reduce out-of-pocket expenses for our Members, enriching their experience and ensuring comprehensive coverage.

DATA PROTECTION ACT 2018: A STANCE ON COMPLIANCE

Data protection and privacy have become increasingly paramount in our digital age. Pulamed's existing practices reflect a proactive approach to data protection, positioning us ahead of the curve as new legislation come into play.

Compliance and Anticipation: Even with the introduction of the new Data Protection Act, 2018, Pulamed remains confident in its existing data management practices. Our present systems are largely compliant with the new act. We've consistently modelled our business operations around global best practices, ensuring a seamless transition once the act is fully implemented.

Global Context and Botswana's Position: It is worth noting that Botswana, as a signatory to various international conventions on data protection, has drawn inspirations from established data protection acts, including those in South Africa. This global alignment underscores our commitment to handling data responsibly and upholding the highest standards of data privacy.

Operational Integrity: Pulamed takes pride in its rigorous data management protocols. The current discussions and iterations of the Data Protection Act, 2018 further reinforce our commitment to maintaining a system that is both secure and transparent.

Pulamed remains steadfast in its commitment to data protection. Our alignment with best practices and an anticipatory approach to compliance signify our dedication to our Members' privacy and the broader community's trust. As the Act takes its final shape, we're poised to embrace it, ensuring that our operations continue to exemplify excellence in data management.



EMPLOYEE SATISFACTION, TRAINING, AND DEVELOPMENT:

AN OVERVIEW

Organisational Culture

Pulamed has nurtured an exemplary culture centred around service excellence. This culture is ingrained throughout the organisation, with a strong emphasis on ensuring that Members receive top-notch service. Furthermore, we've endeavoured to instil the same zeal for service management within our administrative partners.

Employee Satisfaction and Retention

Pulamed prides itself on being an employer of choice. Testament to this is the high employee satisfaction and a notably low turnover rate. Pulamed has adopted industry best employee practices to ensure that employees have a supportive and fulfilling work environment. It is a work environment that challenges and rewards with fulfilment.

Industry Affiliation

Our Membership with the Board of Healthcare Funders (BHF) provides us with invaluable insights into industry trends. This association offers us guidance in policy, advice, and safeguards us from potential pitfalls in the healthcare and regulatory landscape. Such affiliations empower us with knowledge and resources, ensuring we remain at the forefront of industry best practices.

Internal and External Controls

Pulamed's commitment to Governance and transparent operations is evident:

External Audits: Conducted annually, these audits provide an objective overview of our financial health and operations.

Internal Audits: Mid-year internal audits supplement our control mechanisms, ensuring operational effectiveness and compliance.

Board and Committees: These entities oversee and guide our strategies and operations.

Findings: Currently, there are no significant adverse findings, which speaks to our robust internal and external control environment.

Governance

Our approach to Governance has been transparent and proactive. The Fund has adopted King IV™ Governance framework. Any developments in the Governance space or recommendations arising from any regulatory body are reviewed and taken on board. We continuously measure ourselves against best practice to ensure the Fund is always at the forefront with implementation and monitoring of the Governance framework.

Reporting Enhancements

In our effort to communicate effectively, we're looking to present information in digestible formats. Introducing statistical breakdowns, infographics, or other visual aids that

can simplify complex data, providing stakeholders with clear insights.

Outlook

The future for Pulamed is bright. Whilst the medical aid funding industry is going through a challenging period marred by rising costs of claims, Pulamed is up to the challenge. The current Fund strategy anticipated this emerging trend and has put measures in place to counter this phenomenon which threatens the sustainability of the entire healthcare funding industry. The projects which are a critical part of the 2022 – 2027 strategy are aimed at ensuring enhancement of benefits, Member-centric service, wellness and preventative care enabled through digital transformation of the Fund, will ensure long-term sustainability of the Fund.

This Fund belongs to you, Members. You should protect it, guard it to ensure that it grows sustainably. Protect it from elements that perpetuate Fraud, Waste and Abuse (FWA). FWA illegitimately takes away your benefits, puts pressure on the premiums to fund the Fraud, Waste and Abuse. Report any Fraud, Waste or Abuse to the Fund on this Hotline: 0800 480 0128 or email: whistle@afa.co.bw

Conclusion

At Pulamed, our ethos is rooted in service excellence, employee well-being, and progressive growth. With solid Governance structures, committed teams, and visionary leadership, we continue to strive for excellence in every facet of our operations. I would like to take this opportunity to offer my gratitude to my team, the Board of Trustees and our partners for contributing towards this beautiful medical aid, ensuring its long-term sustainability.

I would like to thank the retiring Trustees for guiding this Fund through turbulent times, guiding a growth and renewal strategy which has positioned this medical aid towards greatness. Furthermore, I would like to single out Mr. Maleho Mothibatsela, the Chairman for his stewardship, mentorship and overall affection for the Fund. His visionary leadership has taken the Fund to where it is today. I would also like to thank you, the Members, who are the focus of everything we do, and assure you that your loved medical aid is about to get even better.





FINANCIAL REPORT

MAITUMELO MPHONG

HEAD OF FINANCE & ADMINISTRATION

REVENUE AND PROFITABILITY

Upon reflection of our financial trajectory, it is clear that we have traversed through a year replete with challenges. Nevertheless, our financial performance has demonstrated considerable resilience and strength in comparison to the preceding financial period.

As a not-for-profit organisation, our primary objective is not the accumulation of surpluses, but rather to generate sufficient revenue to support our Members, while prudently saving for unforeseen circumstances, as exemplified during the COVID-19 years. The financial year 2022 presented its unique challenges, marked by the lingering effects of COVID-19, resulting in the most significant deficit in the history of the Fund. However, this year signifies a monumental recovery, transitioning from a P45 million deficit in 2021/22 to a deficit of just P1.2 million, a near breakeven point.

The industry collectively recorded a net deficit of P188 million in the calendar year 2022. Our commitment is to maintain a robust financial position, thereby minimising the financial burden on our Members and ensuring our sustained presence and support.

Our revenue trajectory has been positive, witnessing an 18% increase in revenue attributed to a growth in Membership and premium increase on contributions. This financial prudence reflects our Members' commendable commitment and our collective efforts to maintain a healthy financial ecosystem.

COST MANAGEMENT AND OPERATIONAL EFFICIENCY

Cost management remains a focal point of our financial strategy. We have adopted a zero-based budgeting approach, meticulously evaluating, and justifying every expenditure to avoid unnecessary costs and foster a cost-efficient organisational culture. Our primary expenditure is claims cost, with an ideal target range of 80% to 90%, and this year we have achieved 91%. Our non-healthcare costs (NHCC) have remained favourably low at 10.3%, below industry standard.

Despite the challenges, our operational costs have seen a modest increase of 4%, indicative of our stringent cost management practices. We continue to negotiate best value for your Pulas with our suppliers, ensuring value without compromising on the quality of products or services.

Addressing industry challenges such as Fraud, Waste, and Abuse (FWA), we have intensified our monitoring and enforcement mechanisms. Our proactive approach in health risk management has yielded positive results, reducing unnecessary costs, improving outcomes and the introduction of new benefits in the past.

Our financial policies ensure timely payments to our creditors and service providers, maintaining healthy cash flows and supporting the local business ecosystem, particularly smaller and medium enterprises (SME) and also supporting younger (age) entrepreneurs.

INVESTMENTS AND FUTURE STRATEGY

Our investment strategy is fundamentally shaped by the nature of the Fund's operations, with a predominant focus on capital preservation, while also fostering a balanced appetite for returns. Recognising that investments inherently expect returns, our approach is meticulously calibrated to limit risk exposure, ensuring that the primary allocation of funds is directed towards Member benefits. The essence of our strategy is to safeguard the capital invested, whilst trying to preserve the time-value of money, ensuring sustained financial stability for our Members.

In the financial year 2021/22, we undertook a strategic rearrangement of our investment portfolio. This restructuring was aimed at diversifying our investments across various instruments, with a conservative portfolio constituting the majority. This conservative portfolio is complemented by the moderate and aggressive portfolios. The portfolios are invested in both the local and the global markets.

Additionally, we have allocated a portion of our investments to a small property fund, reflecting a balanced approach in response to the prevailing property market conditions in the country. This diversified investment mandate has yielded significant returns in the current financial year, marking a stark contrast to the previous year when it was in the initial stages of setup.



The strategic reallocation and diversification of our investments have proven to be financially rewarding, achieving P18 million from investments. This financial accomplishment underlines the efficacy of our investment strategy and the diligent management of our portfolio.

The structured diversification across conservative, moderate, and aggressive portfolios has enhanced our financial resilience, ensuring that we continue to fulfill our commitment to our Members while strategically positioning the Fund for future growth.

DEFICIT

P45m
2021/22

P1,2m
2022/23

This year signifies a monumental recovery, transitioning from a P45 million deficit in 2021/22 to a deficit of just P1.2 million, a near breakeven point.

TOTAL INVESTMENTS

P162m

Up from P157m in 2021/2022

INVESTMENT RETURNS

P18m

Achieved P18 million from investments this year.



LIQUIDITY AND FINANCIAL STABILITY

Upon evaluation of our liquidity status, it can be unequivocally affirmed that the Fund continues to sustain a liquid position, endowed with substantial resources to fulfil our obligations in a timely manner. Guided by an exhaustive treasury policy, we uphold a strategic equilibrium of cash holdings and near-cash assets, guaranteeing the immediate availability of funds for settlement purposes. Presently, our holdings have enough cash in fixed deposit accounts, assets that can be expediently liquidated within a 24 to 48-hour timeframe to sufficiently meet our financial obligations as they arise.

Additionally, we maintain readily available cash in the bank, allocated for immediate use for claims settlement on a weekly basis and for addressing other operational expenses.

Our long-term financial strategy is forward-looking, with a vision extending up to 10 years into the future. This approach enables us to project our financial position beyond two strategic periods, ensuring that the investment decisions made today contribute to our sustained financial stability a decade from now.

In managing our investment portfolio, we have engaged Botswana Insurance Fund Management (BIFM) and enlisted the expertise of Alexander Forbes as asset consultants. Adhering to best practices, this arrangement ensures that our Fund manager is overseen by experts who work collaboratively with our Management team to ensure compliance with our mandate and alignment with our financial objectives. This structure provides an additional layer of protection for the Fund, with the Investment Committee, comprised of Members with extensive investment backgrounds, maintaining overall custody.



IFRS 17 INSURANCE CONTRACTS

The implementation of IFRS 17, pertaining to insurance contracts, marks a significant shift in our financial reporting landscape. Under this standard, we are classified as an insurance company, necessitating a nuanced approach to standardising our income and losses. The standard considers the variability of insurance contracts, recognising that they can be either short-term or long-term, and that they can manifest diverse financial outcomes over their lifespan.

As we navigate this transition, it is imperative to note that our compliance timeline aligns with the stipulations of IFRS 17. For the reporting periods or year-end concluding after the financial year of 2023, our immediate obligation is to disclose the anticipated impact of this standard on the Fund. In the current report, dated June 2023, we have diligently addressed this requirement. Looking ahead to 2024, we are poised to achieve full compliance, reflecting our commitment to adhering to evolving financial reporting standards.

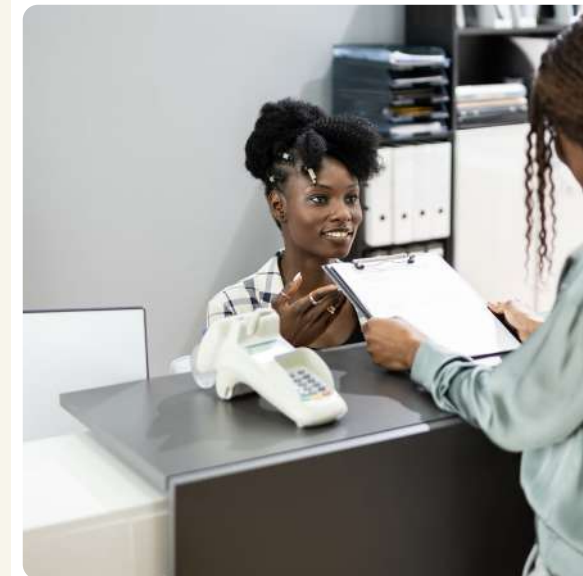
This transition to IFRS 17 is likely to introduce nuanced changes to our financial statements. For instance, income statements may necessitate a more granular representation of each product line, showcasing their respective revenues, profits, or losses. This shift underscores the need for comprehensive actuarial work to accurately project future performance and claims.

Given the short-term nature of our contracts, with the benefit period spanning a year, we are strategically positioned to adapt to these changes.



The industry presents a myriad of standards, and the path to compliance can be multifaceted, requiring a flexible and adaptive approach. We are actively engaged in this process, demonstrating our ongoing commitment to compliance.

During the financial year, we underwent an audit by BAOA, the Botswana Accountancy Oversight Authority, to assess our compliance with Governance and Accounting standards. The final report assessed the Fund as low-risk, with the next assessment scheduled in five years attesting to our consistent adherence to best practices over the years. As we continue to align with the developments of the standard, we are poised to share more information with the users of our financial statements, enhancing transparency and understanding.





FINANCIAL COMPLIANCE

As we navigate through the complexities of the financial landscape, we remain steadfast in our commitment to uphold the highest standards of technical competence and professional standing. We are pleased to report that our team continues to meet and exceed the rigorous standards set forth by the Botswana Institute of Chartered Accountants (BICA). Our adherence to these standards is a testament to our dedication in maintaining excellence in our financial practices, ensuring the utmost accuracy, transparency, and integrity in our financial reporting. We believe that our sustained compliance with BICA's guidelines not only reinforces our credibility but also fosters trust among our stakeholders, thereby contributing to the overall

success and sustainability of our organisation. We will continue to engage in ongoing professional development and adhere to best practices to maintain our good standing and further enhance our technical competence in the ever-evolving financial environment.

Financial reports are produced and reviewed monthly and quarterly, ensuring that the Principal Officer and the Board of Trustees are well-informed of the Fund's financial position. Our actuaries, Insight Actuaries, play a crucial role in the preparation of reports, reflecting the accuracy and reliability of our financial processes.



INTRODUCING THE PULAMED APP!

Now available on App Store and Google Play



#Hello convenience, hello life!



OPERATING CONTEXT OVERVIEW



POLITICAL ENVIRONMENT

Context

We function within a fluid and intricate landscape, marked by continuously evolving challenges and prospects. To adeptly capitalise on opportunities and neutralise risks, we maintain an ongoing analysis of both local and global trends. This allows us to take proactive measures in responding to the ever-changing conditions in which we operate.

An elevated unemployment rate at 24.5% according to Statistics Botswana FY 2022/23

↑ 24.5%

A subdued GDP growth projection of 5.9% for the year 2023 (Statistics Botswana Quarterly Multi-Topic Survey Q4 2022)

↑ 5.9%

Inflation hitting an high of 14.6% in August 2022.

↑ 14.6%

Impact on Pulamed

The persistently high inflation and economic turbulence are cultivating a climate of uncertainty, which in turn influences consumer spending and saving behaviours. Notably, there is a looming risk of diminished household purchasing power and softer demand for financial safety nets and savings products in the coming years. Within the Botswana context, factors such as escalating consumer price inflation, soaring fuel prices, climbing interest rates, and sustained high unemployment rates are cumulatively eroding disposable income levels for our clientele.

Medical aid is a grudge purchase and therefore when the going gets tough, its one of the first to be disposed by Members

Our response

We persistently keep an eye on the economic and political landscapes that may have an impact on the economic outlook for our country and subsequently our Fund. Where possible, we initiate dialogue with pertinent stakeholders as circumstances require to try and mitigate medical aid de-registrations.

