

2024 ANNUAL REPORT

Transforming Wellness
Through Technology



MATERNITY CARE PROGRAMME BENEFITS



Advice and Educational Material



At every stage of pregnancy, we offer guidance and resources to help you and your partner make informed decisions about your care and the health of both the mother and baby.



On-going Telephone Advice and Support



Our support continues beyond the first trimester. During the second and third trimesters, we offer ongoing advice and support via phone, allowing members to get timely information and necessary contact throughout their pregnancy.

Hamper Bag



Pregnancy should be filled with joy! In the last trimester, our expectant members receive a hamper bag filled with goodies and educational materials on maternal and baby health, along with a guide for fathers.

Email Service To Expectant Father



Pregnancy is a transformative experience for fathers too. We support you every step of the way, from the first trimester to the last, with an email service that keeps you informed about what to expect. This helps you understand and support your partner better.

Apply for our Pulababy maternity programme at www.pulababy.co.bw





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PROXY FORM 2024

If you cannot attend the **2024 Annual General Meeting (AGM)** of PULA MEDICAL AID FUND to be held at **0900 Hours on Friday 29th November 2024** 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 2023 Pulamed Annual General Meeting held on 01 st December 2023).			
2. ORDINARY RESOLUTION 2: Annual Financial Statements (Approval of the Audited Annual Financial Statements for the year ended 30 th June 2024 together with auditor's reports thereon be adopted).			

	FOR	AGAINST	ABSTAIN
3. ORDINARY RESOLUTION 3-4: Retirement of Trustees of the Fund RESOLVED THAT the following Trustees retire as Trustees of the Fund:			
a) Mr. Anthony Masunga (Employer Group Representative for BTCL) – (Resolution 3)			
b) Ms. Naiko Carol Ralebala (Employer Group Representative for Debswana) – (Resolution 4)			
4. ORDINARY RESOLUTION 5-7: Re-appointment of Trustees of the Fund RESOLVED THAT the following Trustees retire by rotation in terms of the Fund's Deed of Trust and the Board Charter and are eligible to offer themselves for re-election:			
a) Mr. Ranjith Priyalal De Silva (Resolution 5) (being eligible and available, offers himself for re-election)			
b) Mr. Ishmael Dipholo (Resolution 6) (being eligible and available, offers himself for re-election)			
c) Ms. Kushatha Moswela (Resolution 7) (being eligible and available, offers herself for re-election)			
8. ORDINARY RESOLUTION 8-9: Appointment of Trustees of the Fund To approve the appointment of the following Trustees as recommended by the Board of Trustees: NB: Biographical information of the Trustees to be appointed is included in the Annual General Meeting Report.			
8.1 Mr. Wanatsha Moakufi – Employer Group Representative (Debswana) (Resolution 8)			
8.2 Mr. Anthony Masunga – Independent Trustee (Resolution 9)			
9. ORDINARY RESOLUTION 10: Remuneration of Trustees RESOLVED THAT the remuneration paid to Trustees in line with the approved Trustees' fees for the year ended 30 th June 2024 is hereby approved.			
10. ORDINARY RESOLUTION 11: Remuneration of External Auditors RESOLVED THAT the remuneration paid to the independent External Auditors, Deloitte & Touche, of the Fund for the year ended 30 th June 2024 is hereby ratified. (Resolution 11)			

	FOR	AGAINST	ABSTAIN
11. ORDINARY RESOLUTION 12: Appointment of External Auditors RESOLVED THAT Deloitte & Touche is hereby appointed as external auditors of the Fund. (Resolution 12)			
SPECIAL RESOLUTIONS			
12. 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 or deposited at the registered office of the Fund no later than 1000Hours on Wednesday 27th November 2024. Proxies so not received shall not be accepted on the day of the AGM.

Pulamed Head Office
 Plot 74358, Unit 1 (Acacia)
 Prime Plaza, Western Commercial Road
 New CBD
 Gaborone

Notes

1. A Member* must insert the names of a proxy of their choice in the space provided, with or without deleting "Chairperson of the AGM". The person so appointed as a proxy must be a Member of the Fund.
2. A Member's instructions to the proxy must be indicated by the insertion of a tick in the appropriate space provided. Failure to comply herewith will be deemed to authorise the proxy to vote at the AGM as they may deem fit in respect of the Member's vote exercisable thereat. However, where the proxy is the Chairperson, failure to comply will be deemed to authorise the proxy to vote in favour of the Resolution.
3. The instrument appointing such a proxy, if not completed online, must be scanned and emailed to secretary@pulamed.co.bw or deposited at the office of the Fund, no later than 1000Hours on Wednesday 27th November 2024. Proxies so not received shall not be accepted on the day of the AGM.
4. The completion and lodging of this proxy form will not preclude the relevant Member from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such Member wish to do so.
5. The Corporate Secretary may reject or accept any form of proxy not completed and/or received other than in accordance with these notes provided that she is satisfied as to the manner in which the Member concerned wishes to vote.
6. An instrument of proxy shall be valid for the AGM as well as for any adjournment thereof, unless the contrary is stated thereon.

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

SUBMIT FORM
secretary@pulamed.co.bw

Reasons to join Pulamed

01 **Extensive Coverage**
Join a community of over 60,000 individuals benefiting from our comprehensive medical aid.

02 **Immediate Access**
Enjoy the advantage of no three-months waiting periods for your coverage.

03 **Proven Expertise**
Benefit from over 30 years of experience in providing top-notch healthcare cover.

04 **Travel Insurance**
Travel Insurance of up to 25 million Pula for peace of mind wherever you go.

05 **Easy Online Application for New members**
Quickly and conveniently apply to be a Pulamed member directly on our website.

06 **Strong Service Provider Relationships**
Take advantage of our excellent relationships with healthcare service providers.

07 **Proactive Care, Better Health**
Enjoy comprehensive health with our Preventative Care Benefits designed to keep you at your best.

08 **Inclusive Coverage**
No age limit across all benefits, ensuring cover for everyone.

09 **Comprehensive GP Visits**
Access comprehensive benefits with no limits on General Practitioner visits.

10 **Value-driven**
Enjoy competitive and value-driven premiums without compromising on quality.

Call 365 0555 to join today!

ABOUT THIS REPORT



ABOUT US

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STATEMENTS

This Annual Report reviews achievements for the financial year 1st July 2023 to 30th June 2024, and some major post reporting events that the members must know. It outlines our performance, emphasising key factors for Pulamed's success, governance, material risks, opportunities and attractiveness as a trusted healthcare funding partner, and a model corporate citizen.

We embrace integrated thinking to enhance decision making and deliver on our purpose to be a trusted partner committed to building a shared future of healthier living for all our Members.

SCOPE AND BOUNDARY

Pulamed adopted King IV™ in 2019 and derives its reporting therefrom. The report's content is derived from the regulatory universe listed below:

- ⦿ **Non-Bank Financial Institutions Regulatory Authority (NBFIRA)**
- ⦿ **Trust Property Control Act**
- ⦿ **Financial Intelligence Agency (FIA)**
- ⦿ **Competition and Consumer Authority (CCA)**
- ⦿ **Data Protection Act**
- ⦿ **Botswana Accountancy Oversight Authority (BAOA)**
- ⦿ **Financial Reporting Act of 2020 through the Botswana Accountancy Oversight Authority**
- ⦿ **Botswana Medicines Regulatory Authority (BOMRA)**
- ⦿ **Corporate Governance Guidelines for Insurers and Reinsurers in Botswana**
- ⦿ **Board Governance Framework**
- ⦿ **Pula Medical Aid Fund Rules**

Materiality

The Board of Trustees believes that the matters presented in this report provide a well-balanced mix of information, enabling readers to evaluate Pulamed's performance and prospects. This report concentrates on material issues, opportunities and challenges that significantly affect Pulamed's sustainability and our ability to provide consistent value to our members and stakeholders. Both the Board and Management affirm that all reliable information has been disclosed to the best of their knowledge, and there are no legal barriers to disclosing material information.

Forward Looking Statements

This report contains certain forward-looking statements about the Fund's anticipated performance, results, operations, and plans. Although these statements represent our future expectations and judgements, the opinions are subject to known and unknown risks and uncertainties that could adversely impact the Fund's performance. Undue reliance should not be placed on such opinions, forecasts, or data. Forward-looking statements apply to the date on which they are made. Pulamed cannot guarantee that any forward-looking statements will materialise, and accordingly, readers are cautioned not to place undue reliance on these. The Fund does not undertake any obligation to publicly update or revise any of its opinions or forward-looking statements, whether to reflect new data, future events, or circumstances. The financial information on which the forward-looking statements are based has not been audited or reported on by the Fund's independent external auditors.

Approval of the Annual Report

Several internal stakeholders were actively engaged in the development, review and approval process of this Annual Report. Following the external audit of the annual financial statements by Deloitte, the Board's Finance, Audit & Risk Committee submitted the annual financial statements to the Board for approval. After careful assessment, the Board verified that this report offers a fair and balanced representation of the Fund's performance.



ABOUT US



WHO WE ARE

About Pulamed – Pula Medical Aid Fund (“Pulamed” or “the Fund”) is a not-for-profit open medical aid fund regulated by the Non- Bank Financial Institutions Regulatory Authority (NBFIRA). The Fund’s Membership is open to any member of the public, subject to the Fund Rules.



OUR PURPOSE

Our objective is to assist our Members defray healthcare costs, whilst our purpose is to provide ease of access to affordable, equitable and high-quality healthcare through innovative means.