The political environment has been stable, however, we have experienced a fluctuating economic environment. Pulamed's role as a medical aid provider is both challenging and vital. Our approach to navigating this economic environment is multi-faceted, proactive, and grounded in strategic agility.

Risk Assessment and Contingency Planning:

Pulamed routinely evaluates the political and economic risks that could potentially impact its operations or its Members. Based on these assessments, contingency plans are developed to ensure minimal disruptions in service delivery, even during unstable periods. This was quite evident during the COVID-19 era.

Engagement with Policymakers: Active dialogue with Governmental bodies and industry regulators enables Pulamed to contribute constructively to policy discussions, ensuring that the interests of our Members are adequately represented. Such engagement also helps us anticipate legislative changes that could affect the healthcare sector.

Technology Investments: Given the economic pressure to do more with less, Pulamed continually invests in technology to streamline processes, improve service quality, and offer digital platforms that make healthcare more accessible for our Members. Post the reporting period, the most recent digital platform to be launched is the mobile Wellness Program App.

Community Support and Education: Understanding that political and economic conditions often have a disproportionate impact on vulnerable communities, Pulamed is committed sponsoring initiatives that build towards education and outreach programs. Pulamed has consistently supported initiatives such as the cycling and walks events aimed at helping marginalised communities. In future, Pulamed seeks to directly fund and support such initiatives.

Transparency and Communication: Open lines of communication with Members and stakeholders are more crucial than ever during uncertain times. There has been significant changes in the benefit designs within the medical aid industry and Members needed reassurance that their medical aid benefits have not been curtailed. It was therefore important through Member engagements and various media to be open and transparent. Regular updates on how Pulamed is responding to changing conditions can build trust and provide reassurance.

Sustainability and Ethical Conduct: In both economic prosperity and downturn, Pulamed remains committed to sustainable practices and ethical business conduct, as these are not just regulatory requirements but also imperatives for long-term success. Pulamed lives its values. Integrity, Transparency, Innovation, Compassion and Agility.

Investment in Research and Development:

Pulamed continuously researches on newer efficient processes, develops new solutions and products. The Fund engages various industry experts and subject matter specialists in its research and development, i.e., actuaries, marketers, accountants, health professionals, data analysts, etc.

Human Capital: Investing in the continuous training and development of our staff ensures that Pulamed can adapt swiftly to changing political and economic conditions, providing unbroken quality of service. Pulamed has training and development programs for all its employees to ensure continuous improvement in service delivery and employee motivation.



REGULATORY ENVIRONMENT

- Implementation of IFRS 17 governing insurance contracts
- Escalating frequency of regulatory modifications

Impact on Pulamed

IFRS 17, pertaining to insurance contracts, will come into effect for Pulamed starting 1st July 2023. Adopting this standard necessitates substantial modifications to our reporting systems and procedures to facilitate the creation of financial statements that adhere to the new guidelines. Pulamed has advanced well in its preparation for this transition, resolving key areas of ambiguity.

Our response

Navigating the regulatory environment is a critical aspect of Pulamed's operations, given its direct impact on our service delivery and overall stability. In response to regulatory changes and requirements, our approach is both proactive and adaptive.

Implementation of IFRS 17: In compliance with the International Financial Reporting Standards (IFRS) 17 governing insurance contracts, Pulamed has undertaken a thorough review of its accounting and

financial reporting procedures. We have engaged with external consultants and educated our internal finance teams to ensure that the implementation is smooth, accurate, and in full compliance with the new standards. Interim compliance solutions have been put in place, with the aim of achieving full compliance by the Financial Year 2023/24.

Responding to Escalating Regulatory Modifications: The frequency of regulatory changes has been notably high in recent years, necessitating a more dynamic response mechanism. Pulamed is nimble and agile and responds to these changes in a timely manner with constant monitoring of legislative updates. We also liaise closely with industry bodies/experts and legal experts to interpret and implement these changes effectively, thereby mitigating risks and ensuring ongoing compliance.

Stakeholder Engagement: Proactive dialogue with regulators and other key stakeholders ensures that Pulamed is not just reacting to regulatory changes but also participating in the discourse that shapes them. This helps us to better prepare for upcoming regulations and to make our case for regulations that more effectively serve both the industry and the end-users.

Compliance Audits: Regular internal and external audits are conducted to evaluate our adherence to current regulations, allowing us to identify areas of improvement before they become problematic.

Employee Training: With regulations constantly changing, it is imperative that our staff is up to date. Ongoing training programs are implemented to educate employees on the latest regulatory standards and how they impact various facets of our business.

Technology Utilisation: Leveraging technology can greatly assist in regulatory compliance, from automating data collection to creating more efficient reporting systems. By investing in cutting-edge

technology, we aim to simplify and expedite the compliance process. KYC and AML is one such area where the Fund is investing in technology to expedite the compliance process.

Transparency and Reporting: In line with regulatory requirements, Pulamed maintains a commitment to transparency, routinely publishing reports that are easily accessible to Members and stakeholders. These reports not only showcase our financial health but also demonstrate our adherence to regulatory standards.

Risk Management: Understanding that regulations are often tied to minimising risks, both to the consumer and the industry, we align our risk management strategies closely with regulatory compliance.





DIGITISATION AND DISRUPTIVE TECHNOLOGIES

- Disruptive digital transformations in value chains
- Entrance of unconventional players and swift tech evolution in the healthcare sector
- Increasing consumer/Member desire for personalised experiences and autonomy
- The COVID-19-induced shifts in work models, leaning towards hybrid and remote setups, there's a growing need for 24hr contact centre availability
- Escalated competition for specialised skills and talent
- These trends, all exacerbated or catalysed by the COVID-19 pandemic, are currently exerting substantial influence on business landscapes. These shifts have fundamentally altered customer expectations, elevating the demand for convenience and individualised service experiences. This has, in turn, magnified the role of data analytics in strategic decision-making.
- Digital advancements have escalated competition across industries, with organisations excelling in digital strategy and execution gaining a distinct competitive advantage.
- Moreover, the necessity for specialised skills to drive digital initiatives has led to a critical talent shortage. Companies are compelled to innovate in their efforts to attract and retain essential human capital.

- Moreover, the necessity for specialised skills to drive digital initiatives has led to a critical talent shortage. Companies are compelled to innovate in their efforts to attract and retain essential human capital.
- Additionally, the pandemic-triggered abrupt transition to remote work has resulted in a re-evaluation of traditional work environments. Employees are increasingly favouring flexible work arrangements, either in hybrid or entirely remote settings.

Our response

Digital advancements have escalated competition across industries, with organisations excelling in digital strategy and execution gaining a distinct competitive advantage. Pulamed has anchored its 2022-2027 strategy on digital transformation. The Fund is already disrupting the Wellness space with its interactive Wellness App, which will continue to be enhanced to be customised to individual needs. The same will apply for other Member services that will be driven through the App. The App will be disruptive as it will use AI to provide relevant customised information to the Member.

Moreover, the necessity for specialised skills to drive digital initiatives has led to a critical talent shortage. In order to stay ahead, Pulamed's attraction and retention policy is poised to ensure that such skills stay with the Fund. Digitalisation will promote collaborations within the Fund value chain and thereby providing convenience to the Member.





ARTIFICIAL INTELLIGENCE (AI), MACHINE LEARNING (ML), LARGE LANGUAGE MODEL (LLM) AND GENERATIVE AI IN HEALTHCARE

Our response

Collaboration and Partnerships: Pulamed is committed to being at the forefront of this technological wave. We are open to collaborating with service providers who will bring such technologies for the benefit of our Members. Such technologies bring about efficiencies, accuracy and peace of mind to the Members. Technologies currently being considered include virtual consultations (telehealth).

Staff Training and Development: Understanding that technology is only as good as the people who use it, we will be investing in training programs to skill our workforce in the effective understanding and use of these advanced technologies.

Data Security and Ethics: As we venture into data-driven healthcare, Pulamed is extremely cautious about the ethical implications and is committed to the highest standards of data security and patient confidentiality.

Patient-Centric Approach: AI and ML, through service providers, will be leveraged to analyse patient data, thereby facilitating a more personalised healthcare experience.

Monitoring and Evaluation: As these technologies are rapidly evolving, Pulamed is committed to a continuous review process. This will ensure that our technology initiatives are not only current but also effective and

beneficial for our Members.

Pulamed recognises the tectonic shifts occurring in healthcare due to AI, ML, and other advanced technologies. We are committed to navigating these changes proactively, ensuring that we continue to provide exceptional and cutting-edge healthcare solutions to our Members.



BUSINESS MODEL

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 fund and any Member of the public can join our medical aid fund 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 2023, Pulamed had 23,371 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. The remainder of the income is

used to fund administration, health risk management and managed care costs.

CORPORATE REGISTRATION

Pula Medical Aid Fund

("Pulamed" or "the Fund") is a Trust duly registered according to the laws of the Republic of Botswana under the Trust Property Control Act bearing registration number TUHGB-000071-20

ADMINISTRATORS

Pulamed is administered by Associated Fund Administrators Botswana (Pty) Ltd

ADDRESS

The Fund's member and administrative services can be accessed from:

Mowana Mews, Plot 74769, New CBD, Gaborone

REGISTERED OFFICE

The Registered Office of the Fund (Fund Office) is at: Unit 1 (Acacia) Prime Plaza Plot 74358, Western Commercial Road New CBD, Gaborone

AUDITOR

Deloitte and Touché

TRUSTEES



Mr. Maleho Mothibatsela



Dr. Bakani Thipe



Mr. Oteng Sebonego



Mr. Geoffrey Mahlaka



Mr. Anthony Masunga



Ms. Kushatha Moswela



Mr. Ranjith Priyalal De Silva



Ms. Naiko Carol Ralebala



Mr. Ishmael Dipholo



Ms. Leawetsa Meyer

EXECUTIVE MANAGEMENT



PRINCIPAL OFFICER
Dr. Khumoetsile Mpitse



HEAD OF FINANCE & ADMINISTRATION
Ms. Maitumelo M. Mphoeng



CORPORATE SECRETARY
Ms. Nomsa L. Otsoigile



HEAD OF BUSINESS DEVELOPMENT & STAKEHOLDER MANAGEMENT
Mr. Kemmony Phaladi



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.

Our Values

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.

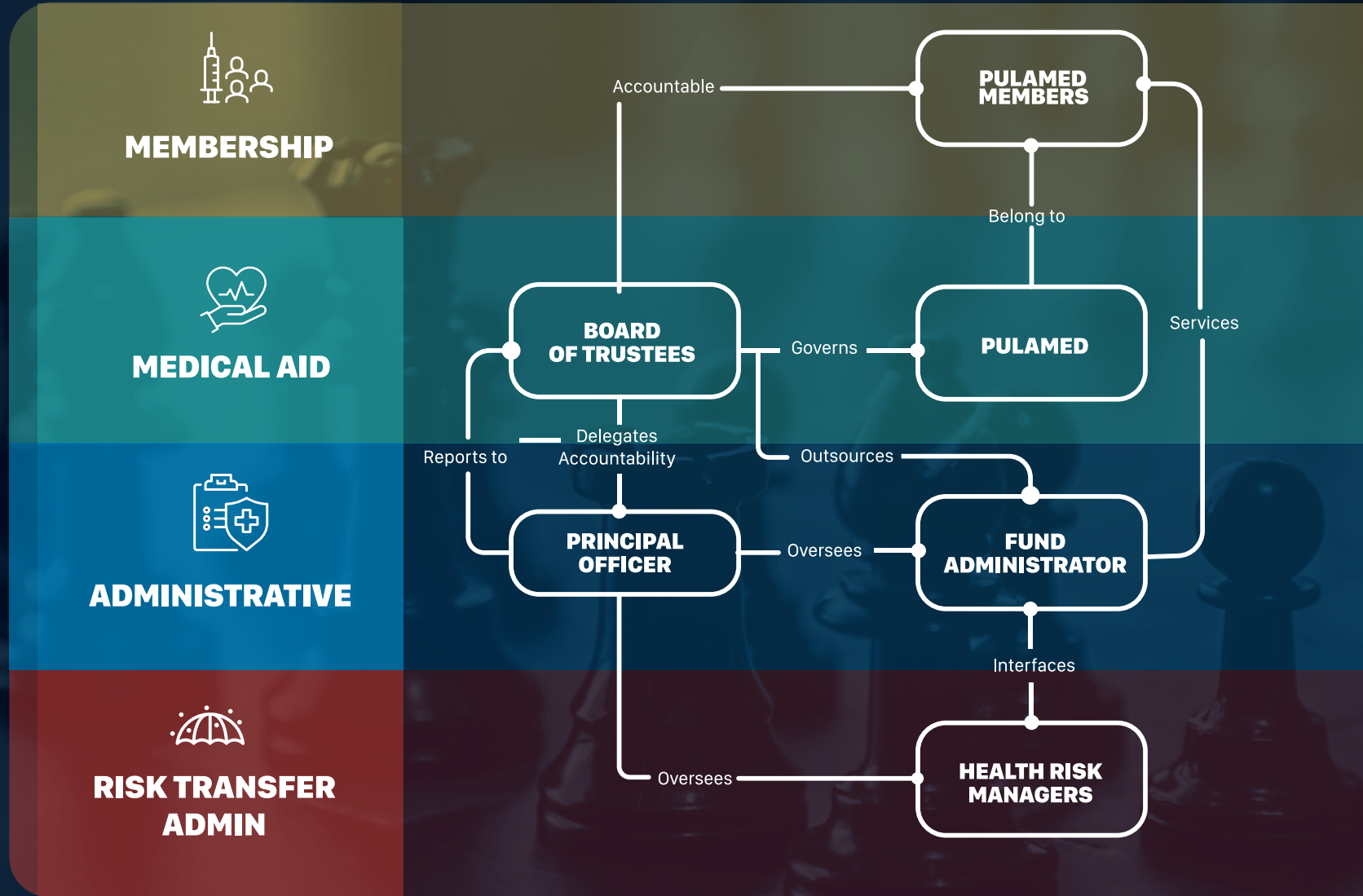
AGILITY

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.

ORGANISATIONAL STRUCTURE



OUR PRODUCTS



EXECUTIVE P2 MILLION PER ANNUM

The Executive Benefit Option offers P2 million cover for you and your family. It's a comprehensive benefit that will cover GP & Specialist visits, Optical and Dental, outpatient and inpatient services including travel insurance, dread disease cover, chronic disease cover, preventative care and many more.



DELUXE P1.2 MILLION PER ANNUM

This comprehensive option is our flagship cover, offering P1.2 million cover for you and your family. It also comes with GP & Specialist visits, Optical and Dental, travel insurance, preventative care, emergency medical services, premium waiver and chronic disease cover and many more.



GALAXY P100,000 PER ANNUM

Get cover up to P100,000 for you and your family to cover both inpatient and outpatient services. The option is ideal for a small family or a younger individual who needs a non-comprehensive cover or is price sensitive. The cover comes with GP & Specialist visits, Optical and Dental, emergency medical services, chronic disease cover and childbirth.



FLEXI P60,000 PER ANNUM

The Flexi Benefit option is an out - patient cover ideal for the healthy, young and prize sensitive individuals. The option offers P60,000 cover per year. The cover comes with GP & Specialist visits, Optical and Dental, emergency medical services, chronic diseases cover, consultations and medication. The cover is also suitable for students.



STANDARD P40,000 PER ANNUM

Standard Benefit Option gives you and your family a cover of P40,000 per annum. Inclusive of hospitalization. Cover also includes GP & Specialist visits, Optical and Dental, outpatient cover, cover also includes childbirth, doctor consultations, medication and diagnostics.

THIRD PARTIES



Associated Fund Administrators Botswana (AFA)

AFA is an independent 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 Insurance Fund Management (BIFM) is the Fund's asset manager and AlexForbes Consulting has been appointed as 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 is 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. The 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 COVID-19 pandemic, the 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.