OUR CORE PURPOSE & VISION

The Fund is currently on a 5-year strategy which commenced in July 2021. The strategy seeks to derive more Member value through the introduction of smart products, wellness and preventative care, improving 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

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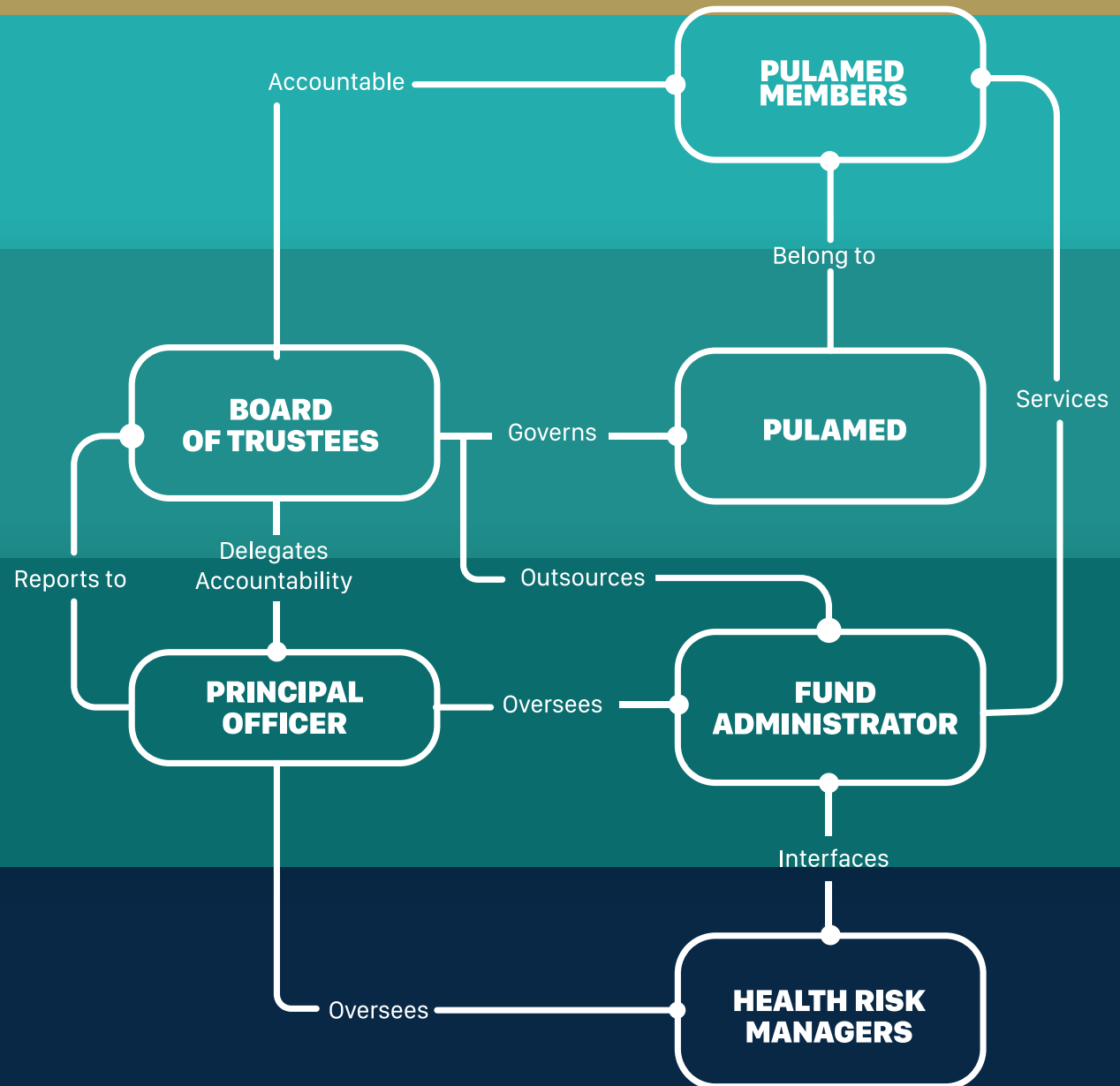
FINANCIAL STATEMENTS

MEMBERSHIP

MEDICAL AID

ADMINISTRATIVE

RISK TRANSFER ADMINISTRATION





OUR PRODUCTS

Executive



Membership Benefits:

As a member, you are entitled to the following benefits;

As a member, you are entitled to the following benefits; Executive Benefit Option offers P2 million cover for you and your family. It is a comprehensive benefit that will cover outpatient services including travel insurance, dread disease cover, chronic disease cover, preventative care benefit and loads of other benefits.



Deluxe



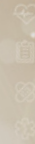
Membership Benefits:

As a member, you are entitled to the following benefits;

This comprehensive option is our flagship cover, offering P1,2 million cover for you and your family. It also comes with travel insurance, preventative care, emergency medical services, premium waiver, child birth, premium waiver, chronic disease cover and loads of other benefits.



Galaxy



Membership Benefits:

As a member, you are entitled to the following benefits;

With Galaxy benefit option, you get up to P100,000 for you and your family to cover both inpatient and outpatient services. This option is ideal for a small families and younger individuals who need a non-comprehensive cover or are price sensitive. The cover comes with emergency medical services, child birth and chronic disease cover.



Flexi



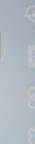
Membership Benefits:

As a Member, you are entitled to the following benefits;

Flexi Benefit Option offers up to P60,000 outpatient benefits per year. This cover is ideal for students or individuals who are price sensitive. The benefits include; dental services, optical benefits, emergency medical services and many more benefits.



Standard



Membership Benefits:

As a Member, you are entitled to of P40,000 per annum.

Benefits include:

- Hospitalisation benefits**
- Maternity benefits
 - Dental benefits
 - Optical benefits

Psychiatric medication

- Emergency medical services
- Alcoholism and drug addiction rehabilitation



This card is property of Pulamed. If found please return to:
P.O. Box 1212 Colaba, Call Centre (t267) 363 0155,
Fax (t267) 391 161 or P.O. Box 1212 Fort St.
Southwood (t267) 241 2290, Fax (t267) 241 2140,
www.pulamed.co.ke

For medical emergency and accidents, contact
Emergency Assist (EAP) on 991 and 390 4337

Administered by Associated Fund Administrators
Bosman (Pty) Ltd

This card is property of Pulamed. If found please return to:
P.O. Box 1212 Colaba, Call Centre (t267) 363 0155,
Fax (t267) 391 161 or P.O. Box 1212 Fort St.
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ABOUT US



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STAKEHOLDER ENGAGEMENT

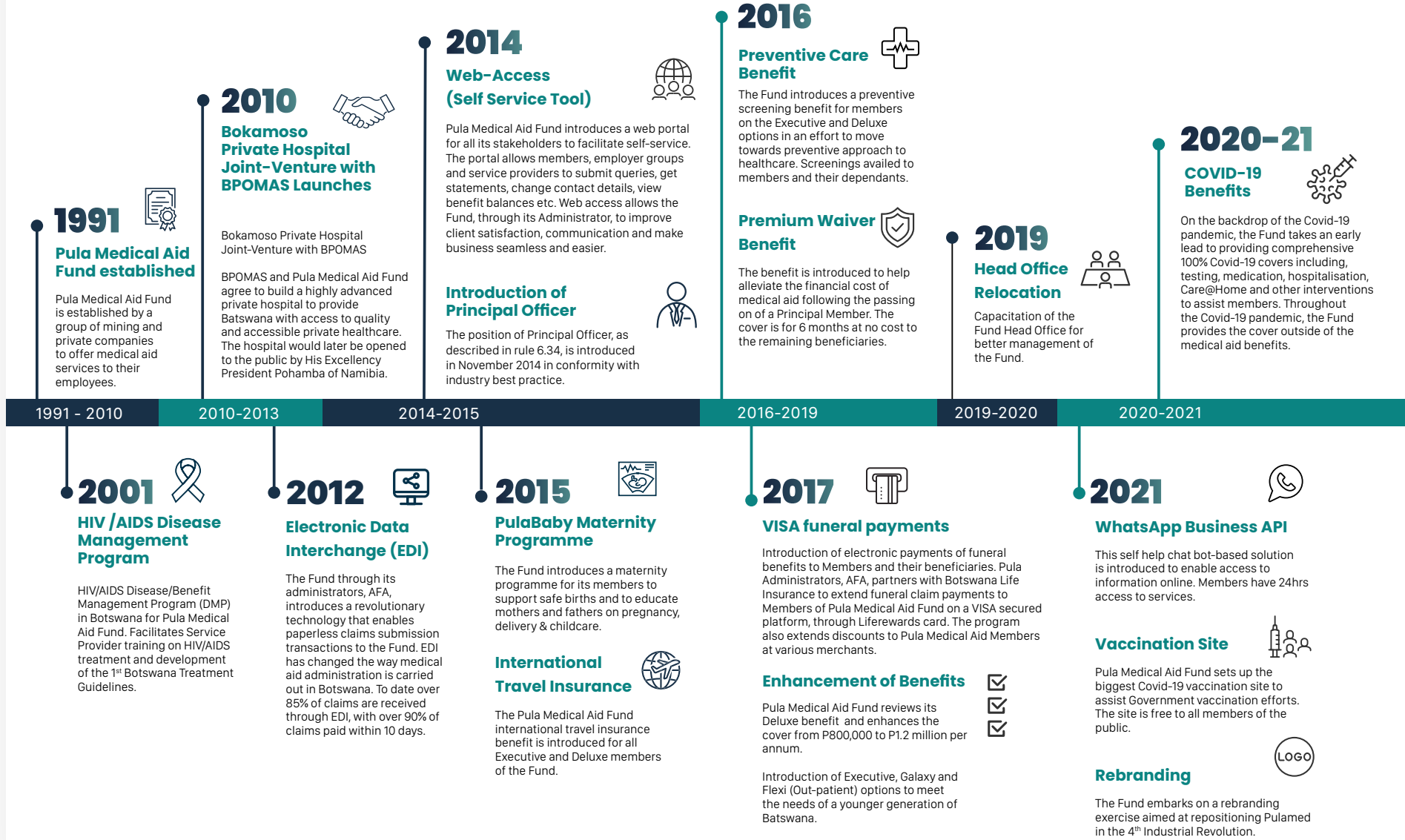


GOVERNANCE REPORT



FINANCIAL STATEMENTS

HIGHLIGHTS OF OUR JOURNEY FROM 1991 TO DATE



2023



Pulamed App

Launch of Pulamed mobile, with following features:

- Membership card
- Personal wellness management
- Wellness resources

Chairperson & Trustees



Major changes to the Board of Trustees, First-ever female, takes the chairmanship of the Fund.

2022-2024

2023

Covered Members



Fund surpasses 25,000 principal Members & 60,000 total lives covered.

2024 HIGHLIGHTS

Pulamed remains committed to delivering value to our stakeholders through innovation, service excellence and adherence to the highest standards of corporate governance.

FAMILIES

12



The Fund assisted **12 families** by continuing to provide their medical aid cover when the principal member passed on during the financial year

PULA PABY

86%



86% of our expectant mothers registered on the Pulababy maternity program and benefited from all the goodies that come with it.



TRAVEL INSURANCE

1908



policies were issued out during the period under review



FUNERAL BENEFITS

112

claims were paid during the period under review



CHRONIC PROGRAMME

8.3%



of total membership is registered and managed under the Chronic Disease Management Program

AVERAGE AGE

28.4 YEARS

HOSPITAL CLAIMS

11.2%



Y-O-Y increase in Hospital related claims per beneficiary

MEMBERSHIP GROWTH


8.7%

Y-O-Y membership growth



Chairman's Remarks



MATSHIDISO MATOME Board Chairman 

It is a privilege and honour to present this report for the financial year 2024 - a year marked by growth, transformation, and a deepening commitment to our mission. This year, as I embarked on my first year with the Pulamed Board, both as a Trustee and Chairman, I was warmly welcomed and supported by a dedicated team of Trustees and Management. Together, we navigated new challenges and embraced opportunities to ensure that your Fund remains a resilient, responsive, and forward-looking organisation, committed to enhancing the lives of Members and the communities the Fund serves.

Strategic Initiatives and Areas of Focus

Our Board's strategic focus this past year was anchored on several key themes essential to our vision: Smart Product Design, Member Value Proposition & Satisfaction, Digital Transformation, and most importantly, Sustainability.

Smart Product Design is central to how we innovate and serve you, the Member. We listen to your feedback through various member engagement forums, including surveys and stakeholder consultations to understand your views and needs. We have also embraced a data-driven approach, where data is analysed to inform the Fund on current and future trends as well as needs, thus allowing us to develop products and services that truly respond to your evolving needs as a Member of the Fund. Combining data insights with member satisfaction helps us to shape offerings that prioritise relevance, affordability, and accessibility. This philosophy has ensured that Pulamed develops products that are relevant and adaptive to evolving needs of the membership well into the future.



Member Growth and Value

It is with excitement that I report to you, that this year, your Fund, Pulamed, reached an exciting milestone, surpassing 25,000 principal members and 60,000 lives covered. This achievement is a testament to the tireless efforts of our management team. THE Fund has consistently over the last few years grew above industry growth rates, making it the most desired medical aid fund. Pulamed continues to attract new members while retaining the trust of current ones. Not only does this growth provide confidence to the membership, it also strengthens The Fund's financial position and leverage for benefit enhancements, thereby creating more value for the Members.

The current Fund strategy is anchored on digital transformation. Our purpose as Pulamed is to enable healthier living and one of the ways we enable such is through wellness and preventative care. The successful launch of our Wellness Application (App) reflects our dedication to our purpose. Through the App, Members have access to wellness resources, on their smart devices, right at their fingertips. Members are therefore able to track their health and access resources on how to improve and live a healthier life and with that, I implore each one of you, our Members, to download the App from the Apple Store and Play Store on your smart devices. However, as we reflect

on App's uptake, we recognise the importance of not only innovating but also ensuring that technology delivers practical, user-friendly benefits.

Governance and Risk Management

The Fund has in place a comprehensive Risk Management framework that ensures that the Board of Trustees has a full view and oversight of any risks that the Fund may be exposed to.

The Fund has adopted the King IV™ governance framework as its governance standard and continually assesses itself against this standard. I am happy to report that the Fund was audited by the Botswana Accountancy Oversight Authority (BAOA) and was given a green audit.

The successful launch of our Wellness App reflects our dedication to our purpose. Through the App, Members have access to wellness resources, on their smart devices, right at their fingertips

Pulamed is committed to maintaining strong governance and risk management practices. The Fund's Risk Management framework, enables the Board of Trustees to gain full oversight of potential risks that could impact the Fund. This structure has allowed Pulamed to respond swiftly and effectively to major risks, such as the challenges posed by the Covid-19 pandemic. To further reinforce this approach, the Board regularly engages an internal auditor to assess and monitor the Fund's risk profile and readiness to mitigate emerging threats.

The adopted King IV™ governance framework, emphasises ethical and effective leadership, transparency, accountability, and a stakeholder-centered approach to corporate governance. This framework, summarised as *"ethical, transparent leadership for sustainable value creation"*, helps us ensure that we uphold high standards in every aspect of our operations. I am pleased to inform you that Pulamed recently underwent an audit by the Botswana Accountancy Oversight Authority (BAOA) and received a green (clean) audit report, demonstrating our dedication to accountability and regulatory compliance.

This year, we are also focused on institutionalising an IT governance framework to further safeguard Member information, enhance privacy, and comply with both the

Data Protection Act and the anticipated Medical Aid Funds Bill. Our IT governance aligns with our strategic goals and will support our ongoing digital transformation. This framework will not only measure the effectiveness and efficiency of our digital initiatives but also ensure that each investment adds meaningful value to our Members' experiences.

Financial Performance and Resilience

I am pleased to report that Pulamed has achieved strong financial results, posting a surplus of P53 million for the 2024 financial year—an impressive increase from a surplus of P4 million (restated) in the previous year. This performance reflects significant membership growth, strong investment returns, prudent cost management, VAT savings resulting from the Value Added Tax Amendment Act of 2023, and ongoing process improvements.

In an environment of ever-rising healthcare costs, the Board of Trustees remains dedicated to ensuring that high-quality healthcare remains accessible, affordable, and sustainable for our Members. To achieve this, we closely manage premiums and tariffs for service providers, balancing them with healthcare inflation to support long-term sustainability for all stakeholders.



It is essential to emphasise that this surplus belongs to you, our Members and grants the Fund the flexibility to reinvest in enhancing benefits and developing innovative products that will deliver even greater value to you.

This year, the Fund prioritised Fraud, Waste, and Abuse mitigation, reinforcing efforts to reimburse only legitimate claims and taking decisive action against any misuse of the Fund's resources.

Embracing Innovation and Looking Ahead

As we look to the future, we recognise that innovation and technology are fundamental to staying competitive in the evolving healthcare landscape. Pulamed's strategic vision includes harnessing advanced tools, such as Artificial Intelligence (AI) and data analytics, to enhance both Member experience and operational efficiency. Technology does not only streamline our processes but also enables us to respond faster and more accurately to the needs of

our Members. Our commitment to leveraging data-driven insights will continue to guide us in designing products that are not only smart but also deeply attuned to the real-world needs of our Members through smart product design.

Appreciation and Commendations

It is with immense gratitude that I acknowledge the contributions of our Board of Trustees. Each Trustee brought to the table a commitment and passion that has been pivotal in guiding Pulamed through a year of growth and transformation. Their diligence and care for this organisation have shone through in every decision, every plan, and every achievement.

“As you can imagine, hitting the ground running only succeeds with a supportive and committed team. The Board of Trustees has been nothing short of diligent, dedicated, and meticulous in carrying out their responsibilities, through the Board Committees. Their commitment is evident, and you can see the genuine love and passion they have for Pulamed in everything they do.”



To Management: Your hard work in driving membership growth, navigating transitions, and supporting our vision for a technology-enabled future deserves the highest praise. You have gone above and beyond to ensure minimal disruptions to Member services, despite the challenges of change, and for that, you have my heartfelt appreciation.

To our Service Providers: Even in moments of constructive criticism, your support and dedication to Pulamed have been invaluable. Your commitment to providing quality care and services to our Members, despite the complexities, continues to make a significant impact on the lives of our members.

Lastly, to our Members: Your trust and confidence in Pulamed are the cornerstones of our success. The strength of our growth is a reflection of your belief in us. You are more than just clients; you are our ambassadors, sharing your experiences, motivating us to do better and encouraging others to join the Pulamed family. Your feedback, whether in surveys or through personal testimonials, shapes our journey, and I am deeply grateful for your continued support. Thank you for choosing Pulamed.

Moving Forward Together


As we embark on the next phase of Pulamed's journey, I am filled with optimism. We will continue to build upon the strong foundations laid this year, investing in technology, expanding our member value proposition, and staying attuned to the shifting healthcare landscape. With each new initiative, we remain guided by our mission to serve with integrity, compassion, and excellence. Together, we are not just preparing for the future—we are shaping it.

Thank you to everyone who has played a part in Pulamed's journey. It is through our shared dedication, mutual respect, and unwavering commitment that we achieve not only success but a lasting, positive impact on the lives of our members and our community.



Principal Officer's Report



DR. KHUMOETSILE MAPITSE Principal Officer 

Introduction

It is indeed pleasing to present the Principal Officer's Report for the 2024 financial year, which provides an overview of the Fund's performance, challenges, and strategic direction. This report reflects the ongoing commitment of Pulamed to ensure that we deliver on our purpose to enable access to healthier living through, amongst others, the provision of affordable, accessible, and high-quality healthcare services to our members.