CAPITALS



HUMAN CAPITAL

Pulamed's foundation lies in our core values and unwavering adherence to the Fund Code of Conduct. Consequently, we endeavour to create a workplace that is safe, stimulating, and rewarding for every member of our team.

Key initiatives

- Prioritise employee safety, motivation, engagement, and connection.
- Redesign organisation for optimal operating models.
- Promote collaboration and expertise sharing.
- Invest in skill and leadership development.
- Strategise talent management and succession.
- Champion workplace equity, diversity, and inclusion.
- Advocate for female employee rights and equality.
- Engage with employees and labour representatives.
- Uphold integrity and value-driven leadership.
- Ensure employee health and well-being.
- Implement effective remuneration and performance practices.
- Align Employee Incentive Scheme with Fund's Key Performance Areas (KPA's).
- Introduce a 360-degree feedback for performance enhancement.
- Continue investment in technology to enable an agile workforce.

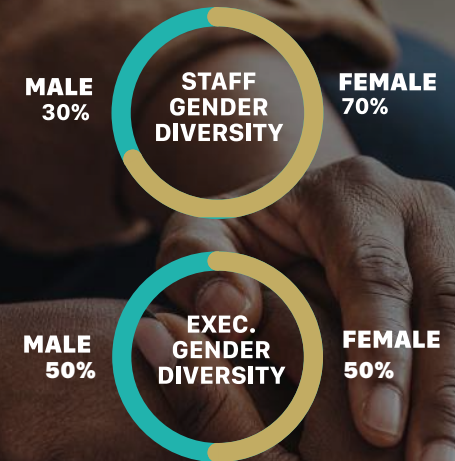
Inputs

- Employee-centric approach
- Employee expertise, skills set and integrity.
- Agile, resilient and diverse leadership team
- Human capital technology
- Robust policies and procedures

Outcomes

- Pulamed's workforce remained resilient, cohesive, and efficient amidst the challenges.
- Our teams, characterised by their skill, capability, and diversity, are driven to fulfil the strategic imperatives set forth by the Fund, achieved and exceeded expectations (KPA's). The Fund operates on an optimal operating model that excites and challenges employees, leaving them fulfilled. Employee remuneration is reviewed every three years to ensure alignment and relevance.
- Pulamed consistently emphasizes the sustenance of a performance-centric culture, with a clear alignment of objectives and a priority on skill retention. The Fund has in place a performance-based reward system for exceptional performance. There are policies on employee safety, reward and motivation, training & development, work from home.
- We prioritise fostering stable and constructive industrial relationships within Pulamed. The Fund promotes inclusion and diversity. Seventy (70%) of the staff at Pulamed are female.
- Our employees stand as esteemed representatives of Pulamed's brand, underscoring our unwavering commitment to ethical standards rooted in our values.

At the forefront of our objectives is ensuring a safe and health-conscious environment for the Pulamed workforce





SOCIAL AND RELATIONSHIP CAPITAL

As a conscientious corporate entity, our duty goes beyond just meeting compliance standards; it is deeply rooted in our goals and our business ethos. We acknowledge the unbreakable ties between our enduring growth, the relationships we maintain with pivotal stakeholders, and our expansive contributions to the larger societal framework. (Male 30%; Female 70%)

Key initiatives

- Commitment to fostering diversity and inclusivity both in the Pulamed Board and the overall workforce.
- Execution of a comprehensive ethics and compliance program across Pulamed.
- Investments aimed at improving healthcare delivery for communities.
- Backing enterprises, especially small-scale ones, with favourable procurement, enterprise growth, and supplier development actions.
- Continuous dialogue with essential internal and external stakeholders and managing their expectations effectively.
- Worldwide support for health days across various Pulamed units.
- Community development efforts.

Inputs

- Comprehensive ethical and compliance measures.
- Engagements with communities, Members, patients, regulatory bodies, service providers, governmental entities, media, and other primary stakeholders.
- Guidelines and protocols.
- Unified Governance, risk management, and compliance mechanisms.
- Conscientious corporate stewardship.

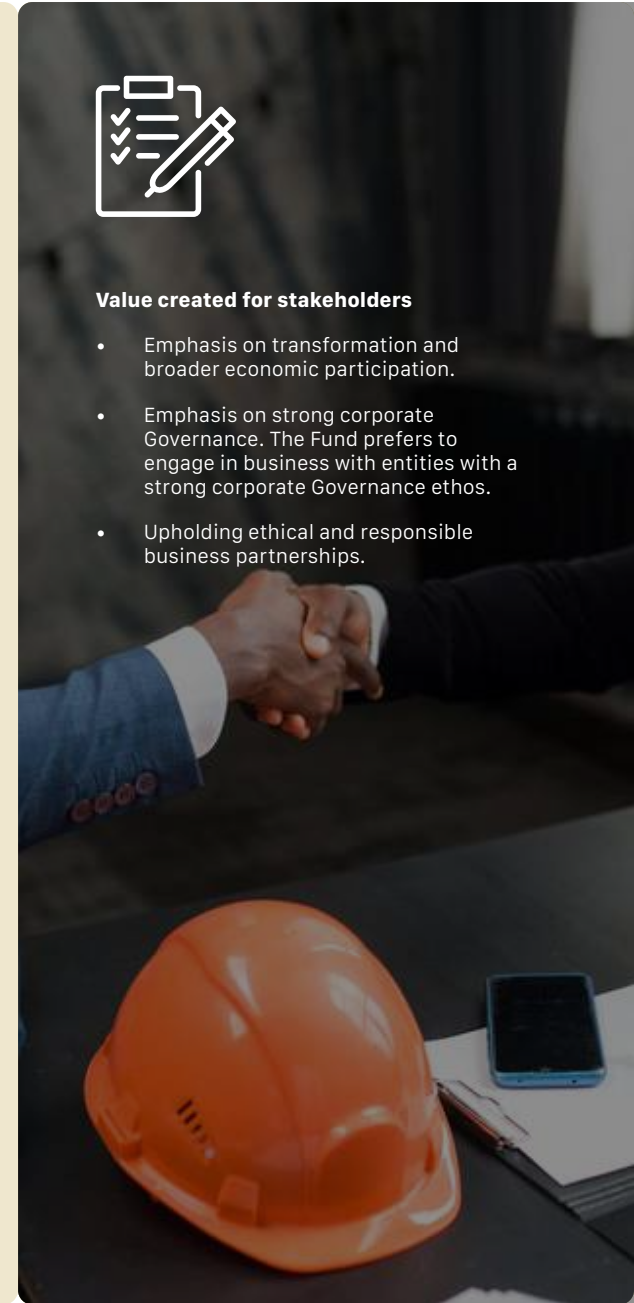
Outcomes

- Embodying our vision “Your premier healthcare partner/ Hello Life.” Enhancing our profile as a model corporate citizen known for high-quality, affordable medical aid services.
- Contributing to economic growth, and availing and improving access to healthcare of Botswana.
- Fulfilling genuine stakeholder expectations and preserving our ability to run a sustainable Fund.
- Value delivered to Members and stakeholders. Pulamed supports initiatives which further improve the services provided to our Members, e.g., conferences and seminars.
- Amplifying healthcare expertise and resources.
- Improving the well-being of the communities where we operate, through the support of initiatives which uplift those communities. Pulamed sponsors charity walks, runs and cycling events in the communities where our Members exist.



Value created for stakeholders

- Emphasis on transformation and broader economic participation.
- Emphasis on strong corporate Governance. The Fund prefers to engage in business with entities with a strong corporate Governance ethos.
- Upholding ethical and responsible business partnerships.





NATURAL CAPITAL

As a leading Medical Aid Fund, we recognise the intrinsic value of natural capital to human health. Clean air, uncontaminated water, and a balanced ecosystem are not just environmental concerns—they are health imperatives. Our commitment extends beyond providing healthcare solutions; it encompasses a responsibility to advocate for and support the preservation of our planet's invaluable natural assets, understanding their direct correlation to the well-being of the communities we serve.

Key initiatives

- Dedication to minimising and reducing our carbon footprint through office management tactics and adoption of technology across our business.
- Transparent communication about our approach to climate-related risk management.
- Advocacy for waste minimisation and recycling throughout our service delivery.
- Decreasing dependence on fossil fuels through formal conservation projects.
- Implementation of renewable energy initiatives.

Inputs

- Clean Air: Essential for overall human health and well-being, impacting respiratory conditions and general health outcomes.
- Clean Water: Used in healthcare facilities for various purposes, including hygiene and certain medical procedures.

Outcomes

- Ensuring a sustainable supply of clean energy and water, critical to our ability to operate. Our office fauna is watered by excess underground water and thereby exemplifying responsible use of resources. Our client facing office has solar in their energy mix, over time the Fund seeks to increase the solar mix in all its business affiliates.
- Reduction of carbon footprint. The Fund, through its digitalisation strategy seeks to reduce significantly its use of paper. Currently EDI stands at more than 85%. The Fund Office has reduced use of paper through use of cloud management services.
- Cost containment as a result of energy and water-saving initiatives.
- Reduction of environmental pollution, risk and incidents. The Fund has a very low pollution risk due to the nature of its business. Vehicles are the source of pollution. The Fund has minimised vehicle trips through the use of virtual marketing and live streaming of events to cover more Members. The Fund engages more on webinars than traditional seminars.

Value created for stakeholders

- Responsible management of our impact on the environment





FINANCIAL CAPITAL

In our commitment to financial reporting, we prioritise the prudent and strategic management of our financial capital. Our goal is to drive value for every stakeholder, ensuring we capitalise on opportunities that promote enduring economic prosperity.

Key initiatives

- Maintenance of strict financial discipline and controls.
- Deciding on deployment of available capital.
- Measurement of financial performance, value creation and cash generation.
- Seeking out investment opportunities to increase revenue generation, profitability and shareholder returns.
- Focus on organic growth.
- Focus on working capital management.
- Focus on increased tax reporting requirements and tax transparency.

Inputs

- Pool of funds available to Pulamed
- Cash flow generation capabilities
- Reserves
- Financial internal control framework
- Financial and tax reporting systems

Outcomes

- Economic value creation for Pulamed’s stakeholders, including its Members, employees, customers, providers of capital, Governments, and business partners.
- Delivered an income growth of 3.2% for the year ended 30 June 2023. The Fund was able to fund claims as they arose as a result of positive cashflows which were managed prudently by the Fund. Astute debtors’ management, ensures funds are always available to settle claims.
- Invested capital at competitive rates yielded good returns for the Fund. The total yield was P18M for the financial year.
- Transparent tax policies, principles, and reporting systems
- The Fund, as a not-for-profit entity managed to break-even for the financial year.
- Adhering to the Fund treasury policy, for tighter management of controls.



Value created for stakeholders

- Economic stimulus through procurement of services, third party providers, healthcare providers, etc.
- Contribution to governments through taxes.
- Availability of funds to settle healthcare claims as they arise and in turn providing access to much needed healthcare for Members.





INTELLECTUAL CAPITAL

At Pulamed, we recognise that our intellectual capital is the cornerstone of our innovation and growth. This intangible asset, encompassing our proprietary knowledge, expertise, and the collective wisdom of our team, not only differentiates us in the healthcare landscape but also propels us towards pioneering solutions and exceptional Member experience. As we navigate the future, we remain committed to nurturing, expanding, and leveraging this invaluable capital to continue setting benchmarks in the industry.

Key initiatives

- **Ethical Marketing:** Responsible and principled promotion of Pulamed products.
- **Strategic Partnerships:** Collaborations with healthcare providers, research institutions, and tech companies for mutual growth.
- **Digital Transformation:** Investment in modernising systems, processes, and enhancing digital capabilities.
- **Acquisition Assessment:** Identifying and evaluating opportunities for acquisitions and collaborations to spur growth and penetrate desired sectors.
- **Digitisation Focus:** Emphasising the advancement of digitisation, I&T governance maturity, and information security initiatives.

Inputs

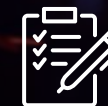
- **Proprietary Algorithms:** For risk assessment, contribution calculation, and claims processing.
- **Clinical Guidelines:** Best practices and treatment protocols derived from extensive research.
- **Data Analytics Capabilities:** Tools and methodologies to analyse Member and patient data for improved care and cost management.
- **Member Education Materials:** Content developed to educate Members about health, wellness, and optimal utilisation of benefits.
- **Digital Platforms:** Custom-built software and applications for Member interaction, claims submission, and health tracking.
- **Strategic Partnerships:** Collaborations with healthcare providers, research institutions, and technology companies.
- **Research & Development:** Insights from ongoing research into healthcare trends, disease management, and technological advancements.
- **Employee Expertise:** Skills, knowledge, and experience of the staff, especially those in decision-making and strategic roles.
- **Brand Assets:** Trademarks, copyrights, and other intangible assets related to the Fund's brand and reputation.
- **Regulatory Expertise:** Knowledge about healthcare regulations, compliance requirements, and industry standards.
- **Innovative Product Designs:** Unique health plans or offerings derived from market research and Member feedback.
- **Training Programs:** Internal initiatives aimed at continuous learning and improvement of the workforce.

Outcomes

- **Technology-enabled business processes.** This covers the Fund, the Administrators, Health Risk Managers and the Healthcare service providers. The integration of some aspects of these business processes allows for the efficient management of services and claims. These efficiencies improve Member experience.
- **Protection of Fund and private information.** Propriety information is protected, through non-disclosure agreements and how the business relationships are structured.
- **Consistent, compliant and efficient regulatory, procurement and supply chain systems** which provide competitive advantages for the Fund.
- **Increased number of Members and beneficiaries** benefiting from our products and services.

Value created for stakeholders

- **Risk Mitigation:** By investing in digital transformation and robust IT Governance, we have bolstered our information security, ensuring the privacy and protection of our Members' sensitive information.
- **Operational Efficiency:** The continuous refinement of our systems and processes, aided by our focus on digitalisation, has streamlined our operations, reduced overheads and improving service delivery. This is shown by the lower non-healthcare costs of 10.3% compared to industry.
- **Regulatory Compliance:** Our in-depth knowledge of regulatory frameworks ensures that Pulamed always operates within legal and ethical boundaries, safeguarding our reputation and minimising potential liabilities.
- **Future Readiness and Resilience:** Our emphasis on training programs and continuous learning ensures that Pulamed is always ahead of the curve, ready to tackle future challenges and seize new opportunities.



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 IV™ 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 fund 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.

The Board of Trustees remains committed to supporting good governance and ethical leadership. Good Governance and ethical leadership increase stakeholder confidence and are enablers for better decision making for the benefit of all stakeholders, especially the Members of the Fund. Pulamed Trustees are satisfied that they have fulfilled their responsibilities to administer the assets of the Fund with due skill and care, and in accordance with its governing documents for the period under review.

DELEGATION OF AUTHORITY

The Board of Trustees as the custodian of Corporate Governance uses a Delegation Matrix to outline the delegation of authority, falling within the Board's jurisdiction and those entrusted to Board Committees. This framework, bolstered by processes and policies, ensures consistent governance,

facilitating the strategic execution necessary for meeting stakeholder expectations, and fosters role clarity and sound decision making. The Board relies on Board Charters for guidance and to delineate composition, meeting frequency and roles. These Charters are subject to an annual review to uphold their relevance. Committee Chairmans furnish the Board with reports regarding Committee meetings at each Board session. Furthermore, Committee Chairmans participate in the AGM to address inquiries from stakeholders should there be any. The Board is satisfied that the delegation of authority in place contributes to role clarity and the effective exercise of authority.

It is within the Delegation of Authority Matrix that the Board delegates authority for the management of the Fund's day to day activities to the Fund's Executive Management through the Principal Officer, and the Board of Trustees is comfortable that the delegation of authority framework in place ensures a clear division of responsibilities between Management and the Board and that no member of the Executive Management has unfettered authority. The Board of Trustees of the Fund further confirms that there is also a clear division of responsibilities between the Principal Officer, Board Chairman, and Trustees.

NOMSA L. OTSOGILE
HEAD OF GOVERNANCE
& COMPANY SECRETARY



OUR TRUSTEES



CHAIRMAN

Mr. Maleho Mothibatsela

(DATE OF FIRST APPOINTMENT - AUG 2011)

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

***Retires at the end of the 2023 Annual General Meeting**

Mr Mothibatsela has spent 27 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. He is also serves as the Chairman of the Board of Directors of Botswana Development Corporation (BDC) and is a Director on the Board of Okavango Diamond Company. Maleho is the outgoing Chairman of the Board of Trustees of Pulamed.



TRUSTEE

Dr Bakani Thipe

(DATE OF FIRST APPOINTMENT - AUG 2011)

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

***Retired on 30 June 2023**

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.



TRUSTEE

Mr. Oteng Sebonego

(DATE OF FIRST APPOINTMENT - NOV 2011)

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

***Retired on 31 October 2023**

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 has until recently worked at Norsad Capital as an Investment Director.

TRUSTEES CONTINUED



TRUSTEE
Geoffrey Mahlaka

(DATE OF FIRST APPOINTMENT - JULY 2013)

*Retired 30 June 2023

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, Compliance, Anti-Money 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 and Compliance Professional (GRCP) through OCEG & GRC Certify.

Mr. Mahlaka has over 20 years of experience obtained in various sectors ranging from banking, parastatals and mining and mining investment.

He previously served on the board of 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.



TRUSTEE
Anthony Masunga

(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.



TRUSTEE
Leawetsa Meyer

(DATE OF FIRST APPOINTMENT - FEB 2019)

Ms. Meyer has over 25 years of Nursing Experience (17 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 a Nursing Services Manager at Lenmed Health Bokamoso Private Hospital.



TRUSTEE
Kushatha Moswela

(DATE OF FIRST APPOINTMENT - JUL 2019)

Ms. Kushatha Moswela is an actuarial professional who holds an MSc in Actuarial Science. She has extensive experience and skill in insurance, risk management and consulting. She has held various Executive and Senior roles. Kushatha is the Group Director of Operations for Equity Insurance. Her previous roles include being the Managing Director of Old Mutual Short-Term Insurance Botswana and Chief Operations Officer for Old Mutual Botswana. She has worked in various countries that include Kenya, 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.

TRUSTEES CONTINUED



TRUSTEE

Ishmael Dipholo

(DATE OF FIRST APPOINTMENT - JULY 2013)

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 25 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.



TRUSTEE

Naiko Carol Ralebala

(DATE OF FIRST APPOINTMENT - JULY 2019)

Ms. Naiko Carol Ralebala, is a Senior Finance Manager at Debswana Jwaneng Mine. She has over 20 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.

Ms. 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. Ms. Ralebala, has completed the Global Executive Development Programme from Gordon Institute of Business Science.



TRUSTEE

Priyalal De Silva

(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, Choppies Enterprises 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.

ABOUT THE BOARD

The Board of Trustees operates in terms of a Board Charter, which is reviewed annually. The Charter regulates the conduct of the business in accordance with adopted sound corporate governance principles. The Board Charter stipulates the responsibilities to be discharged by Trustees collectively and individually to ensure that sound corporate governance principles are applied in all dealings undertaken by the Fund's Trustees.

The Board takes overall responsibility and accountability for the success and sustainability of the Fund as mandated by the Fund's Membership in terms of the Rules of the Fund. The role of the Board of Trustees is focused primarily on exercising sound leadership and independent judgment when considering the Fund's strategic direction and overall performance, while always considering the best interests of the Fund and its Members. As part of its duties, the Board is responsible for establishing strategic objectives, goals and key policies, identifying and monitoring key risk areas and key performance indicators of the business, approving strategy and budgets and regularly reviewing progress against strategic objectives. Trustees are expected to act with due care, diligence, skill, good faith and in the best interests of Pulamed and its members. Processes are in place to ensure that the Trustees declare any conflict of interest that may arise in the discharge of their duties. The Board believes that effective governance is the cornerstone of the Fund's success and sustainability.

Role and Independence of The Board Chairman

In line with King IV™ the Pulamed Board Chairman is an independent non-executive Trustee. Board Chairman is responsible for providing leadership to the Board and ensuring overall effectiveness in 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 – he does this by promoting a culture of openness and debate. Additionally, the Chairman is responsible for:

- Participating in the selection of Trustees;
- Ensuring proper induction, training and continuous development of the Board;
- Ensuring there is a formal succession plan for the Board;
- Ensuring that the decision making process is in accordance with the law and caters for interests of various stakeholders.

The Fund's outgoing Chairman is Mr. Maleho Mothibatsela, who retires at the end of the 2023 AGM.

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 Corporate 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. 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 2021. Overall, the outcome and the performance of the Board and its Committees was satisfactory and findings from the evaluation are being implemented and monitored.

The next Board evaluation scheduled for 2023 and the assessment encompasses:

- Governance, performance and effectiveness of the Board and its Committees
- Independence assessment of Trustees who have served on the Board for more than nine years
- Performance and effectiveness of individual Trustees
- Performance and effectiveness of the Board Chairman and the Chairpersons of various Board Committees
- Performance and effectiveness of the Corporate Secretary
- Judgement, skills, competence, contribution and participation in meetings by the Trustees. The report of the evaluation and the recommended remediation, if any, will be shared with the Board post the publication of this report.

ABOUT THE BOARD

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*

Dr. Bakani Thipe**

Mr. Oteng Sebonego***

Mr. Geoffrey Mahlaka**

*To retire at the end of the 2023 AGM on 1 December 2023

**Retired on 30 June 2023

***Retired on 31 October 2023

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 and suitable candidates are to be recommended for appointment as independent Trustees under Resolution No.4 during the 2023 Annual General Meeting. The Fund's Board Succession Plan seeks to ensure that there is Board continuity and that a balance of 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. All current Pulamed Trustees and new ones being recommended for appointment have been found to be fit and proper by the Non-Bank Financial Institutions Regulatory Authority (NBFIRA) to execute their duties as Trustees.

Principal Officer's Succession Plan

The Principal Officer is engaged under a standard employment contract, consistent with the terms applicable to all other employees. The Board of Trustees has sanctioned a succession strategy for the position of Principal Officer which implementation will commence in 2024. The succession strategy for the Principal Officer will outline potential candidates based on their preparedness to assume the role.

The selection criteria will encompass factors such as:

- Emergency/ready-now candidate
- Medium-term candidate (ready in one to three years)
- Long-term candidate (ready in three to five years)

FUND'S ALIGNMENT & APPLICATION OF KING IV™

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

	STATUS	ALIGNMENT & ADOPTION BY PULA MEDICAL AID FUND
<p>PRINCIPLE 1</p> <p>The Governing Body should set the tone and lead ethically and effectively</p>	Applied	<p>The Board has set the tone of ethical leadership by developing and adopting the following policies, codes, rules and practices:</p> <ol style="list-style-type: none"> 1. 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. 2. 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. 3. Declarations – principles and procedures to be adhered to regarding disclosure of conflicts of interest.
<p>PRINCIPLE 2</p> <p>The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p>	Applied	<p>Integrity, honesty, fairness, equity, justice, and compassion are principles expected from every employee of the Fund. The Fund's focus is embedding and institutionalisation of the ethics culture by ensuring operationalisation of policies and enhanced ethical values amongst employees.</p> <p>Assessing and sanctioning appropriate corrective measures, administrative actions and any other penalties in respect of incidents of misconduct, corruption, breaches of policy and or unlawful practices.</p>
<p>PRINCIPLE 3</p> <p>The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</p>	Applied	<p>Pulamed remained true to the mandate of offering real help to communities as demonstrated by the CSI initiatives carried out during the period under review and immediate post reporting period.</p> <p>Furthermore, the Board applies a citizen economic empowerment initiative through which the Fund undertakes to create an environment in which citizens of Botswana, and citizen owned companies, are empowered to participate meaningfully in the economy of the country, especially in its procurement of goods and services.</p>
<p>PRINCIPLE 4</p> <p>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.</p>	Applied	<p>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.</p>

FUND'S ALIGNMENT & APPLICATION OF KING IV™ CONTINUED

	STATUS	ALIGNMENT & ADOPTION BY PULA MEDICAL AID FUND
<p>PRINCIPLE 5</p> <p>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.</p>	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 FY2022/2023.
<p>PRINCIPLE 6</p> <p>The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p>	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.
<p>PRINCIPLE 7</p> <p>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</p>	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.
<p>PRINCIPLE 8</p> <p>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.</p>	Applied	<p>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.</p> <p>The Chairman of the Board is not a member of the Finance, Audit & Risk Committee.</p>
<p>PRINCIPLE 9</p> <p>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.</p>	Applied	<p>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.</p> <p>The Board evaluation included evaluation of the Board, Chairman, individual Trustees, Corporate Secretary, independence assessments, peer assessment and skill assessment.</p>

FUND'S ALIGNMENT & APPLICATION OF KING IV™ CONTINUED

	STATUS	ALIGNMENT & ADOPTION BY PULA MEDICAL AID FUND
<p>PRINCIPLE 10</p> <p>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.</p>	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.
<p>PRINCIPLE 11</p> <p>The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>	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.
<p>PRINCIPLE 12</p> <p>The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.</p>	Applied	The Board has found it fit for the Fund to undergo digitalisation transformation which is one of the key priorities for strategy 2022-2027, 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.
<p>PRINCIPLE 13</p> <p>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.</p>	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.

FUND'S ALIGNMENT & APPLICATION OF KING IV™ CONTINUED

	STATUS	ALIGNMENT & ADOPTION BY PULA MEDICAL AID FUND
<p>PRINCIPLE 14</p> <p>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.</p>	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.
<p>PRINCIPLE 15</p> <p>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.</p>	Applied	<p>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.</p> <p>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.</p>
<p>PRINCIPLE 16</p> <p>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.</p>	Applied	<p>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.</p> <p>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.</p>

BOARD COMPOSITION AND ATTENDANCE

1. 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: Ad hoc

Committee members as at 30th June 2023:

Bakani Thipe*	Committee Chairman
Leawetsa Meyer	
Oteng Sebonego	

*Dr Bakani Thipe retired on 30th June 2023.

2. Finance, Audit and 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:

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

Frequency of meetings: Quarterly

Committee members as at 30th June 2023:

Priyalal De Silva	Committee Chairman
Geoffrey Mahlaka*	
Naiko Carol Ralebala	

*Mr. Geoffrey Mahlaka retired on 30th June 2023.

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 2023:

Anthony Masunga	Committee Chairman
Bakani Thipe*	
Ishmael Dipholo	

*Dr. Bakani Thipe retired on 30th June 2023.

4. 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 Manager and the Asset Consultant report quarterly to the Committee.

Frequency of meetings: Quarterly

Committee members as at 30th June 2023:

Naiko Ralebala	Committee Chairman
Kushatha Moswela	
Maleho Mothibatsela	

THE TRUSTEES' ATTENDANCE FOR F2022/2023

Name	Designation	Board	Special Board	Annual General Meeting and related engagements	Finance, Audit and Risk	Investment	Governance	Benefits Management	Strategy Review Session
Maleho Mothibatsela	Chairman	4/4	9/9	3/3		4/4	1/5 ¹		3/3
Bakani Thipe	Trustee	4/4	4/9	2/3			4/5	2/2	3/3
Geoffrey Mahlaka	Trustee	4/4	4/9	2/3	6/6				3/3
Oteng Sebonego	Trustee	4/4	4/5	1/3				2/2	3/3
Anthony Masunga	Trustee	3/4	7/9	1/3			4/5		3/3
Leawetsa Meyer	Trustee	4/4	4/9	2/3				2/2	3/3
Naiko Ralebala	Trustee	1/4	1/9	0/3	1/6	2/4			3/3
Kushatha Moswela	Trustee	4/4	4/9	2/3		4/4			3/3
Priyalal De Silva	Trustee	4/4	2/9	2/3	6/6				3/3
Ishmael Dipholo	Trustee	4/4	3/9	2/3			4/5		3/3

Notes:

Board of Trustees – There were four (4) scheduled Board meetings. A further nine (9) meetings were held:

1. BHF Board Training (two-day training session)
2. Trustee interviews (two-day session)
3. Engagements with the Fund Administrators (three engagements)
4. Approval of the annual budget
5. Approval of the audited financial statements.

Annual General Meeting and related – There were two (2) scheduled engagements relating to the Annual General Meeting being the AGM pack approval, and the Annual General Meeting. An additional meeting with the Board Chair regarding his Chairman's speech was held.

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 FY2023/2024 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 for three (3) of the scheduled meetings. The Q2 F2023 meeting was not held. A special meeting was held to deliberate on issues of Board succession planning.

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

¹ The Board Chairman is responsible for nominations of members of the Board of Trustees. As a result, the Board Chairman was invited to sit in the Governance Committee's deliberation on Board succession planning.

TRUSTEES' FEES FOR FY2022/23

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

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. P500K was spent on Board retainer fees as approved during the Fund's 2020 AGM, while P1.4M was spent on Board sitting fees.

Name	Board Sitting Remunerations (BWP)	Retainer Fee	Total (BWP)
Maleho Mothibatsela	330,000	50,000	380,000
Bakani Thipe	142,500	50,000	192,500
Oteng Sebonego	105,000	50,000	155,000
Geoffrey Mahlaka	145,500	50,000	192,500
Anthony Masunga	135,000	50,000	185,000
Leawetsa Meyer	112,500	50,000	162,500
Naiko Ralebala	60,000	50,000	110,000
Kushatha Moswela	127,500	50,000	177,500
Priyalal De silva	127,500	50,000	177,500
Ishmael Dipholo	120,000	50,000	170,000
Total	1,402,500.00	500,000	1,902,500.00

REQUESTED RESOLUTIONS FOR THE 2023 ANNUAL GENERAL MEETING

1. ORDINARY RESOLUTION NO. 1

Approval of the Minutes of the Pulamed Annual General Meeting held on 02nd December 2022

The Minutes of the Fund's 2022 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 02nd December 2022 as a true reflection of proceedings held on that day.

2. ORDINARY RESOLUTION NO. 2

ADOPTION of the Audited Annual Financial Statements for the year ended 30 June 2023 together with THE EXTERNAL auditor's reports thereon be adopted

The Fund's Audited Annual Financial Statements for the year ended 30th June 2023 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 2023 together with the External Auditor's report.

3. ORDINARY RESOLUTION NO. 3

RETIREMENT OR RESIGNATION OF TRUSTEES - To consider and note that the following Trustees retire in terms of the Fund Rules and do not offer themselves for re-election and retire as Independent Trustees of the Fund.

In terms of the Pulamed Rule Book and Board Charter, the term of office for Trustees shall be limited to five (5) years with a possibility of renewal at the Annual General Meeting for those Trustees who are at the end of their term, provided that no person shall serve on the Board for more than 10 years. An additional two (2) year tenure was granted by the 2021 AGM for some of the Trustees in line with the provisions of the Rule Book and the Board Charter.

During the year under review, the following Trustees retired from the Board, having served their full term:

Mr. Geoffrey Mahlaka - an Independent Trustee (10 years)

Mr. Oteng Sebonego – an Independent Trustee (12 years)

Dr. Bakani Thipe – an Independent Trustee (12 years)

It is worth noting, as stated earlier in the AGM Report that the Chairman of the Board, Mr. Maleho Mothibatsela, also an Independent Trustee, will be retiring at the end of the 2023 AGM, having served the Fund for 12 years.