This year, our focus was on digitally enabled business transformation, membership growth, smart product design, sustainability and stakeholder management. Our vision is to have a member-centric benefit design which ensures that Pulamed's purpose is realised.

Strategy Performance

Our current strategy is driven by key themes: wellness and preventative care, digital transformation, product leadership, and strategic marketing—all centered around our commitment to Members. The launch of the Pulamed Wellness App has provided members with seamless access to manage their wellness journeys, alongside other convenient services within the App. Efficiency across our service provider network has also improved, with greater claims coverage through Electronic Data Interchange (EDI), and enhanced marketing and nationwide stakeholder engagements have led to a remarkable increase in membership.



We regularly review and enhance member benefits; this year, improvements were made in several areas - traditional medicine, infertility, child development, and mental health, among others.

Pulamed remains committed to continuously adapting and refining our offerings to meet Members' evolving needs, ensuring that our strategy delivers real, lasting value.

Access to Healthcare and Membership

The purpose of the Fund is to enable access to healthier living. We do this by ensuring that healthcare is of high quality, affordable and sustainable. In the past financial year, 1,637 more Members accessed healthcare than in the prior year. The Fund registered 48 more service providers to bring the total number of service providers in Botswana to 11,030 across 83 different health disciplines. In the quest to promote healthy lifestyles, as already alluded to, the Fund introduced a Wellness App which offers members the opportunity to track their health and monitor it on an on-going basis. Membership increased by 8.7% to breach 60,000 covered lives, which is above the industry average (~3%).



Sustainability

One of Pulamed's core strategic pillars is sustainability. The Fund exceeded its strategic targets this past financial year, from a financial perspective. This exceptional performance was spurred by a higher-than-expected contribution income, largely driven by membership growth, and a lower-than-expected claims experience. As a not-for-profit organisation, the surplus will contribute to the Fund's reserves which provide the necessary buffer for a "rainy day" and further contribute towards the Fund's solvency ratio.

Enabling access to healthcare and Fund sustainability requires a delicate balance between affordability and fair compensation for healthcare services. Healthcare inflation and utilisation has consistently risen faster and much higher than contribution increases resulting in increased member out-of-pocket payments. Pulamed is aware of this and is working tirelessly to implement mitigating actions to some of the things

that account for increased out-of-pocket payments such as Fraud, Waste and Abuse (FWA). The accumulated reserves provide the Fund the flexibility to improve benefits as a way of promoting healthier living and giving back to the members while reducing out-of-pocket payments. The member is at the centre of everything we do and therefore accumulated funds/reserves are reinvested for the direct benefit of our members, whilst ensuring that statutory solvency limits are maintained.

Mitigating Rising Healthcare Costs

Rising healthcare costs are a global challenge, and Botswana is no exception. Healthcare costs generally continue to rise at a rate that exceeds the growth of contributions, putting pressure on both the Fund and its members. These rising costs pose a direct challenge to both access and affordability and ultimately sustainability of the entire private health industry. To address these challenges, Pulamed has adopted several key strategies below:

a) Smart Benefit Design

This approach involves packaging benefits in ways that promote cost-efficiency without compromising on care quality. The Fund is introducing value-based care and global fees in a phased manner where appropriate.

Under this arrangement, the Fund negotiates fixed rates with providers, ensuring that Members do not pay additional out-of-pocket expenses while maintaining high-quality care standards. This model promotes cost predictability, allowing providers, Members and the Fund to better manage healthcare expenditures and outcomes. The next focus for the Fund under this approach will be a primary care-led care coordination model which has proven across several jurisdictions to reduce healthcare costs. Members will be appraised in due course of this development.

b) Preventative Care and Chronic Disease Management

Prevention is a key aspect of controlling long-term healthcare costs. By focusing on preventative measures, such as regular screenings and early interventions, the incidence of costly chronic conditions can be reduced. The App allows Members to input their data and follow the trends over time and have access to resources which will assist them in monitoring and improving their health through healthy lifestyles. Chronic diseases such as diabetes, hypertension, and cardiovascular diseases are among the biggest causes of morbidity for our Members. However, active screening, surveillance, early detection and active disease management will lead to an improvement of the health of the membership. The financial burden of these diseases will reduce and ultimately affect sustainability

positively. Furthermore, it is worth noting that the Fund has an active disease management programme in place as well as preventative care benefits in all its benefit options as measures to curb chronicity. Prevalence of chronicity is 8.3% of the membership and this figure has remained stable over the last few years. We urge all Members with chronic conditions to register on the program for better management of their benefits and more importantly, to adhere to the program for healthier living.

c) Fraud, Waste and Abuse Unit

Fraud, Waste and Abuse (FWA) robs Members of valuable funds which could have been channelled towards their healthcare costs. It is unfortunate that FWA is committed by both Members and practitioners and at times in collusion. FWA is a serious offence which may result in the perpetrator being terminated as a Member or service provider and also facing criminal charges. At Pulamed, we have taken a stance against FWA by deploying a dedicated unit to detect, monitor, investigate and recommend sanctions against any perpetrators of FWA. The Fund has already instituted sanctions and recoveries from some perpetrators. FWA will not be tolerated. Members are encouraged to report FWA, as it is in their interests to ensure long term sustainability of the Fund. To encourage Members to report FWA and assist in mitigating the rising costs of healthcare, the Fund has

set up whistleblower contacts that guarantee Member anonymity.

d) Enhancing Member Experience

We always aim to satiate our Members by ensuring that we improve our service delivery channels and serve them expediently. The period under review was characterised by major organisational changes at our Administrators, AFA, which resulted in some service disruptions and in some instances, below par customer service that the Pulamed Member is not accustomed to.

We would like to take this opportunity to apologise to our Members for these service lapses and assure you that, together, we have taken steps to address these, and Members should now look forward to the service they are used to and much better. In enhancing Member experience, we have, through the Pulamed App, availed the virtual membership card which will reduce inconveniences to Members in instances where they do not have their printed membership cards. The Member is also able to track their contributions and get statements from the App. Pulamed continues to make weekly payments to service providers and this has strengthened the Fund's relationship with service providers. The Pulamed team continues to engage and interact with Members and service providers through stakeholder engagement forums, surveys and walk-ins to get valuable feedback which feeds into servicing them better and



providing an overall improvement in Member and service provider experience.

LOOKING AHEAD

Looking to the future, the Pulamed team remains committed to always being a step ahead and developing strategies that will derive maximum value for you, the Pulamed Member. We do this by engaging with all the stakeholders for feedback, by following healthcare trends globally and regionally and using the strength of our data analytics and AI. The priorities then form the basis of our strategic objectives.

The Fund's current strategic cycle runs until 30 June 2027 and we continue to implement its intended goals and review it annually. The main anchor of our current business strategy is digital transformation. The Fund intends to increase brand presence and make Pulamed a household name you can trust by undertaking active member education drives as well as improving the Fund's marketing and member engagements through newsletters and social media.



In Conclusion

I would like to express my deep gratitude to the Board of Trustees, the Pulamed team, and our partners, the service providers, for contribution towards this excellent performance by the Fund. These achievements are a testament to our collective efforts and dedication to ensuring that Pulamed continues to be a leader in providing accessible, affordable, high-quality healthcare in Botswana.

Lastly, I would like to thank you, our Members, who are at the centre of all our endeavours, and commit to you that we will continue to deliver benefits and services of the highest quality.





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Financial & Strategic Performance Report



The past financial year has marked significant strides for Pulamed, reflecting our commitment to prudent financial management, membership growth, and cost containment amidst a challenging economic environment. Our performance, underscores the effectiveness of our strategies in claims management, membership expansion, and disciplined investment.

Financial Performance Overview

Pulamed achieved substantial financial gains this year, with a surplus of BWP 53 million. This performance was underpinned by exceptional growth in membership and a lower than expected claims experience. The removal of VAT on healthcare services also contributed to the year on year positive performance. The surplus landed the Fund at a solvency of 34%, up from 30% the prior year. The income from investments was significant, contributing 43% to the surplus. A few years ago, the Fund took a bold step of taking some funds to offshore markets and this has yielded dividends in the last two years. Contributing to this excellent financial performance has been improved efficiencies in claims management, cost management and fraud, waste and abuse management.

Membership Growth and Revenue Expansion

Pulamed recorded a year-on-year contribution income of 20%. The increase was largely driven by the exceptional membership increase and the member demographics per benefit option. We strategically targeted growth in higher-benefit options, catering to an expanded segment of Members requiring more comprehensive healthcare coverage.

FUND SOLVENCY

30%

2023

34%

2024

CONTRIBUTION INCOME Y-O-Y

20%

2024



Cost Containment Initiatives

This year, we revisited and renegotiated numerous service contracts, leveraging long-term partnerships to improve terms that maximise member value. These contract adjustments not only reduced operational costs but also enhanced the quality of member services without imposing additional expenses.

Claims Cost Management

The containment of claims costs remains a focal point in order to ensure the Fund's sustainability, and our strategy includes exploring partnerships with other funders to collaboratively address fraud, wastage and inefficiencies. This industry-wide approach and collaboration through the Health Funders Association of Botswana (HFAB) will help us manage healthcare inflation and support overall Fund sustainability.

Financial Highlights



MEMBERSHIP

2022 **22,259**

2023 **23,731**

2024 **25,798**

MEMBERSHIP GROWTH Y-O-Y

2022 8%

2023 7%

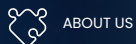
2024 9%

	2022	2023	2024
CLAIMS RATIO	98%	91%	81%
ADMINISTRATION & MANAGED CARE COSTS	6%	5%	7%
MEMBER RELATED EXPENSES	2%	2%	2%
NET SURPLUS RATIO	11%	0%	9%
NON-HEALTHCARE COSTS TO INCOME RATIO	13%	10%	12%

INVESTMENT PORTFOLIO

P204m

UP 26% FROM PRIOR YEAR



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IFRS 17 Implementation

During the year, the Fund adopted IFRS 17 – Insurance Contracts, a new International Financial Reporting Standard for insurance contracts. IFRS 17 introduces changes to how the Fund reports its financial results, with a primary goal of enhancing transparency and consistency in financial reporting.