REQUESTED RESOLUTION

The Annual General Meeting hereby NOTES the retirement of:

- Mr. Geoffrey Mahlaka
- Mr. Oteng Sebonego
- Dr. Bakani Thipe
- Mr. Maleho Mothibatsela

4. ORDINARY RESOLUTION NO. 4

APPOINTMENT OR RE-APPOINTMENT OF TRUSTEES - To ratify and confirm the appointment of new Independent Trustees as recommended by the Board of Trustees.

Following the retirement of the Trustees stated at Ordinary Resolution No. 3 and in line with the Fund's Board Succession Plan, the Board of Trustees commenced a vigorous process to replace the outgoing four (4) Trustees, found ideal candidates and duly submitted the names of the candidates to the Regulator, NBFIRA for vetting. A favourable vetting outcome was received for three (3) of the candidates, whilst the fourth candidate's vetting is still ongoing. The following three (3) new Trustee nominees are being tabled to the 2023 Annual General Meeting for their appointment to be endorsed by the general membership as per the Board of Trustees' recommendation:

- Ms. Matshediso Matome
- Dr. Gomolemo Tangane
- Ms. Lesego Keitsile

The professional biographies of the candidates are as follows:

REQUESTED RESOLUTIONS FOR THE 2023 ANNUAL GENERAL MEETING CONTINUED

4.1 MS. MATSHEDISO MATOME

Matshediso Matome's career spans over 30 years in various areas of healthcare including patient care, policy, healthcare financing, health risk management and academia. Matshediso is currently a lecturer in the Faculty of Health Sciences at the University of Botswana.



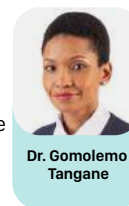
Ms. Matshediso Matome

Matshediso Matome started her career as a pharmacist in the Ministry of Health, first at Princess Marina Hospital and progressed to become Principal Pharmacist at the Botswana Essential Drug Action Programme (BEDAP). She then went on to join Associated Fund Administrators (AFA) in 2003 where she served in various capacities including Claims Manager and later Health Risk Manager until 2019 when she left AFA to join the University of Botswana. As Claims Manager Matshediso was responsible for ensuring that claims were processed timeously and in accordance with scheme rules, as well as overseeing service provider relations. During her tenure as Claims Manager, she oversaw implementation of a rules-based claims processing system in preparation for automated claims submission by service providers. In her role as a Health Risk Manager, Ms. Matome was responsible for developing and overseeing implementation of interventions aimed at promoting access to evidence based and cost-effective health services whilst ensuring that health and clinical outcomes for scheme members were not compromised.

Matshediso has served in various Boards and Committees including as President of the Pharmaceutical Society of Botswana and was a member of Nursing and Midwifery Council of Botswana. She is currently the chairperson for the Pharmacovigilance Advisory Committee. She is also a member of Board of Directors for Botswana Medicines Regulatory Authority (BoMRA).

4.2 DR. GOMOLEMO TANGANE

Dr Gomolemo Tangane, is a distinguished Clinical and Radiation Oncologist, as well as an accomplished health services manager. Dr Tangane is a passionate and dedicated clinician who places patient safety at the forefront of her practice. She is a Fellow of the College of Radiation Oncologists of South Africa and holds multiple advanced degrees, including a Master of Medicine in Radiation Oncology and a Master of Occupational Health and Safety.



Dr. Gomolemo Tangane

Dr. Tangane's extensive experience spans various healthcare settings and roles, including her current position as a Clinical Radiation Oncologist at Sir Ketumile Masire Teaching Hospital (SKMTH), where she is responsible for the clinical management of oncology patients in both inpatient and outpatient settings, as well as the provision of comprehensive radiotherapy services.

Prior to joining SKMTH, Dr. Tangane served as a Medical Officer at Jwaneng Mine Hospital where she implemented a cancer screening and prevention program, provided general ambulatory care and occupational health services. She also played a crucial role in the management of oncology patients and was the Chairperson of the Infection Prevention and Control committee. She also oversaw clinical audits for the hospital's Quality Assurance program.

In earlier years, Dr. Tangane pursued her specialty as a Radiation Oncology Registrar at Groote Schuur Hospital in Cape Town, South Africa, where she gained extensive experience in the management of oncology patients, utilising various treatment techniques and a multidisciplinary approach. Her expertise extends to radiotherapy, chemotherapy, biological/targeted agents, and palliative care for oncology patients.

Dr. Tangane's academic journey includes a Fellowship in Radiation Oncology, a Master of Medicine in Radiation Oncology from the University of Cape Town, and a Master of Occupational Safety and Health from the University of Turin and the International Labor Organisation. Dr. Tangane is a Certified Independent Medical Examiner through the American Board of Independent Medical Examiners. Dr Tangane has been involved in various teaching initiatives as a TB/HIV trainer of trainers and has had a role in the Cancer Kitso roll-out for training healthcare workers in Botswana. Dr Tangane has also provided numerous community healthcare teaching sessions as part of giving back to the community.

4.3 MS. LESEGO KEITSILE

Ms Keitsile is an astute Executive Investment Professional with vast experience in investment and portfolio management. She holds an MSc In Finance and Investments from London School of Business and Finance, a certificate in Executive Leadership from University of Oxford, a certificate in Enterprise Risk Management from the University of Stellenbosch, a BA(Honours) degree in Finance, Accounting and Management from the University of Nottingham and Management Development Programme from the University of Stellenbosch.

Ms Keitsile is a highly accomplished and results-driven Investment Executive with a track record of successful portfolio management, investment analysis, capital and balance sheet management, business development and leadership experience. She is highly skilled at managing investments returns and risks within the corporate risk and return goals and objectives.

Ms. Keitsile commenced her investment career with Grant Thornton Botswana as a Business Consultant where she was mainly tasked with private business valuation, financial due diligence, corporate governance reviews as well as Initial Public Offering (IPO) advisory.

Ms Keitsile is currently the Head of Investments at Letlole La Rona Limited, a public company listed on the Botswana Stock Exchange. In her current portfolio, she is responsible for growing the property portfolio through mergers and acquisitions in Botswana and the rest of Africa. Prior to joining Letlole La Rona, she served as the Head of Investments at Motor Vehicle Accident Fund where she was responsible for active portfolio management of MVA's P4.3 billion portfolio and for investment strategy formulation, implementation, and monitoring.

She has also served as a fixed income analyst at Capital Management Botswana (formerly BIFM Capital), where she was tasked with conducting credit analysis and credit reviews of existing portfolio constituents using internally developed credit rating models as well managing client fixed income portfolio in accordance with their Investment Policy Statement - with particular attention to portfolio duration.



Ms. Lesego Keitsile

REQUESTED RESOLUTIONS FOR THE 2023 ANNUAL GENERAL MEETING CONTINUED

NB: There are no Trustees that are due for re-appointment during the 2023 AGM.

REQUESTED RESOLUTION

The Annual General Meeting hereby **RATIFIES AND CONFIRMS** the appointment of the following Independent Trustees:

- Ms. Matshediso Matome
- Dr. Gomolemo Tangane
- Ms. Lesego Keitsile

5. ORDINARY RESOLUTION NO. 5

5.1 Trustees Fees - To Consider and Ratify the remuneration paid to Trustees of the Fund for the year ended 30th June 2023

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

Chairman	P15 000 (taxable) per meeting
Other Trustees	P7 500 (taxable) per meeting
Annual Retainer (All Trustees)	P50 000 (taxable) per annum

The fees paid to Trustees for the FY2022/2023 amount to BWP 1,902,500 and a breakdown appears under 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 2022/2023.

5.2 Trustees' Fees - To approve the remuneration structure of the Trustees for the ensuing financial year.

The Trustees' fees are reviewed every three (3) years in line with the approved Board Remuneration Policy. The last review was done in 2020 and duly approved by the Annual General Meeting. 2023 is the year the Trustees' fees are to be reviewed. Management carried out a review of the quantum of board sitting allowances to reflect the level of responsibility shouldered by the Board of Trustees whilst accounting for the time taken by the various professionals on the Board.

In 2020, the Fund engaged PwC to conduct a market practice and benchmarking exercise to advise on Pulamed Trustees' fees. The report determined that Pulamed

Trustees' fees compared relatively low to market. From the comprehensive report from PwC, the charge out rate of a partner in a Botswana accounting firm is said to be around P4,000 per hour. The report assumed that a Trustee would receive approximately the same hourly rate as a partner in an accounting firm and further assumed that the Board Chairman and Chairman of a Committee would on average spend 1.5 times the duration of a meeting preparing whilst other Trustees would spend the same time as that of the meeting. In the study, a discount was applied to each category of Trustees reflecting differing responsibility levels of the different roles. The tolerance band from 25th, 50th, 80th and 120th percentiles were tested against the proposed fees and were determined to be low relative to the comparative groups. The recommendation made by the PwC team was to gradually increase the Trustees' fees towards the 50th and 80th percentiles over time. The resultant fees that were approved by the AGM in 2020 were as a result of the discounts that were applied to the model, primarily informed by the prevailing fees in our (Botswana) market.

TRUSTEE FEE BUILD UP

Factors to consider when setting fee levels include:

1. Time and attendance based on their role, this includes attendance of meetings and associated preparation time.
2. Complexity and size of the Fund.
3. Contribution of Trustees based on their role, e.g., A Board Committee Chairman contributes more than other Committee members.

A discount applied where necessary to align with market comparative ratios.

COMPARATIVE ANALYSIS

Pulamed Board sitting allowances were benchmarked against those paid by entities from with similar sized entities within the financial services sector. Medical aid funds and administrators were also used as a benchmark as the most relevant and in similar business to that of Pulamed. All the companies in the comparator group, were in the group selected by the PwC team in 2020.

To evaluate the suitability of the rates that have been benchmarked with, the financial implications of the benchmarked sitting allowances in comparison to the budgeted amounts to assess affordability for the Fund were computed.

REQUESTED RESOLUTIONS FOR THE 2023 ANNUAL GENERAL MEETING

PROPOSAL

The current hourly rate (discounted) based on 4-hour meetings only (excluding preparation time and retainer) are as follows:

	BWP
Trustees Annual Retainer	50 000
Trustees (per sitting) – at Board and Committee level	7 500
Chairman of the Board (per sitting)	15 000

These fees formed the basis and the philosophy of remuneration of Trustees. The Fund therefore needs to build on this philosophy and improve it with time while adopting best practices.

Having taken all the factors above into consideration and inflation, a remuneration model that is based on standards set by most entities in the financial services sector was considered.

This proposal is based on the following assumptions:

- a) Chairmen of Committees earning more than Trustees during Committee meetings in recognition of their engagement with Management and their contribution to the work of respective Committees.
- b) The fees proposed reflect the differing responsibilities and roles of the various positions held by the Trustees. The fees were largely informed by the philosophy adopted in 2020 and the comparative local market in 2023 and taking cognizance of time as well.

Recommendation

- a) It is recommended that the Annual General Meeting approve the fees as presented above, as the presented figures will be cast in stone and are unlikely to change upward if all the assumptions in the proposal are adopted - thus ensuring that Pulamed keeps costs at a minimum. For clarity, the fees being proposed for approval are as follows:

	BWP
Annual Retainer - Trustees	50 000
Annual Retainer - Chairman	65 000
Trustees (per sitting) – at Board level	9 500
Trustees (per sitting) – at Committee level	7 500
Committee Chairman	10 000
Chairman of the Board (per sitting)	16 500

- b) If approved, the changes should effect from 01 July 2023.

REQUESTED RESOLUTION

It is **RESOLVED** that the Annual General Meeting hereby **APPROVES** the remuneration structure of the Board of Trustees to be applied for the next three (3) years.

ORDINARY RESOLUTION NO. 6

REMUNERATION OF EXTERNAL AUDITORS - Ratification of the External Auditor's fees for the year ended 30th June 2023

During the period under review, the Fund's external auditors, Deloitte & Touche were paid **P587,100** for the FY 2022/2023 audit.

REQUESTED RESOLUTION

It is hereby **RESOLVED** that fees paid to the Fund's external auditors amounting to **P587,100** (VAT inclusive) for the FY 2022/2023 external audit are hereby ratified.

ORDINARY RESOLUTION NO. 7

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 the ensuing year. This will mark the last permissible auditor tenure as prescribed by the Botswana Accountancy Oversight Authority (BAOA) before rotation of the auditors. The Fund will in 2024 go out for tender for External Audit Services.

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 2024 AGM at a fee to be negotiated and agreed upon.

SPECIAL RESOLUTION NO. 1

Approval of proposed amendments to the Fund's Rules

The following changes are proposed to the Fund Rules:

PROPOSED AMENDMENT / PROPOSED NEW RULE	PROPOSED RULE WORDING	REASON FOR PROPOSED CHANGE
GENERAL PROPOSED CHANGES		
PROPOSED RULES NEW AND AMENDMENTS		
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	Rule 8.4 Late Joiner Penalty; Any applicant who is (40) 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	It has been proven that persons 40+ years are the highest utilisers of medical aid benefits. Therefore, where one joins a medical aid fund for the first time at this age, it is highly likely they have identified a need for it. The Rule is also to align with the rest of the industry and avoid anti-selection as other industry players have their late joiner penalty much lower than the age of 50 years.
Continuing Membership: Propose that members who have been with the Fund for more than 10years, who wish to continue paying individual membership should retain the rate they have been paying, without being subjected to individual rate of contribution. Also be subjected to paying contributions in advance.		To avoid discrimination of members who have been with the Fund for over 10 years on the basis of age, thus improving access to healthcare by avoiding losing them when they need the Fund the most
Rule 53 Annexure H 2. Waiting period ii) Maternity Any member/beneficiary who joins the Fund without previously having been a member of a medical aid scheme recognised by the Board, for at least 12 consecutive months, shall be excluded from maternity benefits for a period of nine (9) months.	Any member/beneficiary who joins the Fund shall be excluded from maternity benefit including any associated costs in and out of hospital for a period of nine months.	To avoid anti-selection. The Fund has been experiencing a high number of new members joining from other medical aids already pregnant to access maternity benefits, with most leaving the Fund shortly after delivery. The current rule imposes waiting period on new members who were not members of any medical aid before joining.

REQUESTED RESOLUTION

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

BUSINESS DEVELOPMENT & STAKEHOLDER MANAGEMENT REPORT



MR. KEMMONYE PHALADI
HEAD OF BUSINESS DEVELOPMENT &
STAKEHOLDER MANAGEMENT

In the past year, Pulamed has remained steadfast in its commitment to engage meaningfully with its diverse range of stakeholders. This includes our valued Members, employer groups, partners, service providers, suppliers, industry bodies, regulators, media outlets, and the larger community. Through a combination of face-to-face meetings and digital forums, we have ensured that our bond with these entities remains strong, showcasing Pulamed's dedication to leveraging technology and digitisation to enhance our operations.

Member Engagements

In response to the unprecedented constraints posed by the COVID-19 pandemic, which drastically limited traditional face-to-face interactions, Pulamed initiated a structured approach to re-establish direct communication with its esteemed Members. Under the leadership of our Principal Officer, we meticulously organised Member-centric breakfast sessions spanning key regions, including North West (Maun), Boteti (Letlhakane), North East (Francistown), Central (Palapye), Capital (Gaborone), and Southern Region (Jwaneng).

These forums were designed to update Members on the Fund's operations and gather their invaluable feedback. The insights obtained from these sessions have been instrumental, offering a clear perspective on service delivery and shaping the roadmap for our future endeavours.

Engagement with Employer Groups

Pulamed has consistently engaged with a diverse array of employer groups to gain a deeper understanding of their challenges and successes, fostering collaborations that are mutually advantageous. A key highlight of these interactions is our active involvement in corporate wellness programmes. Historically, our support was predominantly centered on fulfilling requests for employee screening services. However, recognising the evolving needs of employers, our support spectrum has broadened. We now offer comprehensive health analysis and detailed wellness status reports for employees. This data-driven approach empowers employers with actionable insights, enabling them to implement proactive measures to ensure the well-being of their workforce. Such engagements between Pulamed and employer groups have been instrumental in the development and introduction of enhanced value-added services, ultimately benefiting our Members.



Service Providers: at the core of private healthcare ecosystem

Service Providers, often the primary contact for our Members, are integral to our operations. We have placed immense emphasis on addressing their concerns promptly and efficiently. Over the past year, we have launched educational initiatives across the nation to acquaint Service Providers with our product portfolio, service offerings, and operational protocols. Such continuous interactions ensure that healthcare professionals are actively involved in decision-making processes, driving optimal outcomes for all stakeholders.

Service Providers play a pivotal role in ensuring the health and well-being of our Members. Central to the success and efficiency of the Pulamed system are the service providers, professionals and entities that offer healthcare services to the Member and their dependants. Here is a closer look at their significance:

- **Integral Role in Healthcare Delivery:** Service providers are the backbone of the healthcare system, offering essential medical services, from preventive care to emergency interventions and chronic illness management. Without a robust network of competent service providers, a private healthcare system cannot effectively address the health needs of its Members.
- **Access to Quality Care:** The variety and specialisation of service providers ensure that Members have access to comprehensive care, catering to a wide range of medical needs. This diversity guarantees that Members can receive the right care, by the right provider, at the right time.
- **Continuous Healthcare Evolution:** As the medical field advances, service providers in Botswana continually upgrade their skills, adopt innovative technologies, and refine their practices. This evolution ensures that our beneficiaries receive care that aligns with global best practices.

- **Economic Contributions:** Beyond healthcare, service providers also significantly contribute to the economy. They create employment opportunities, invest in infrastructure, and contribute to the economic growth of Botswana.
- **Stakeholder Collaboration:** Service providers actively collaborate with Pulamed, regulators, and other stakeholders. This collaboration ensures the alignment of services with the needs of our Members, aids in cost containment, and promotes the overall efficiency of the healthcare system.

Classes of Service Providers in the Pulamed Ecosystem in Botswana:

- **Primary Care Providers:** These include general practitioners, family medicine doctors, and primary care clinics that offer first-contact medical services and continuous care for various health concerns.
- **Specialists:** Medical professionals who have undergone additional training in specific areas of medicine, such as cardiologists, neurologists, and orthopaedic surgeons.
- **Hospitals:** Both public and private facilities that provide inpatient, outpatient, and emergency care services.
- **Pharmacies:** Dispensaries that provide prescription and over-the-counter medications to patients.
- **Diagnostic Centres:** Facilities equipped for medical tests such as blood tests, radiology, and pathology services.
- **Allied Health Professionals:** This category encompasses physiotherapists, occupational therapists, dietitians, and other professionals who provide specialised therapeutic services.
- **Alternative Medicine Practitioners:** Professionals who offer non-conventional medical services like homeopathy, acupuncture, and chiropractic care.

The synergy between Pulamed and service providers in Botswana is paramount. Ensuring a robust, collaborative, and efficient network of service providers is crucial for the overall health of our Members and the effectiveness of the private healthcare system.

Healthcare Professional Societies Collaboration

Pulamed acknowledges the significance of associations representing diverse healthcare professionals. A testament to this commitment has been our intensive engagement with the Dental Association of Botswana (DAB), leading to resolutions on previously contentious issues. Our collaborative and consultative approach ensures that Pulamed maintains harmonious relationships with service providers and their representative bodies. Furthermore, Pulamed has supported the Pharmaceutical Association of Botswana on their annual conference and used the opportunity to highlight areas of mutual interest.

Regulatory Engagement and Industry Affiliations

In accordance with Governance standards and regulatory compliance, Pulamed is duly affiliated with the Health Funders Association of Botswana (HFAB) and the Board of Health Funders (BHF), representing both domestic and regional consortiums of funders.

Locally, under the auspices of HFAB, Pulamed has actively engaged in consultative dialogues concerning the Medical Aid Funds Bill, collaborating with key regulatory bodies including the Non-Bank Financial Regulatory Authority (NBFIRA), the Ministry of Health, and the Ministry of Finance. It is imperative to note that, consequent to these meticulous consultations, the said Bill is now under legislative review.

Regionally, as a committed Member of the BHF, Pulamed has consistently marked its presence and contributed to regional symposiums, notably the annual BHF conference. This forum congregates stakeholders across the healthcare value chain, fostering dialogues that are both illuminative and constructive. Insights garnered, especially from

BUSINESS DEVELOPMENT & STAKEHOLDER MANAGEMENT CONTINUED

established markets, are meticulously integrated into the strategic evolution and enhancement of Pulamed's offerings.

Media

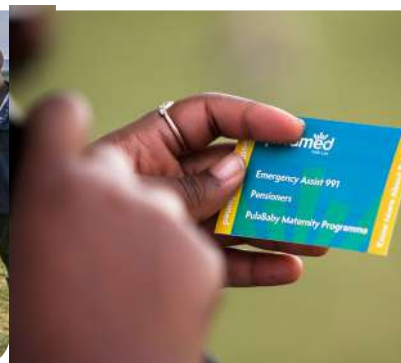
A Day with the Media: The Pulamed Experience

On a serene day in May, the outskirts of Gaborone city transformed into a haven of stories, laughter, and connections. We, the Pulamed team, had the unique opportunity to host an eclectic group from the media fraternity—spanning print, digital, and radio.

The ambiance was imbued with the warmth of camaraderie. Together, we revelled in games that stirred the child within us and danced to tunes that echoed the heartbeats of our shared passions. As we savoured the delectable traditional dishes, the stories of Pulamed unfolded. Our Principal Officer delved into the intricate tapestry of our journey, our offerings, and the dynamic landscape of medical aid.

But it was not just a one-sided tale. As the sun cast a golden hue over the Mogobane Dam, an interactive Q&A session ensued. It was a moment of reflection, curiosity, and enlightenment, accompanied by the soothing clinks of glasses toasting to new insights.

This day was more than just an event; it was an embodiment of our commitment. We believe in ensuring that the media, our storytellers to the world, truly understand the essence of Pulamed. This understanding empowers them to articulate our vision and mission authoritatively. As we forge ahead, we pledge to nurture this relationship, hosting more such enlightening days and offering training sessions, ensuring that the narratives they weave around the medical aid industry are both informed and insightful.



BUSINESS DEVELOPMENT & STAKEHOLDER MANAGEMENT CONTINUED

We are about making impact in the community. We partake in, and support initiatives that are geared towards upliftment of lives of our people, especially the disadvantaged and underprivileged. Most of the activities that Pulamed supported during the year, had a charitable objective in one way or the other. These include OLDM GM's Charity Walk, Lucara Botswana GM's Cycle Challenge, Diacore Marathon, Khoemacau Copper Mining GM's Lake Ngami Cycle Classic, Jwaneng GM's Cycle Challenge, and various Golf Days, to which we committed resources, financial and otherwise.

Pulamed's Community Social Investment and Enrichment Initiatives

At Pulamed, our commitment transcends beyond business operations; we are deeply invested in the well-being and progress of our community. Our core ethos is to make a tangible impact, particularly in uplifting the lives of the underprivileged and marginalised sections of our society.

Throughout the year, Pulamed has been steadfast in championing initiatives with a pronounced charitable dimension. Notable among these endeavours are the OLDM GM's Charity Walk, Lucara Botswana GM's Cycle Challenge, and a series of Golf Days. Our support is multifaceted – we provide financial backing, engage in hands-on participation, and foster collaborations with other stakeholders.

Moreover, our involvement is not merely transactional. We pride ourselves on being active and engaged participants, ensuring that our contributions lead to sustainable outcomes. Central to our community initiatives is a holistic wellness approach, emphasising both physical and mental well-being, thus ensuring a comprehensive impact on the lives we touch.



Morupule Cycling Charity Event

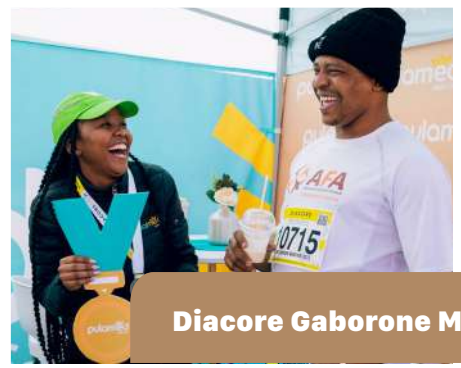




Debswana Wellness Week



Jwaneng Mine's GM's Charity Cycle Race



Diacore Gaborone Marathon

Broadhurst Primary School Golf Day



EA 991 20th Anniversary Golf Day



Lucara GM's Cycle Challenge



DTCB Wellness Day



Stakeholder Engagement

Our stakeholders are integral to the realisation of our organisational strategy and purpose, facilitating the creation of mutual value. These individuals and entities significantly influence the operational milieu and lend credibility to our endeavours. Comprising a diverse spectrum—including but not limited to Members and clients, employees, regulators, partners, service providers, and the communities within which we operate—our stakeholders are either directly impacted by or have a direct impact on our business activities, products, services, and performance metrics.

Principles of Stakeholder Engagement

Our engagement with stakeholders is underpinned by a set of guiding principles, which serve as a roadmap for our interactions across various geographical locations, all the while being sensitive to local specificities. This engagement is orchestrated through a decentralised approach, allowing for a tailored interaction strategy. Senior Executives and Managerial staff are mandated to conduct regular dialogues with stakeholders on pertinent issues, and they are accountable for documenting and reporting key priorities and concerns. Oversight is maintained by a hierarchical structure that includes Executive Management and the Board of Trustees with a designated ethics committee providing an additional layer of scrutiny.

Specific Guidelines and Policies

Supplementary guidelines and policies cater to unique stakeholder groups, ensuring that representative entities are equipped with the appropriate authority and mandate to engage in meaningful conversations.

The Value of Proactive Engagement

Actively engaging with our stakeholders affords us invaluable insights that refine our strategic direction, identify material concerns, and enable effective management of and response to those concerns. Throughout the past year, our stakeholder interactions have informed executive and board-level deliberations on a range of issues, including:

- The impact of increasing global political instability, macroeconomic volatility, and geopolitical tensions on aspects such as supply chains, interest rates, inflation, and consumer resilience.
- Our adaptability in a swiftly evolving marketplace characterised by ever-changing client expectations.
- The escalating global risk of cybercrime.
- The importance of rapid digitalisation to secure future competitiveness, alongside maintaining service delivery excellence in the present, bolstering the reliability of our digital transaction channels, and enhancing client communication for issue resolution.
- Our commitment to client support amid challenging economic circumstances.
- Regulatory developments in emerging areas such as the Data Protection Act, 2018 and the envisaged Medical Aid Fund Bill.
- Our contributions towards achieving climate goals, including addressing the urgent need for equitable energy transition and combating energy poverty in Botswana while exploring the potential of renewable energy sources.
- The health and well-being of our personnel.

Through this multi-faceted engagement framework, we aim to sustainably address the expectations and concerns of our stakeholders, thereby fortifying our position as a responsive and responsible organisation.

WHO WE ENGAGE WITH



Our Members And Clients

Pulamed's mission is to generate and safeguard value for our Membership base. By comprehending the unique requirements of our Members, we can offer pertinent products and services, pinpoint avenues for expansion, and both maintain our current Membership and bring in new Members. Our ongoing goal is to innovate methods for enhancing Member value, while offering increasingly efficient and effective support. We pride ourselves on delivering a product that stands out in the marketplace.

Why we engage

- We actively interact with our clients to gain insights into how our offerings are perceived in the marketplace. Based on this feedback, we continually refine and modify our products and services to align with our client's changing requirements.
- To offer quality advice and priced products
- To keep our clients informed
- To remain informed on how our products are received in the market.

BUSINESS DEVELOPMENT & STAKEHOLDER MANAGEMENT CONTINUED

How we engage

- Call centre, our branches, and offices.
- Media, social media, and advertising campaigns.
- Digitally through Apps and emails.
- Print and electronic product brochures.
- Our website.
- Wellness days.
- SMS and WhatsApp Chatbot
- Voice of the Client surveys.
- Continuous monitoring of complaints, lapse rates and persistence.

Stakeholder priorities FY2022/23

- Membership contributions, Options, and benefits.
- Claims and benefit queries
- Fair and equitable claims and complaints processes.
- Efficient and quality service.
- Investment in digital innovation to enhance the client experience
- Security and privacy of data.
- Streamlining client onboarding processes while focusing on product innovation.
- Digitising and automation of manual processes regarding contract management Robust systems in place for effective resolution of client complaints

Our response

- Always acting in the best interests of our Members balancing with the needs of our Members.
- The Fund hosts very sensitive Member data. We therefore continually upgrade and test the security levels of our systems to ensure the best possible security and compliance with the law.
- Obtain client feedback through our Voice of the Client research, which helps continually improve our service levels.
- Our investment in digitalisation is increasing the ease of doing business and providing a wider choice of ways our clients can engage with us.
- We interact with Members and various intermediaries via surveys, networking events, discussion panels, and road tours.



Government and Regulators

At Pulamed, our engagement with government and regulatory authorities such as the Non-Bank Financial Institutions Regulatory Authority (NBFIRA), and the Ministry of Health; is founded on a commitment to transparency, compliance, and collaborative problem-

solving. We understand that these institutions play a critical role in shaping the landscape within which we operate, as well as in safeguarding the interests of our stakeholders. We hold this interest group in high regard because their guidance and oversight not only enable us to operate responsibly but also provide us with valuable insights into evolving policies and standards. By maintaining open channels of communication and actively participating in regulatory discussions, we aim to contribute positively to the development of policies that benefit our Members, our organisation, and the broader community.

Why we engage

- To provide input into policymaking and the development of regulations.
- To ensure adherence to regulatory compliance requirements and approvals.
- To ensure clarity on policies and legislation.
- To foster growth and trust and therefore maintain regulatory licenses.

How we engage

- Direct communication including submissions of required reports, attendance of meetings and emails.
- Participation in forums and engagement through industry bodies.
- Statutory reporting.
- Licensing applications.
- Ongoing engagement in industry-related matters.
- Operated in a financially prudent and ethical manner and treated our clients fairly.
- Engagement on material issues to ensure understanding of expectations, and challenges.

- Enhanced client due diligence, record keeping, suspicious and unusual transaction reporting (STR) and risk management.

Stakeholder priorities FY2022/23

- Financial crime controls, anti-money laundering and combatting the financing of terrorism (AML/CFT).
- Effectiveness of control environment.
- Compliance with regulatory and legal requirements.
- Adherence to prescribed capital requirements.
- Protection of personal information and cybersecurity.
- Fair customer treatment.

Our response

- Ongoing engagement in industry-related matters.
- Operated in a financially prudent and ethical manner and treated our clients fairly.
- Engagement on material issues to ensure understanding of expectations, and challenges.
- Enhanced client due diligence, record keeping, suspicious and unusual transaction reporting (STR) and risk management.



Employees and Boards

Pulamed is steered by a proficient Executive Management team and is further bolstered by our employees, a Board of Trustees, and various Board Committees. These internal stakeholders are pivotal in realising our value proposition and serve as the foundational elements of our commitment to Member service.

Why we engage

- To keep them informed, engaged and productive.
- Conduct surveys to assess levels of engagement, wellness, and their ability to adapt to a change in working conditions.

How we engage

- Technology platforms (Podcasts and webinars by internal and external experts and leaders).
- Employee engagement surveys.
- Ongoing feedback through performance management.
- Internal communications and emails.
- One-on-one engagement.