This new standard brings a more structured approach to reporting insurance-related revenues, expenses, and liabilities, allowing stakeholders to gain a clearer understanding of the performance and financial position of the Fund.

Key Changes in Financial Statement Presentation

One of the most noticeable changes is in the Statement of Comprehensive Income, where there is now a stronger emphasis on insurance contract income and related expenses, re-insurance contract income, and non-insurance income. This breakdown provides a more detailed view of how Pulamed's insurance portfolios perform, matching revenues directly with the expenses associated with them. This change helps to highlight the profitability of each portfolio, allowing Pulamed to more easily identify loss-making areas.

The new standard introduces key terms such as insurance revenue, insurance expenses, and insurance service result—all aimed at improving the clarity with which the Fund reports its insurance activities.

- Insurance Revenue refers to income from insurance contracts, including premiums received from policyholders (Members).
- Insurance Expenses capture the costs directly tied to insurance activities, such as claims management, administration, and third-party fees for claims processing or customer support.
- The Insurance Service Result represents the balance between insurance revenues and insurance expenses, providing insight into the efficiency of Pulamed's insurance operations.
- In addition to these, IFRS 17 introduces the

concept of the Net Re-insurance Service Result, which reflects the financial impact of re-insurance contracts (i. e reinsurance revenues, less reinsurance expenses). Re-insurance contracts are agreements where risks are transferred to a third party (the reinsurer) to manage the impact of loss of revenue or a larger claim. Re-insurance arrangements such as premium waivers, medical evacuation and funeral benefit policies are examples of the types of contracts that would be included in this section.

Adoption of the Premium Allocation Approach (PAA)

To simplify the implementation of IFRS 17, the fund has adopted the Premium Allocation Approach (PAA), which is a streamlined method of accounting for insurance contracts. The PAA is particularly suited for contracts with a short duration, such as those typically offered by Pulamed, where the extended measurement of liabilities is unlikely to produce materially different results compared to the more complex General Measurement Model (GMM).

The GMM is a more detailed approach to insurance accounting, and while it provides a comprehensive view of longer-term contracts, it is not necessary for Pulamed's current portfolio of insurance products. By choosing the PAA, Pulamed ensures that the accounting remains straightforward while still adhering to the overall principles of IFRS 17.

Changes in the Statement of Financial Position

IFRS 17 also brings changes to the Statement of Financial Position, specifically in how insurance-related liabilities and assets are presented. Under the new standard, insurance liabilities and assets are reported separately from non-insurance items, providing a clearer picture of the Fund's insurance obligations.

A key component of this is the Liability for Remaining

Coverage. Traditionally known as contribution receivables, this liability represents amounts that customers owe for the coverage they have yet to receive under their insurance policies. Alongside this, the Asset for Remaining Coverage refers to the amounts due from the Fund to its re-insurers for the coverage they provide under re-insurance contracts.

Another important change is the Liability for Incurred Claims. This liability represents amounts owed to policyholders or third parties for claims that have already occurred, whether or not they have been reported. For example, this includes provisions for incurred but not reported claims (IBNR). IFRS 17 requires that these provisions be estimated based on the best available information at the reporting date, and no hindsight can be applied.

Additionally, IFRS 17 introduces a new Risk Adjustment that must be applied to provisions for outstanding claims. The Risk Adjustment reflects the uncertainty around the ultimate cost of claims and ensures that the Fund holds sufficient reserves to cover potential variations in these estimates. Changes in this risk adjustment are reflected in profit or loss.

Restatement of Prior Year Financials

As part of the initial adoption of IFRS 17, the Fund was required to restate its financial statements for the prior year to ensure comparability with the current year's results. This restatement involved re-measuring certain provisions and liabilities according to the new IFRS 17 methodology.

**The most notable adjustments were:**

- ➔ A re-measurement of the provision for outstanding claims, which resulted in a decrease of P2.3 million.
- ➔ The introduction of the risk adjustment for outstanding claims, which added P1.9 million to the liability.
- ➔ These adjustments led to a net impact of P5.8 million on Pulamed's profit for the year. Three balance sheets were only presented in the first year of adoption, going forward, only two balance sheets will be presented.

Liability to Future Members

As a mutual entity, Pulamed operates for the benefit of its members, with surpluses retained for their future use. Under IFRS 17, equity is now classified as a liability to future members. This reflects the fact that the capital generated by the business is intended to support future benefits for members, rather than being distributed as profit. As such, when assessing Pulamed's capital strength, the key performance indicator (KPI) is now the liability to future members, which reflects the adequacy of capital available to meet future obligations.

This classification provides a more accurate measure of the Fund's financial health and ensures that the interests of its members are prioritised.



Looking Forward- Goals For 2025 and Beyond

Pulamed's goals for the upcoming year and beyond focus on sustainability and access to high quality care through prudent financial management to building on our financial successes, further enhance member experience, and deepen our digital transformation.



How to join Pulamed

To join Pulamed, we require you to complete an application form and provide the following supporting documents:

-  Membership application form.
-  Certified copy of identity document (Omang/Passport).
-  Certified copy of birth certificates for dependants.
-  Certified copy of marriage certificate (if adding spouse).
-  Certified copy of identity document for spouse.
-  Proof of residence/confirmation of residence.
-  Proof of source of income (payslip or employment confirmation letter).
-  Data protection consent form.

To join visit <https://pulamed.co.bw/forms> & email the completed form along with relevant supporting documents to clientservices@afa.co.bw.

Call 365 0555 to join today!

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Business Innovation & Performance

Pulamed has experienced a year of tremendous growth and transformation, marked by strategic enhancements, improved Member engagement, and robust service provider relationship management. Our efforts have been firmly focused on creating value for our Members, strengthening our service delivery model, and positioning Pulamed as a leading medical aid provider with a forward-thinking approach.

Membership Growth and Strategic Expansion

Our membership increased by a remarkable 8.7% this year, well above the industry average of 2.7%. This achievement underscores our proactive approach to growth, which combines strategic brand-building initiatives, direct employer engagement, and Member education to drive awareness and engagement. In recent years, Pulamed has become synonymous with trust and accessibility in the medical aid sector, largely thanks to focused outreach efforts designed to dismantle misconceptions about our exclusivity and increase our appeal across diverse demographics. A critical part of this growth has been our decision to expand our team with specialised member-centric sales executives – who have played a pivotal role in managing relations between the Fund and its Members.

Strengthening the Tripartite Model: Provider, Member, and Fund

Our unique tripartite model places the service provider, Member, and Fund at the heart of our

operations, recognising the critical role each plays in delivering a seamless healthcare experience. Service providers are often the first point of contact for Members during their healthcare journeys, and as such, they serve as an essential extension of our brand. The Fund has worked extensively to foster strong, collaborative relationships with service providers by equipping them with the knowledge and resources needed to effectively educate and guide Members about their Pulamed benefits.

Our continuous engagements with service providers has allowed us to address challenges internally and efficiently, ensuring that Members experience seamless service at their point of care.

Product Development and Service Enhancements

Understanding and responding to the evolving needs of our Members remains a key priority. This year, the Fund introduced and enhanced several products aimed at addressing specific health concerns and improving the overall Member experience:

- ➔ **Maternity Benefit**
Restructured maternity benefit to introduce a global fee structure that supports value-based-care and eliminates unexpected out-of-pocket expenses for participating healthcare providers.
- ➔ **Fertility Benefit**
Introduction of a fertility benefits to assist Members facing challenges in conception.

Pulamed New Benefits

Preventative Care

This benefit has been extended to all Benefit Options.

Pulamed offers the following wellness screenings:

- Breast Cancer
- Prostate Cancer
- Cervical Cancer
- Cholesterol
- Liver Function & many more

Fertility Care

- Once-in-a-lifetime cover
- This benefit covers investigations, medicines, surgical procedures, assisted conception
- Females below 45 years and Males above 18 years
- Must have been a member for at least 2 uninterrupted years

Executive: P20,000
Deluxe: P15,000

Maternity

Members will be covered 100% for delivery with Service Providers within the Pulamed network. This benefit extends to members on Deluxe and Executive only.

Pre-authorization required

**Normal limits and tariffs will apply for out of network service providers.*

Refractive Eye Surgery

- Once-in-a-lifetime cover available for LASIK, PRK and LASEK Surgeries, etc.
- Pre-authorization required
- Age >=19 Years: Surgery as an alternative to Spectacles or contact lenses
- Age <19 Years: Surgery in the event standard correction methods (e.g. Contact lenses, Spectacles) have failed
- Can claim for spectacles/contact lenses 4 years post surgery (if need be)

Executive: P15,000
Deluxe: P10,000

Allied Services

This benefit has been repackaged into two pools that place emphasis on child development and mental health issues, with each maintaining sufficient limits.

Pool A
Occupational Therapy
Speech Therapy
Audiology

Executive Up to P15,000
Deluxe Up to P10,000

VS

Pool B
Psychology
Chiroprody
Dietician

Executive Up to P15,000
Deluxe Up to P10,000

Step Down Facility

This benefit has been extended to Galaxy & Standard Benefit Options.

Up to 42 days per annum.

Traditional Medicine

In recognition of indigenous knowledge, cultural practises and beliefs, we introduced traditional medicine cover to give members access to a broader choice of alternative treatments.

Service Providers are required to be registered with a recognised body e.g. Dingaka Association.

Executive Up to P2,300
Deluxe Up to P1,725
Galaxy Up to P1,000
Standard Up to P765
Flexi Up to P1,000

Child Immunisations

Pulamed will cover the following:

- Injection/Administration Fee (All vaccines as per Government Schedule)
- Measles, Mumps & Rubella and Hepatitis A
- Any out of stock vaccines (As per Government Schedule) - Service providers to notify Fund of vaccine unavailability.

This offering covers a range of fertility treatments, including in vitro-fertilisation (IVF) and corrective procedures, providing critical support to those with reproductive health needs. Whilst the benefit may not be able to cover the entire treatment costs, it assists the Member with initial investigations and information gathered will assist with future enhancements.

- ➔ **Mental Health and Child Development**
Acknowledging the growing importance of mental health, and early child development, Pulamed has restructured the benefits effectively doubling the limit of cover for mental health and child development.
- ➔ **Refractive Eye Surgery**
Refractive eye surgery has been introduced and includes laser corrective procedures. The benefit allows Members to manage refractive vision concerns without relying solely on spectacles or contact lenses.
- ➔ **Traditional Healthcare**
In recognition of the value of traditional health practices within our Member community, Pulamed now offers coverage for select traditional healthcare disciplines. This initiative acknowledges the role that cultural practices play in our Members' healthcare journeys and provides them with the flexibility to access care that aligns with their personal values and beliefs.

NB: *For all the new and enhanced benefits above, in order to ensure sustainable and equitable access, certain protocols and eligibility requirements have been put in place.

*Fund Rules apply



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Digital Transformation and Technological Innovation

Pulamed's commitment to innovation is driving the Fund's transition into a fully digital medical aid provider. We have made substantial investments in digital tools and platforms to improve service accessibility, streamline processes, and reduce our reliance on traditional infrastructure.

Wellness App

The introduction of the Pulamed Wellness App marks a significant milestone in the Fund's digital transformation journey. The App was designed to allow Members to view their benefits, access their virtual membership card, track claims, view statements, and manage their profiles directly from their mobile devices. Future iterations will continue to enhance the App, adding features that empower Members to take charge of their healthcare through a fully integrated digital experience.

Website Revamp

Our newly enhanced website now offers a fully transactional experience, allowing prospective Members to apply for membership, and for Members to access various services online. This shift has reduced the need for in-person visits, enabling Members to engage with Pulamed at their convenience, regardless of location.

Webinars and Online Education

To support both Member and service provider education, Pulamed has adopted a digital-first approach to engagements through webinars. These webinar sessions cover essential topics which are deemed a priority at that particular time, for example, in the past year, topics such as ICD coding, fraud prevention, and waste management, as well as medical aid evolution, were held, - thus providing stakeholders with valuable insights that improve service interactions.

Addressing Operational Challenges and Learning from Pain Points

During the period under review, the Fund encountered several operational challenges emanating from transitions within our administrative processes. These changes impacted service delivery times and call centre accessibility, leading to longer response times than our Members are accustomed to. The Fund acknowledges the frustration this has caused and assures Members that these issues are being resolved and Members should look forward to enhanced efficiencies.

Plans for FY2025

Looking forward, Pulamed's strategic objectives are clear:

Restoring and Elevating Member Experience

We are committed to improving member experience, addressing any disruptions, and enhancing service delivery across all touchpoints. This includes refining our call centre operations, optimising our digital platforms, and expanding member education.

Innovative Product Development

Building on Member feedback, we will introduce new products and continue to enhance existing offerings. This commitment to innovation reflects our goal of delivering comprehensive, relevant solutions that address the real-life needs of our Members.

Expanding Digital Adoption

Our vision is to become a leading medical aid provider that optimises digitalisation. We will continue encouraging Members to engage with our digital platforms, providing a streamlined, efficient, and modernised healthcare experience that aligns with today's digital landscape.

Maintaining Steady Membership Growth

As we work to become the foremost choice for medical aid, we recognise that sustainable growth is integral to our success as it will strengthen our market position as well as enable us to invest in new services, technology, and product offerings, while ensuring that we remain agile and responsive to emerging needs.



Stakeholder Management

Overview

Pulamed's success in fulfilling its mission depends on active, transparent, and meaningful engagements with stakeholders. Our stakeholders include a diverse array of individuals and organisations – Members, employees, regulatory bodies, service providers, Government agencies, industry partners, and the communities we serve. Their impact on our operations, product offerings, and service delivery is profound, and we are committed to building relationships that generate mutual value and drive positive outcomes.

Our stakeholder engagements are built upon guiding principles that reflect a responsive and locally sensitive approach.

Guidelines have been developed for stakeholder engagements to facilitate structured, meaningful conversations. We endeavour to engage constructively, ensuring that all interactions reflect our commitment to transparency, ethical standards, and accountability.

The Value of Proactive Engagement

Active engagements with stakeholders enables Pulamed to gather essential insights that influence our strategic direction, identify priority concerns, and develop responses that enhance service delivery. In

FY 2024, stakeholder feedback informed key discussions at executive and board levels, addressing topics such as:

- ➔ Global political and economic shifts affecting supply chains, inflation, and consumer resilience.
- ➔ Adaptability in a rapidly evolving marketplace with shifting client expectations.
- ➔ Increased cyber threats and the importance of robust digital security.
- ➔ Accelerated digital transformation to enhance client experience and strengthen digital transaction reliability.
- ➔ Our commitment to supporting Members amid challenging economic conditions. Regulatory developments, including compliance with the Data Protection Act, 2018, and preparation for the Medical Aid Fund Bill.
- ➔ Climate resilience efforts, particularly the transition towards sustainable energy in Botswana. Health, safety, and wellness priorities for Pulamed's employees.

Through this multi-faceted engagement framework, Pulamed addresses stakeholder expectations sustainably, reinforcing our commitment to responsible and responsive operations.

Stakeholder Groups and Engagement

Our Members and Clients

Why We Engage

Our goal is to generate and protect value for our Members by continuously understanding their evolving needs. We engage to improve product offerings, provide relevant advice, and inform Members about new services and benefits, ensuring Pulamed remains their preferred healthcare partner.

How We Engage

- Call centres, and worksite activations Social media, and digital platforms (apps, email)
- Wellness days, SMS, and Website Chatbot
- Voice of the Client surveys, complaint monitoring, and lapse rate analysis

Stakeholder Priorities FY 2024

- Transparent and efficient claims and benefits processing
- Quality, efficient service and enhanced client experience through digital innovation
- Security and privacy of member data
- Simplified onboarding and streamlined client contract management

Our Response

- Regular updates and improvements to security and data privacy measures
- Continuous digital investment to provide clients with versatile engagement options
- Client feedback collection including through Member satisfaction surveys, informing service enhancements

Government and Regulators

Why We Engage

Pulamed's engagements with government bodies such as the Non-Bank Financial Institutions Regulatory Authority (NBFIRA) and the Ministry of Health are grounded in our commitment to compliance, transparency, and proactive collaboration on healthcare policies.

How We Engage

- Direct submissions, reporting, and regulatory meetings
- Participation in industry forums, statutory reporting
- Ongoing discussions on material issues, focusing on compliance and public health needs

Stakeholder Priorities FY 2024

- Effective controls for financial crime and compliance with AML/CFT regulations
- Cybersecurity, personal information protection, and fair treatment of clients
- Adherence to capital requirements

Our Response

- Strengthened due diligence, risk management, and compliance with regulatory standards
- Ethical and financially prudent operations, ensuring fair treatment and trust-building with regulators

Employees and Boards

Why We Engage

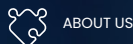
Pulamed's employees, Executive Management, Board of Trustees, and Committees are the foundation of our service delivery and value proposition. We engage to ensure alignment, maintain productivity, and foster a motivated, well-informed workforce.

How We Engage

- Technology platforms (podcasts, webinars), employee engagement surveys
- Regular feedback via performance management and internal communications
- One-on-one engagements and wellness initiatives
- Board evaluations
- Stakeholder Priorities FY 2024
- Talent retention, employee wellness, and hybrid work transitions
- Focus on diversity, inclusion, and the Employee Value Proposition
- Support for learning, development, and digital enablement

Our Response

Strategies for talent retention, fair remuneration, and employee engagement
Emphasis on wellness and hybrid work arrangements, along with diversity and inclusion initiatives



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Suppliers

Why We Engage

As a BPO (Business Process Outsourcing) model-driven organisation, Pulamed relies on service providers such as AFA, BIFM, Insight Actuaries, SHSB, Verimed, EA991 and Deloitte for essential functions. Engagement with these suppliers ensures the seamless delivery of high-quality services.

How We Engage

- Procurement processes, tenders, and supplier audits
- Compliance with Service Level Agreements (SLAs) and ethical standards
- Stakeholder Priorities FY 2024
- Clear contractual terms, ethical procurement, and preferential opportunities
- Compliance with Pulamed’s governance standards and SLAs

Our Response

- Fair procurement practices and strengthened supply chain processes
- On-time payment and adherence to governance and ethical standards

Industry Bodies

Why We Engage

Engagement with bodies like the Board of Healthcare Funders (BHF) and the Health Funders Association of Botswana (HFAB) helps Pulamed stay aligned with industry best practices, regulations, and emerging trends.

How We Engage

- Participation in conferences, industry forums, and regular meetings
- Stakeholder Priorities FY 2024
- Adherence to global healthcare standards and responsible investment
- Advocacy for healthcare law and policy that supports the future of medical aid

Our Response

- Collaborative involvement in industry responses to regulatory initiatives, including the Medical Aid Fund Bill
- Promoting trust in the healthcare funding industry and supporting ethical member treatment

Communities and Civil Society

Why We Engage

Pulamed’s engagement with communities and civil society organisations is central to our corporate social investment (CSI) strategy. We aim to foster sustainable change in health education, community development, and social equity.