Stakeholder priorities FY2022/23

- The retention of talent and the increasing demand for critical skills
- Employee wellbeing
- Transitioning to a hybrid working environment
- Learning and development
- Digital enablement of the new world of work
- Employee value proposition Authentic transformation through diversity and inclusion.

Our response

- Reviewing our approach to retaining talent, securing critical skills and fair remuneration and incentives Conducted multiple wellness initiatives.
- Transitioning to a hybrid working environment Ongoing focus on authentic transformation through diversity and inclusion and creating opportunities for the unemployed.



Suppliers

Operating on a BPO (Business Process Outsourcing) model, Pulamed relies heavily on strategic partnerships with service providers to deliver cost-effective and high-quality products and services to our members. Among our key collaborators are:

- Associated Fund Administrators Botswana (Pty) Ltd (AFA), our primary partner, handles both the Fund's administration and managed care services.
- Investment management responsibilities are entrusted to Botswana Insurance Fund Management Proprietary Limited (BIFM), while AlexForbes provide the fund with asset consultancy services.
- Our Actuaries, Insight play a crucial role in the Fund applying their mathematical, statistical, and financial expertise to assess risks and help design sustainable healthcare plans.
- Deloitte and Touche serves as our external auditor.
- Grant Thornton are the Fund's internal auditor.

Why we engage

- To communicate the terms of our contractual terms and adherence to our approach to ethics
- To enable and support our business operations.

How we engage

- Through our procurement department.
- Tenders and requests for audits.
- Supplier audits and assessments.
- Individual engagement

Stakeholder priorities FY2022/23

- Contractual terms Procurement opportunities
- Preferential procurement
- Compliance with Pulamed's governance, Service Level Agreements (SLA) and ethical standards

Our response

- Fair procurement practices
- Driving robust supply chain processes to ensure prompt payment.



Industry bodies

Pulamed actively engages with prominent industry bodies like the Board of Healthcare Funders (BHF) and the Health Funders Association of Botswana (HFAB) to stay abreast of industry best practices, evolving regulations, and emerging opportunities. Industry bodies consist of organisations, institutions, or associations that represent the collective interests of businesses within a specific sector. They often serve as platforms for dialogue, advocacy, and information.

Why we engage

- To keep informed of changes in global healthcare.
- To influence regulatory policy and debate legislative amendments through industry bodies.
- Contribute to the formulation of good healthcare and funding practices.

How we engage

- Attendance at face-to-face and online meetings
- Attendance at conferences
- Email

Stakeholder priorities FY2022/23

- Commitment to global healthcare standards and responsible investment.
- Fair and ethical treatment of clients.
- Public trust and confidence in the healthcare industry.
- Need to influence policy.
- Future of medical aid Funds under the Universal Health Coverage.

Our response

- Engage on critical issues impacting our industries and markets, including Universal Health Coverage and how it might impact medical aid funds.
- Participated in the industry's collective response to the Medical Aid Funds Bill.
- Fair and ethical treatment of our clients.
- Creating a one-stop-shop for our service providers to bring about efficiencies.
- Promoting trust and confidence in the healthcare funding industry.



Communities and civil societies

Pulamed places a high emphasis on active engagement with communities and civil society organisations, recognising that our impact extends beyond the healthcare sector into the wider social fabric. Through a multi-faceted approach to corporate social investment (CSI), we aim to create sustainable and positive change, focusing on areas such as health education, community development, and social equity.

Key components of our CSI initiatives include:

- **Health Awareness Programs:** Conducting workshops, webinars, and community outreach to educate the public on preventive healthcare measures, nutrition, and wellness.
- **Social Investments:** Partnering with NGOs and community leaders to identify needs and implement projects that improve infrastructure, education, and overall quality of life in marginalised communities.
- **Employee Volunteer Programs:** Encouraging our team Members to contribute their skills and time to social causes, further enhancing our impact at a grassroots level.

- In addition to our CSI initiatives, we understand the growing importance of Environmental, Social, and Governance (ESG) policies in today's business landscape. ESG policies enable us to align our corporate strategies with ethical principles, environmental conservation, and social justice. These policies reflect our commitment to responsible business practices, including:
 - **Environmental Sustainability:** Implementing energy-efficient operations and reducing waste to minimise our environmental footprint.
 - **Social Responsibility:** Prioritising diversity and inclusion within our workforce and ensuring fair labour practices throughout our supply chain.
 - **Governance:** Upholding the highest standards of corporate governance through transparency, accountability, and ethical conduct.

By integrating CSI and ESG frameworks into our operational ethos, Pulamed aims to foster a more equitable and sustainable future. We believe that robust community and civil society engagement is not just a corporate obligation, but also a catalyst for meaningful change that benefits everyone involved.

Why we engage

- To understand and where possible address community needs
- Financial education and inclusion
- To partner on common social and environmental issues.

How we engage

- Media channels and social media
- Our AGM Report
- Direct communication with our programme partners
- Our website

- Corporate Social Investment (CSI) initiatives
- Contractual monitoring of agreements between the Fund and civil organisations & communities.
- Partnerships with civil societies for just causes.
- Employee voluntarism.

Stakeholder priorities FY2022/23

- Commitment to enhancing community health via long-lasting and sustainable initiatives.
- Fostering positive societal change through targeted investment and community upliftment.
- Job creation to bolster local economies.
- Endorsing educational growth via durable and impactful interventions.
- Vigilance in upholding and safeguarding human rights.
- Recognising and addressing the impending ramifications of climate change through proactive environmental protection measures.
- Detailed and transparent disclosure of pertinent ESG (Environmental, Social, Governance) risks and opportunities.
- The impact of the COVID-19 pandemic.
- The need for community support in times of crisis.

Our response

- Work with healthcare organisations to provide medical aid workshops on sustainable wellness and healthcare.
- Expand the range of services and products from suppliers, with the long-term objective of jointly contributing to innovative solutions.
- Design initiatives that sustainably enhance the well-being of at-risk communities.



Healthcare Service Providers

Healthcare service providers hold a pivotal role as key stakeholders within the healthcare ecosystem. Operating in the markets where we are present, they are essential to delivering critical services that our Members and clients rely on for their well-being. These providers encompass a range of institutions and professionals, from hospitals and clinics to doctors, pharmacies, and specialists, all of whom contribute to a holistic healthcare experience for our Members.

Moreover, healthcare providers serve as the backbone that ensures the sustainability and functionality of both public and private healthcare sectors. By maintaining a high standard of care, they contribute to the overall integrity and resilience of the healthcare system, supporting its capacity to meet various health challenges and evolving needs.

In recognition of their indispensable role, we actively collaborate with healthcare providers to enhance the quality and accessibility of services. This collaborative relationship benefits not only Pulamed and Members but also contributes to the broader goal of improving healthcare outcomes across the communities we serve.

Why we engage

- Healthcare service providers play a pivotal role in the healthcare industry, delivering crucial services to our clients in our operational regions. Additionally, they contribute significantly to sustaining both the public and private healthcare ecosystems.

How we engage

- Interactions with top-level management, advisory panels, medical association steering committees, and influential experts.
- Individualised feedback coupled with periodic panel discussions.
- Ad-hoc conversations and routine consultations between healthcare professionals, administrators and Pulamed Executive management.

Stakeholder priorities FY2022/23

- Equitable compensation for services rendered.
- Reduction of administrative complexities and minimal intrusion in clinical judgments.
- Constructive engagement on costing and billing.
- Effective and suitable communication methods.
- Long-term sustainability within the sector.
- Initiatives focused on improving the quality of care.
- Opportunities for ongoing training and professional development.

Our response

- Keeping stakeholders informed about emerging trends and advancements in the healthcare sector, along with offering expert guidance.
- Engaging constructively in discussions related to cost assessment and invoicing procedures.
- Sharing information on clinical management protocols, new benefits for Members, fraud, waste and abuse, etc.
- Workshops and webinars.



ABRIDGED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

GENERAL INFORMATION

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	<table border="0"> <tr> <td>Maleho Mothibatsela</td> <td>(Chairman)</td> </tr> <tr> <td>Bakani Thipe</td> <td>Retired 30 June 2023</td> </tr> <tr> <td>Geoffrey Mahlaka</td> <td>Retired 30 June 2023</td> </tr> <tr> <td>Oteng Sebonego</td> <td>Retired 31 October 2023</td> </tr> <tr> <td>Kushatha Moswela</td> <td></td> </tr> <tr> <td>Leawetsa Meyer</td> <td></td> </tr> <tr> <td>Naiko Carol Ralebala</td> <td></td> </tr> <tr> <td>Ishmael Dipholo</td> <td></td> </tr> <tr> <td>Ranjith Priyalal De Silva</td> <td></td> </tr> <tr> <td>Anthony Masunga</td> <td></td> </tr> </table>	Maleho Mothibatsela	(Chairman)	Bakani Thipe	Retired 30 June 2023	Geoffrey Mahlaka	Retired 30 June 2023	Oteng Sebonego	Retired 31 October 2023	Kushatha Moswela		Leawetsa Meyer		Naiko Carol Ralebala		Ishmael Dipholo		Ranjith Priyalal De Silva		Anthony Masunga	
Maleho Mothibatsela	(Chairman)																				
Bakani Thipe	Retired 30 June 2023																				
Geoffrey Mahlaka	Retired 30 June 2023																				
Oteng Sebonego	Retired 31 October 2023																				
Kushatha Moswela																					
Leawetsa Meyer																					
Naiko Carol Ralebala																					
Ishmael Dipholo																					
Ranjith Priyalal De Silva																					
Anthony Masunga																					
Principal Officer	Khumoetsile Mapitse																				
Registered office	Unit 1 (Acacia), Prime Plaza Plot 74358 4 th Western Commercial Road, New CBD Gaborone Botswana																				
Postal address	P O Box 891 ADD 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)																				

CONTENTS

PAGE

Board of Trustees' Responsibility Statement and Approval of the Abridged Financial Statements	63
Board of Trustees' Report	64
Statement by Management on the Abridged Financial Statements	65
Statement of Financial Position	66
Statement of Profit or Loss and Other Comprehensive Income	67
Statement of Changes in Reserves	68
Statement of Cash Flows	69
Significant Accounting Policies	69-81
Notes to the Abridged Financial Statements	82-94

Board of Trustees' Responsibility Statement and Approval of the Abridged Financial Statements

The Board of Trustees ("the Board" or "the Trustees") is responsible for the preparation and fair presentation of the abridged financial statements of Pula Medical Aid Fund ("the Fund"), comprising the statement of financial position as at 30 June 2023, the statements of profit or loss and other comprehensive income, changes in reserves and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with International Financial Reporting Standards ("IFRS").

The Board is required to maintain adequate accounting records and are responsible for the content and integrity of the abridged financial statements and related financial information included in this report. It is their responsibility to ensure that the abridged 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 abridged 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 financial 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 abridged 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

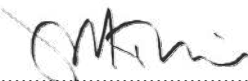
accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Fund and all employees are required to maintain the highest ethical standards in ensuring the Fund's business is conducted in a manner that in all reasonable circumstances 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 external 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 66 to 94, which have been prepared on the going concern basis, were approved by the Board of Trustees on 30 October 2023 and were signed on their behalf by:


.....
Chairman


.....
Trustee

Board of Trustees' Report

The Trustees have pleasure in submitting their report on the abridged financial statements of Pula Medical Aid Fund for the year ended 30 June 2023.

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 annual 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 financial statements.

3. Contact information

Registered office	Unit 1 (Acacia), Prime Plaza Plot 74358, 4 th 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 2023 financial year.

Statement by Management on the Abridged Financial Statements

The financial statements are summarised from a complete set of the Financial Statements on which the Independent Auditors, Deloitte & Touché, 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 as at 30 June 2023

Figures in Pula	Note(s)	2023	2022
Assets			
Non-Current Assets			
Equipment	2	1,039,103	1,730,639
Right-of-use assets	3	967,570	932,077
Intangible assets	4	63,003	103,458
Investments at fair value	5	109,322,287	89,456,401
		111,391,963	92,222,575
Current Assets			
Investments at amortised cost	6	45,653,987	57,514,847
Investments at fair value	5	5,693,127	1,397,850
Trade and other receivables	7	3,421,610	3,225,315
Cash and cash equivalents	8	45,899,748	51,911,414
		100,668,472	114,049,426
Total Assets		212,060,435	206,272,001
Reserves and Liabilities			
Reserves			
Accumulated surplus		142,234,050	143,402,533
Liabilities			
Non-Current Liabilities			
Lease liabilities	3	659,910	814,322
Current Liabilities			
Lease liabilities	3	456,561	252,444
Trade and other payables	9	28,218,071	20,825,912
Contract liabilities - contributions received in advance	10	3,880,843	2,936,790
Provision for outstanding claims	11	36,611,000	38,040,000
		69,166,475	62,055,146
Total Liabilities		69,826,385	62,869,468
Total Equity and Liabilities		212,060,435	206,272,001

Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula	Note(s)	2023	2022
Income from contributions	12	480,900,880	411,368,824
Claims expenditure and other member benefits	13	(448,751,252)	(409,487,034)
Net contribution surplus		32,149,628	1,881,790
Other operating income		274,110	41,224
Net movement in allowance for credit losses	7	756,710	(698,683)
Other operating expenses		(52,505,993)	(55,498,029)
Operating loss	14	(19,325,545)	(54,273,698)
Investment income	15	7,523,027	8,585,333
Finance costs	16	(77,600)	(73,975)
Fair value gain on investments at fair value through profit or loss	17	10,711,635	331,432
Loss for the year		(1,168,483)	(45,430,908)
Other comprehensive income		-	-
Total comprehensive loss for the year		(1,168,483)	(45,430,908)

Statement of Changes in Reserves

Figures in Pula	Accumulated Surplus	Total Reserves
Balance at 01 July 2021	188,833,441	188,833,441
Total comprehensive loss for the year	(45,430,908)	(45,430,908)
Balance at 01 July 2022	143,402,533	143,402,533
Total comprehensive loss for the year	(1,168,483)	(1,168,483)
Balance at 01 July 2023	142,234,050	142,234,050

Statement of Cash Flows

Figures in Pula	Note(s)	2023	2022
Cash flows from operating activities			
Loss for the year		(1,168,483)	(45,430,908)
Adjustments for :			
Depreciation - equipment		452,852	531,887
Depreciation - right of use assets		404,905	321,952
Amortisation of intangible assets		40,455	40,455
Unrealised forex differences on bank balances		25,934	-
Fair value gain on financial assets at fair value through profit or loss		(10,711,635)	(331,752)
Net movement in allowance for credit losses		(756,710)	698,683
Loss on disposal of equipment		250,000	18,077
Movements in provision for outstanding claims		(1,429,000)	2,130,000
Finance income		(4,060,091)	(4,565,725)
Dividends received		(3,462,936)	(4,019,608)
Finance costs		77,600	73,975
Changes in working capital:			
Trade and other receivables		560,415	931,067
Trade and other payables		7,392,159	11,202,168
Contract liabilities		944,053	(1,361,707)
Cash used in operations		(11,440,482)	(39,761,436)
Cash flows from investing activities			
Purchase of equipment	2	(128,402)	(425,490)
Proceeds from disposal of equipment		117,086	18,000
Net purchases of investments	19	(1,463,747)	(13,740,150)
Finance income		3,935,170	2,362,844
Dividends received		3,462,936	4,019,608
Net cash generated from / (used in) investing activities		5,923,043	(7,765,188)
Cash flows from financing activities			
Payment on lease liabilities	3	(390,693)	(284,063)
Finance costs	16	(77,600)	(73,975)
Net cash used in financing activities		(468,293)	(358,038)
Total cash and cash equivalents movement for the year		(5,985,732)	(47,884,662)
Cash and cash equivalents at the beginning of the year		51,911,414	99,796,076
Profit on foreign exchange on cash and cash equivalents		(25,934)	-
Total cash and cash equivalents at the end of the year	8	45,899,748	51,911,414

Significant Accounting Policies

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 abridged financial statements.