How We Engage

- Media channels, annual reports, and CSI initiatives
- Partnerships with community organisations and civil societies

Stakeholder Priorities FY 2024

- Enhanced community health and social investment
- Support for educational initiatives, job creation, and human rights

Our Response

- Partnership with healthcare organisations to deliver wellness and educational workshops
- CSI initiatives aimed at uplifting at-risk communities and promoting better living conditions

Healthcare Service Providers

Why We Engage

Healthcare service providers, including hospitals, clinics, doctors, pharmacies, and specialists, are essential to our service delivery. Collaborating with them ensures quality care and continuity of services for Pulamed Members.

How We Engage

- Advisory panels, feedback sessions, and regular consultations
- Direct engagement on operational, clinical, and billing processes

Stakeholder Priorities FY 2024

- Equitable compensation, minimal administrative burdens, and sustainable operations
- Professional development opportunities and engagement in cost management discussions

Our Response

- Infrastructure support for healthcare providers, enabling effective home-based care
- Constructive dialogue on billing, invoicing, and cost management.

2024 GALLERY

10x10 CHALLENGE

2023 ANNUAL GENERAL MEETING



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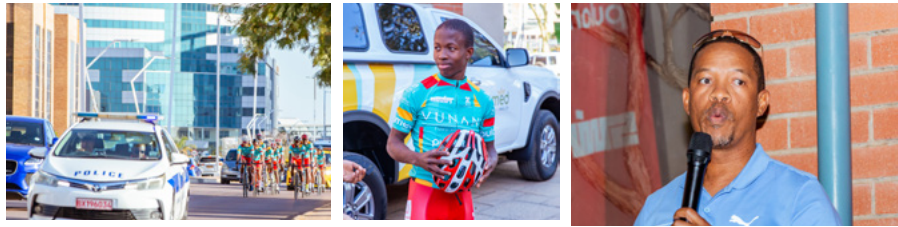


BOTSWANA LIFE SYMPOSIUM 2024

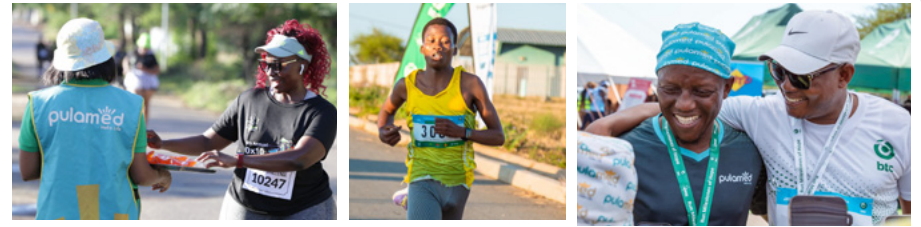




PULAMED & TEAM SWIFT CYCLING KIT LAUNCH

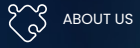


BTC MARATHON 2024



MORUPULE COAL MINE CYCLING CHALLENGE 2024





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DIACORE GABORONE MARATHON 2024



OLDM WALK GM'S 2024



LUCARA GM'S CYCLING 2024



MINING SUMMIT 2024





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Political and Economic Environment

Context

Pulamed operates within a highly dynamic economic landscape characterised by shifting political and financial conditions. The Botswana economy has shown resilience but faces ongoing challenges. Unemployment remains elevated, reflecting structural constraints within the economy, while GDP growth, though positive, has been modest. Fuel prices have seen fluctuations, and inflationary pressures, though easing from previous peaks, continue to impact household incomes and spending behaviours.

Economic indicators for FY 2024 provide a snapshot of this environment:

UNEMPLOYMENT RATE
33.8%
2023

Unemployment Rate: Estimated at approximately 33.8% as of 2023, reflecting slight progress yet still indicating significant challenges in job creation across sectors.

GDP GROWTH RATE

4.8%
2023/24

GDP Growth Rate: Projected growth was revised downward to around 4.8%, signalling tempered recovery influenced by both global and domestic factors.

FUEL PRICES

P13.70
2023/24

Fuel Prices: Prices per liter have fluctuated, with an average rate of approximately P13.70 throughout FY 2024, indicative of global market adjustments and reduced inflationary spikes.

INFLATION RATE

6.2%
2023/24

Inflation Rate: Annual inflation is estimated at 6.2%, a marked decrease from previous highs yet still impacting purchasing power and household budgets.

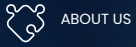
INTEREST RATES

5.5%
2023/24

Interest Rates: To manage inflation, the central bank-maintained rates at 5.5%, balancing inflation control with economic support needs.

Impact on Pulamed

Persistently high inflation, despite moderation, and economic challenges continue to exert pressure on consumer spending power. This environment affects demand for medical aid and financial security products as members navigate tightening household budgets. Botswana's high unemployment and slower-than-expected economic growth challenge Pulamed's ability to maintain membership retention and affordability amidst rising operational costs.



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Our Response

Risk Assessment and Contingency

Planning: Pulamed closely monitors economic conditions and potential risks, adapting strategies to safeguard service continuity. Proactive risk management ensures minimal disruptions in Member support, even amid volatility.

Engagement with Policymakers: Pulamed maintains active engagement with government entities and industry regulators to advocate for policies that benefit Members and pre-emptively address regulatory changes impacting healthcare.

Adaptive Pricing Models: In response to the economic context, Pulamed is exploring flexible pricing strategies to support affordability for Members, allowing them continued access to necessary healthcare services despite economic strain.

Investment in Digital Solutions: Pulamed is prioritising technology investments to streamline operations, reduce costs, and provide accessible digital healthcare solutions, catering to Members' changing needs within their financial capabilities.

Community Support and Education: Pulamed remains committed to public education programs aimed at maximising healthcare benefits while managing costs, supporting Members through economic challenges.

Transparent Communication: Regular updates build trust and reinforce Pulamed's commitment to navigating these conditions alongside Members, ensuring they understand the impact on their coverage and benefits.

Sustainability and Ethical Business

Practices: Pulamed maintains sustainable and ethical practices as part of long-term business resilience, providing stability even amid economic fluctuations.

Global and Local Partnerships:

Collaborations with international and local healthcare organisations allow Pulamed to share resources and best practices, helping mitigate economic pressures and deliver consistent, quality healthcare services.

Focused Investment in Research and Development:

Emphasizing innovation, Pulamed actively develops healthcare solutions aligned with the economic realities of Members, allowing sustainable growth even in challenging times.

Human Capital Development: Ongoing investment in employee training enhances Pulamed's capacity to respond swiftly to economic and regulatory shifts, ensuring that quality service delivery remains uninterrupted.



Regulatory Environment

Context

The healthcare industry faces increasing regulatory scrutiny and frequent updates to compliance requirements. Specifically, the implementation of IFRS 17 has introduced significant changes to how insurance contracts are reported, requiring adjustments in Pulamed's financial reporting and risk management.

Impact on Pulamed

IFRS 17, effective for Pulamed from July 2023, mandates extensive adjustments in financial reporting, necessitating a transition to new accounting standards and protocols. This shift is substantial, requiring new systems and processes to ensure transparency in contract liabilities and enhance financial disclosures.



Our Response

IFRS 17 Implementation: Pulamed has undertaken a comprehensive review of its accounting practices, consulting with experts to ensure IFRS 17 compliance. For the period under review, the Fund is full compliant.

Stakeholder Engagement: Proactive engagement with regulators supports Pulamed’s preparedness for future regulations, allowing us to participate actively in discussions that shape industry standards.

Regular Compliance Audits: Conducting both internal and external audits ensures early identification of compliance gaps, allowing Pulamed to address issues proactively.

Continuous Employee Training: Ongoing training programs keep our workforce informed on regulatory standards, enhancing compliance across Pulamed’s operations.

Leveraging Technology for Compliance: Investing in technology has streamlined data collection and reporting, expedited compliance processes and minimising administrative burdens.

Transparency in Reporting: Consistent, transparent reporting enhances accountability, providing stakeholders with clear insights into Pulamed’s financial health and regulatory adherence.

Legal Advisory Services: Retaining expert legal advisors specialising in healthcare regulations ensures that Pulamed receives prompt, informed guidance on regulatory matters. Engagement with NBFIRA on the Medical Aid Funds (MAF) Bill through the industry association, Health Funders Association of Botswana (HFAB) continued. Pending the passing of the bill into law, the Fund continues to review its internal processes and strategies to align with the draft Bill. This includes reviewing the Fund Rule Book and policy documents.

Risk Management Integration: Pulamed’s risk management strategy closely aligns with regulatory compliance, reinforcing our commitment to safeguarding both Members and the organisation.

Context

Technological advancements, accelerated by the Covid-19 pandemic, are reshaping the healthcare industry. Digital transformation across value chains and the introduction of unconventional players have redefined customer expectations for personalised, convenient, and accessible services.

Impact on Pulamed

The swift evolution in healthcare technology presents both challenges and opportunities. Member expectations for personalised digital healthcare experiences are rising, demanding that Pulamed continually innovate to remain competitive.

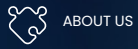
Our Response

Investment in Innovation: Pulamed has committed to integrating AI, Machine Learning (ML), and data analytics in service delivery, allowing for personalised, predictive healthcare and optimised Member experiences.

Strategic Collaborations: Partnerships with technology firms are under consideration to develop tailored digital solutions that enhance healthcare accessibility and quality for Members.

Digitalisation and Disruptive Technologies





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Employee Upskilling: Pulamed is investing in specialised training programs to equip staff with the skills necessary to operate advanced technologies effectively.

Data Security and Ethical Practices: As we expand digital services, Pulamed adheres to stringent data security protocols, prioritising member privacy and ethical data use.

Enhanced Member Experience: AI and ML technologies are leveraged to anticipate Member needs, providing a personalised healthcare experience that supports preventive care and timely interventions.

Continuous Monitoring and Evaluation: Regular assessments ensure that Pulamed's technology initiatives remain effective, relevant, and beneficial to members.