1.2 Statement of compliance

The abridged financial statements 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 abridged 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 abridged financial statements:

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.

Significant Accounting Policies

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.

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

Significant Accounting Policies

1.4 Equipment (continued)

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.

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.

Significant Accounting Policies

1.6 Financial instruments (continued)

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).

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.

Significant Accounting Policies

1.6 Financial instruments (continued)

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).

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.

Significant Accounting Policies

1.6 Financial instruments (continued)

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 receive 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.

Impairment

If the fair value of a debt instrument is less than its carrying value, the investment is considered impaired. The amount of the impairment is the difference between the carrying value and the fair value. The impairment loss is recognised in profit or loss in the period in which the impairment is identified.

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.

Significant Accounting Policies

1.6 Financial instruments (continued)

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).

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.

Trade and other payables

Classification

Trade and other payables (note 9), excluding amounts received in advance and value added tax payable, 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.

Significant Accounting Policies

1.6 Financial instruments (continued)

Cash and cash equivalents

Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

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.

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 abridged 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.

Significant Accounting Policies

1.8 Leases (continued)

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.

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 and lease liabilities.

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.

Significant Accounting Policies

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.

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.

Significant Accounting Policies

1.11 Provision for outstanding claims (Continued)

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.

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 profit or loss 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.

Significant Accounting Policies

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.

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.

Note to the Abridged Financial Statements

2. Equipment

Figures in Pula	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Office equipment	2,454,138	(1,480,242)	973,896	2,454,138	(974,850)	1,479,288
IT equipment	445,705	(380,498)	65,207	434,388	(433,037)	1,351
Capital work in progress	-	-	-	250,000	-	250,000
Total	2,899,843	(1,860,740)	1,039,103	3,138,526	(1,407,887)	1,730,639

Reconciliation of equipment - 2023

Figures in Pula	Opening carrying value	Additions	Disposals	Transfers	Depreciation	Closing carrying value
Office equipment	1,479,288	-	(117,086)	-	(388,306)	973,896
IT equipment	1,351	128,402	(250,000)	250,000	(64,546)	65,207
Capital work in progress	250,000	-	-	(250,000)	-	-
	1,730,639	128,402	(367,086)	-	(452,852)	1,039,103

Reconciliation of equipment - 2022

Figures in Pula	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

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.

Note to the Abridged Financial Statements

3. Right-of-use assets and lease liabilities

The Fund held two (2) lease contracts on 1 July 2022, for its motor vehicle and operating premises in Gaborone. During the current financial year, the motor vehicle lease contract expired, and the Fund entered a new motor vehicle contract. The current lease contracts comprise one (1) building lease and one (1) motor vehicle lease. The terms for the motor vehicle and operating premises leases are three years and five years, respectively. An incremental borrowing rate of 6.5% (2022: 6.5%) was applied in the calculation of the discounted present value of the building lease liability and right-of-use asset. An interest rate implicit in the new motor vehicle lease of 6.76% was applied in the calculation of the discounted present value of the motor vehicle lease liability and right-of-use asset. The interest rate implicit in the expired motor vehicle lease was 9.25%.

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

Reconciliation of right-of-use assets

Cost

Balance at 30 June 2021

Re-measurements

Balance at 30 June 2022

Additions

Reassessment

Disposal

Balance at 30 June 2023

Accumulated depreciation

Balance at 30 June 2021

Amortisation

Balance at 30 June 2022

Amortisation

Disposal

Balance at 30 June 2023

Net carrying amount as at:

30 June 2022

30 June 2023

	Buildings	Motor vehicles	Total
Balance at 30 June 2021	1,513,343	104,594	1,617,937
Re-measurements	93,471	628	94,099
Balance at 30 June 2022	1,606,814	105,222	1,712,036
Additions	-	458,791	458,791
Reassessment	(25,121)	6,728	(18,393)
Disposal	-	(105,222)	(105,222)
Balance at 30 June 2023	1,581,693	465,519	2,047,212
	Buildings	Motor vehicles	Total
Balance at 30 June 2021	(414,424)	(43,583)	(458,007)
Amortisation	(269,175)	(52,777)	(321,952)
Balance at 30 June 2022	(683,599)	(96,360)	(779,959)
Amortisation	(267,904)	(137,001)	(404,905)
Disposal	-	105,222	105,222
Balance at 30 June 2023	(951,503)	(128,139)	(1,079,642)
Net carrying amount as at:			
30 June 2022	923,215	8,862	932,077
30 June 2023	630,190	337,380	967,570

Note to the Abridged Financial Statements

	2023	2022
3. Equipment Right-of-use assets and lease liabilities (Continued)		
Lease liabilities		
Minimum lease payments due		
Within one year	512,230	332,731
Two to five years	685,678	849,511
	1,197,908	1,182,242
Less finance charges component	(81,437)	(115,476)
Present value of minimum lease payments	1,116,471	1,066,766
Present value of minimum lease payments due		
Within one year	456,561	252,444
Two to five years	659,910	814,322
	1,116,471	1,066,766
Non-current liabilities	659,910	814,322
Current liabilities	456,561	252,444
	1,116,471	1,066,766
Other disclosures		
Interest expense on lease liabilities	77,600	73,975
Lease principal repayment	390,693	284,063
Total cashflows from leases	468,293	358,038

Note to the Abridged Financial Statements

4. intangible assets

Figures in Pula	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Accounting software	202,274	(139,271)	63,003	202,274	(98,816)	103,458

Reconciliation of intangible assets - 2023

Figures in Pula

Accounting software

Open value	Ammortisation	Closing Value
103,458	(40,455)	63,003

Reconciliation of intangible assets - 2022

Figures in Pula

Accounting software

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

Note to the Abridged Financial Statements

	2023	2022
	Ammortisation	Closing Value
5. Investments at fair value		
Equity investments at fair value through profit or loss	32,024,212	33,071,064
Debt investments at fair value through profit or loss	82,991,202	57,783,187
	115,015,414	90,854,251
Summary of investments held by Fund Manager (BIFM)		
Non-current assets		
Listed shares	32,024,212	33,071,064
Listed bonds	27,021,593	12,471,154
Mutual funds	45,305,766	43,914,183
Money markets investments	4,970,716	-
	109,322,287	89,456,401
Current assets		
Listed bonds	577,895	1,053,432
Money markets investments	5,115,232	344,418
	5,693,127	1,397,850
Total investments		
Listed shares	32,024,212	33,071,064
Listed bonds	27,599,488	13,524,586
Mutual funds	45,305,766	43,914,183
Money markets investments	10,085,948	344,418
	115,015,414	90,854,251

Fair value information

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

Note to the Abridged Financial Statements

5. Investments at fair value (continued)

Risk exposure

Financial assets inherently exposes the Fund to credit risk, being the risk that the Fund will incur financial loss if counterparties 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 counterparties with consistent payment histories. As at the reporting date, the investments in money markets are considered to have a low credit risk and can be assessed by reference to historical information about counterparty default rates. Refer to note 22 Financial instruments and risk management for details of risk exposure.

6. Investments at amortised cost

Short term deposit with financial institutions

	2023	2022
Short term deposit with financial institutions	45,653,987	57,514,847

Short-term deposits as at the reporting date have an average maturity term of 12 months (2022:11 months) and earn an average interest of 7.35% (2022:5.63%) per annum.

In order to mitigate the risk of financial loss from defaults, the Fund only deals with reputable counterparties with consistent payment histories.

No expected credit loss has been recognised on investments at amortised cost as the probability of default is remote.

7. Trade and other receivables

Financial instruments:

Contributions receivable

Loss allowance

Trade receivables at amortised cost

Other receivables

Contributions receivable	3,334,868	3,705,530
Loss allowance	(113,110)	(869,820)
Trade receivables at amortised cost	3,221,758	2,835,710
Other receivables	44,424	217,632

Non-financial instruments:

Withholding tax refundable

Prepayments

Withholding tax refundable	-	58,221
Prepayments	155,428	113,752

Total trade and other receivables

Total trade and other receivables	3,421,610	3,225,315
--	------------------	------------------

Split between non-current and current portions

Current assets

Current assets	3,421,610	3,225,315
----------------	-----------	-----------

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost

Non-financial instruments

At amortised cost	3,266,182	3,053,342
Non-financial instruments	155,428	171,973
Total	3,421,610	3,225,315

Note to the Abridged Financial Statements

7. Trade and other receivables (Continued)

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.

Expected credit loss rate	2023	2023	2022	2022
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Not past due: 0.96% (2022: 6.64%)	2,557,788	(24,629)	2,603,939	(172,795)
Less than 30 days past due: 4.19% (2022: 73.26%)	323,173	(13,551)	522,612	(382,843)
31 - 60 days past due: 11.23% (2022: 53.19%)	179,662	(20,173)	275,075	(146,307)
61 - 90 days past due: 25.22% (2022: 56.87%)	109,433	(27,604)	157,980	(89,843)
91 - 120 days past due: 25.77% (2022: 53.47%)	164,812	(42,479)	145,924	(78,032)
Total	3,334,868	(128,436)	3,705,530	(869,820)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

	2023	2022
Opening balance	(869,820)	(171,137)
Release to income statement	756,710	(698,683)
Closing balance	(113,110)	(869,820)

Note to the Abridged Financial Statements

	2023	2022
8. Cash and Cash equivalents		
Cash on hand	482	110
Bank balances	44,951,274	41,004,774
Money market settlement accounts	947,992	10,906,530
	45,899,748	51,911,414

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.

9. Trade and other payables

Financial instruments:		
Creditors for claims	13,080,293	7,252,490
Administration fees payable	2,009,793	1,885,128
Other accounts payable	2,671,104	2,644,814
Non-financial instruments:		
Payroll accruals	6,234,046	3,969,109
VAT	4,222,835	5,074,371
	28,218,071	20,825,912

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	17,761,190	11,782,432
Non-financial instruments	10,456,881	9,043,480
	28,218,071	20,825,912

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.

Note to the Abridged Financial Statements

	2023	2022
10. Contract Liabilities		
Contributions received in advance	3,880,843	2,936,790

11. Provision of outstanding claims

Reconciliation of provision for outstanding claims - 2023

	Opening Balance	Prior year claims paid during the year	Prior year under provision	Addition	Closing Balance
Provision for outstanding claims	38,040,000	(44,710,342)	6,670,342	36,611,000	36,611,000

Reconciliation of provision for outstanding claims - 2022

	Opening Balance	Prior year claims paid during the year	Prior year under provision	Addition	Closing Balance
Provision for outstanding claims	35,910,000	(40,275,933)	4,365,933	38,040,000	38,040,000

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 2023:

Key assumptions

Membership growth - % per annum

-Executive option

-Standard option

-Deluxe option

-Galaxy option

-Flexi

Other assumptions

Inflation rate - % per annum

Claims loss ratio

Contribution increase - % per annum

	2023	2022
Membership growth - % per annum		
-Executive option	29%	10%
-Standard option	-5%	5%
-Deluxe option	6%	7%
-Galaxy option	25%	21%
-Flexi	-21%	46%
Inflation rate - % per annum	7%	5%
Claims loss ratio	91%	99%
Contribution increase - % per annum	3%	4%

Note to the Abridged Financial Statements

11. Provision of outstanding claims (Continued)

Sensitivity analysis

Unlike claims for the financial year 2021-2022, which have already been incurred, claims for the financial year 2022-2023 are still subject to uncertainty. These claims have been incurred but have not yet been reported or estimated to be payable. The table below illustrates the effect of a 10% increase and decrease in the amount of this provision:

	Current	10% Increase in claims estimated to be paid in future period	10% decrease in claims estimated to be paid in future period
Provision for outstanding claims	36,611,000	40,272,100	32,949,900

	2023	2022
12. Income from contributions		
Revenue from contracts with customers - rendering of services over time		
Incoming from contributions	480,900,880	411,368,824
13. Claims expenditure and other member benefits		
Rendering of services	448,751,252	409,487,034
Expenditure from rendering of services		
Claims benefits	439,246,785	401,093,659
Other member benefits	9,504,467	8,393,375
	448,751,252	409,487,034
Claims benefits consist of:		
Claims paid	440,675,785	398,963,659
Movement in claims provision	(1,429,000)	2,130,000
	439,246,785	401,093,659

Note to the Abridged Financial Statements

	2023	2022
13. Claims expenditure and other member benefits (Continued)		
Other member benefits consist of:		
Funeral policy premium	939,666	899,225
Travel insurance	1,289,341	691,550
Medical evacuation premium	5,564,543	5,395,083
Pula maternity program	727,916	573,343
Premium waiver	983,001	834,174
	9,504,467	8,393,375
14. Operating Loss		
Operating loss for the year is stated after charging/(crediting) the following, amongst others		
Amortisation of intangible assets	40,455	40,455
Audit fees - external audit	662,321	458,989
Audit fees - internal audit	365,262	264,537
Depreciation of equipment and right-of-use assets	857,757	853,839
Employee costs	11,697,055	10,018,308
Lease expenses	27,588	11,783
Net movement in allowance for credit losses	(756,710)	698,683
Realised foreign exchange losses/(gains)	105,986	109,528
Board and management strategy retreat	278,850	113,001
Trustees' sitting allowances and trustees' fees	2,873,913	2,138,665
Trustees' training	24,666	64,995
Administration and management fees	23,183,386	22,102,553
Consultancy fees	385,199	628,647
Loss on disposal of equipment	250,000	18,077

Note to the Abridged Financial Statements

	2023	2022
15. Investment income		
Dividend income	3,462,936	4,019,607
Finance income on short-term investments	4,060,091	4,565,726
	7,523,027	8,585,333
16. Finance costs		
Lease liabilities	77,600	73,975
17. Fair value gain		
Fair value gain on investments at a fair value through profit or loss	(10,711,635)	(331,432)
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.

Note to the Abridged Financial Statements

	2023	2022
19. Net purchase of investments		
Investments at fair value		
Opening balance - investments at fair value (excluding accrued interest)	90,613,168	79,603,341
Fair value gains for the period	10,711,635	331,432
Net cash purchases/sales of investments	13,353,877	10,678,395
	114,678,680	90,613,168
Interest (on investments at fair value)		
Opening accrued interest	241,083	381,459
Interest earning during the period	1,139,858	1,041,046
Closing interest balance	(336,734)	(241,083)
Cash interest received	1,044,207	1,181,422
Investments at armotised costs		
Opening balance (excluding accrued interest)	55,171,270	52,109,515
Maturity of deposits from prior year	(55,171,270)	(52,109,515)
Reinvestments	43,281,140	55,171,270
Closing balance (excluding accrued interest)	43,281,140	55,171,270
Net investment/disinvestment in investments at armotised cost	(11,890,130)	3,061,755
Interest on investments in armotised costs		
Opening balance	2,343,577	-
Interest earned for the year	2,920,233	3,524,679
Closing accrued interest	(2,372,847)	(2,343,577)
Actual interest received during the year	2,890,963	1,181,102
Tota cash interest received	3,935,170	2,362,844
Total net investments	(1,463,747)	13,740,150



Head Office

Plot 74358, Unit 1 (Acacia)
Prime Plaza
New CBD,
Gaborone
Tel: 315 9416

AFA Gaborone

Mowana Mews
Plot 74769
New CBD
Gaborone
PO. Box 1212 | Gaborone
Call Centre: 365 0500 / 365 0586
Fax: 395 1165

AFA Francistown

Riverside Hospital
Lot 423/424
Baines Avenue
Francistown
P.O.Box 323
Francistown
Tel: 241 2290 / 241 2390