Mental Healthcare

Context

The COVID-19 pandemic contributed significantly to the mental health challenges in Botswana, sparking heightened awareness and an increased demand for mental health services due to the prolonged effects of isolation, financial pressures, and disruptions to daily life. Globally, the World Health Organization (WHO) estimated that nearly one billion people were living with mental health disorders by 2023, a number exacerbated by the pandemic. Depression, anxiety, and related mental health conditions accounted for over \$1 trillion in lost productivity worldwide annually, underscoring the economic and social toll of untreated mental health issues.

In Botswana, the impact mirrored these global trends, with a noticeable increase in people seeking psychiatric support and counselling. However, like many countries, Botswana's healthcare sector had historically allocated limited resources to mental health, resulting in a shortage of mental healthcare facilities, trained professionals, and accessible treatment options. Persistent stigma associated with mental health disorders further hindered individuals from seeking necessary care, amplifying the challenges of providing adequate mental health services to the population.

Impact on Pulamed

The rising demand for mental health services underscored the need for expanded, accessible, and destigmatised mental healthcare for Pulamed members.

Our Response

Increased Mental Health Coverage:

Recognising the critical need for comprehensive mental healthcare, Pulamed expanded its mental health coverage throughout FY 2024. This included broadening access to various treatments and services, allowing members to seek support for conditions such as depression, anxiety, and stress without significant financial barriers. For instance, there is now up to P15,000 available for clinical psychology and related mental health



issues. The coverage extension also aimed to ensure that Members had access to both short-term and ongoing mental health interventions

Awareness and Education Campaigns:

Pulamed actively engaged in reducing stigma surrounding mental health through targeted awareness and education campaigns. These campaigns leveraged social media and digital platforms to inform Members about mental health resources and emphasise the importance of mental wellness. For instance, there is a trove of reading and video material on mental health within the Pulamed App that Members have access to 24/7. By fostering a more open dialogue, Pulamed aimed to normalise discussions around mental health, encouraging more Members to seek care when needed.

Collaborative Workplace Wellness Programs:

Pulamed continues to collaborate with corporate clients to integrate mental health support into their employee wellness programs. The support includes participation at on-site awareness workshops. Pulamed contributes to healthier, more productive work environments for Members.

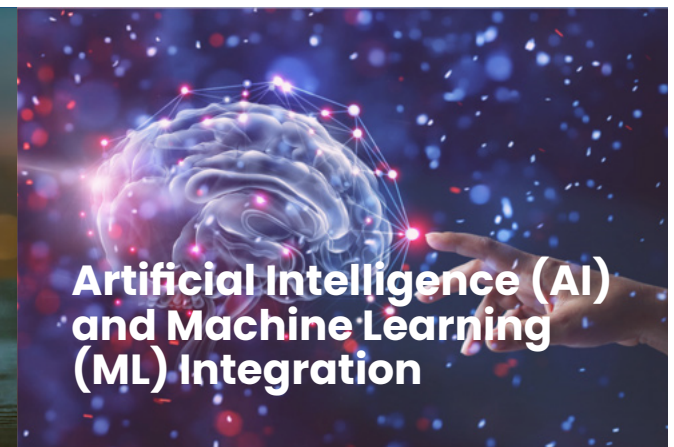
Data-Driven Insights: Pulamed employed advanced data analytics to identify emerging mental health trends among Members, allowing for more strategic resource allocation and tailored intervention strategies. Data insights revealed common mental health issues affecting Members, which enabled Pulamed to design more focused wellness initiatives and mental health resources that directly addressed Members' needs.



Global and Local Impact

Globally, countries spent an average of only 2% of their healthcare budgets on mental health, according to WHO estimates. This underfunding limited access to mental health services and medicines and led to disparities in care availability. In Botswana, the allocation was similarly constrained, which posed unique challenges for Pulamed as it worked to build a mental health framework that compensated for the system's limitations.

Pulamed's approach throughout FY 2024 demonstrated its commitment to addressing the mental health crisis with agility and compassion, focusing on providing comprehensive, accessible mental healthcare to support the long-term well-being of its Members.



Artificial Intelligence (AI) and Machine Learning (ML) Integration

Context

Globally, AI and ML are revolutionising healthcare by enhancing diagnostic precision, customising treatment, and optimising operations. Botswana's healthcare sector is beginning to leverage these technologies, though adoption is still in its early stages.

Impact on Pulamed

AI and ML offer Pulamed transformative potential, enabling predictive healthcare and operational efficiency. However, adopting these technologies requires skilled personnel, data security, and ethical safeguards, making it essential for Pulamed to balance innovation with responsible data practices.

Our Response

Investment in AI and ML: Pulamed aims to expand its investment in AI and ML technologies, targeting applications in diagnosis, customer service, and personalised Member interactions to enhance healthcare accessibility and quality.

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Collaborations with Tech Experts: Pulamed plans to pursue strategic partnerships with leading tech firms and educational institutions, working together to create customised AI solutions that will elevate healthcare services and member experience.

Training Programs: Pulamed will develop comprehensive training programs to upskill its staff in AI and ML applications, ensuring effective, ethical, and impactful use of these advanced technologies.

Ethical Data Practices: Pulamed is committed to prioritising data security and adopting stringent ethical standards to protect member privacy, fostering trust and maintaining integrity in all AI-driven initiatives.

Telehealth: Pulamed is currently exploring AI-enabled telehealth services in the near future, particularly to reach Members in remote areas. This will be in alignment with the Fund's commitment to improving healthcare accessibility for all members.



Risks & Opportunities

6 Capitals





HC

Human Capital

Overview

Pulamed’s strength is anchored in our core values and strict adherence to our Fund Code of Conduct. Our commitment to a secure, dynamic, and fulfilling workplace environment reflects these values, aiming to support each team member’s personal and professional growth.



Inputs

- A dedicated, employee-centered approach to management.
- Skilled, resilient, and diverse leadership focused on adaptability.
- Investment in human capital technology.
- Well-defined organisational rights and bargaining frameworks.
- Structured policies and procedures supporting ethical practices.



Key Initiatives

- Enhanced employee safety, engagement, and well-being.
- Fostering a collaborative and knowledge-sharing environment.
- Investment in skill and leadership development, focusing on talent management and succession planning.
- Promotion of workplace equity, diversity, and inclusion.
- Advocacy for female rights and equality.
- Ongoing employee engagement and labour relations.
- Alignment of incentive programs with strategic KPIs.
- Continued technology investment to enable an agile workforce.



Outcomes

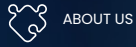
- Pulamed’s workforce exhibited resilience, cohesion, and efficiency, adapting well post-Covid-19.
- Our skilled and diverse teams effectively supported the Fund’s strategic goals.
- Pulamed upheld a performance-focused culture, emphasising skill retention and alignment with business objectives.
- Stable and constructive industrial relationships were maintained.
- Employees continued to embody Pulamed’s values, representing the brand with integrity and ethical standards.
- Pulamed maintained a health-conscious, safe environment for its workforce.

Value Created For Stakeholders

- Promotion of a diverse, inclusive, discrimination-free work environment.

Material Sustainability Topics

- Employee health and safety, well-being, labour rights, diversity, equity, and inclusion.
- Workforce development and fair compensation.



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SC

Social and Relationship Capital

Overview

Pulamed's commitment to corporate citizenship transcends compliance, embodying our dedication to meaningful growth and societal contribution. We recognise that our sustained success depends on strong stakeholder relationships and our active contributions to broader societal well-being.



Inputs

- Robust ethical and compliance measures.
- Engagement with communities, customers, regulatory bodies, service providers, members, vendors, and key stakeholders.
- Established guidelines, protocols, and governance mechanisms.
- Focused on responsible corporate stewardship



Key Initiatives

- Robust ethical and compliance measures.
- Engagement with communities, customers, regulatory bodies, service providers, members, vendors, and key stakeholders.
- Established guidelines, protocols, and governance mechanisms.
- Focused on responsible corporate stewardship.



Outcomes

- Commitment to diversity and inclusivity within the Pulamed Board and workforce.
- Execution of an organisation-wide ethics and compliance program.
- Investments to enhance healthcare delivery within communities.
- Support for small enterprises through procurement and supplier development.
- Ongoing stakeholder engagement and expectation management.
- Participation in global health initiatives and community development.



NC

Natural Capital

Overview

At Pulamed, we acknowledge the direct connection between natural capital and human health. Clean air, water, and a stable ecosystem are foundational to health. Our responsibility extends beyond healthcare, encompassing environmental preservation to support community well-being.



Inputs

- Access to clean air and water, essential for healthcare operations.
- Ecosystem services that contribute to public health and disease regulation.



Key Initiatives

- Minimised carbon footprint through office management and technology adoption.
- Transparent communication on climate risk management.
- Advocacy for waste reduction and recycling across operations.
- Reduced fossil fuel dependence via conservation initiatives.
- Renewable energy adoption and alignment with the TCFD framework.
- Disclosure of governance and climate strategies.



Outcomes

- Sustainable energy and water supply essential to operational continuity.
- Reduction of Pulamed's carbon footprint and containment of operating costs.
- Improved waste management with increased recycling efforts.
- Reduced environmental pollution, risk, and incidents.

FC

Financial Capital

Overview

Pulamed's commitment to financial management focuses on value creation and strategic growth, ensuring a strong economic foundation that benefits all stakeholders.



Inputs

- Funding pool through Member contributions and investment returns.
- Strong cash flow and reserves.
- Financial controls and reporting systems.



Key Initiatives

- Financial discipline and control adherence.
- Strategic capital allocation.
- Measurement of financial performance, value creation, and cash generation.
- Pursuit of investment opportunities to enhance returns.
- Focus on organic growth and working capital management.



Outcomes

- Delivered consistent economic value to stakeholders.
- Strong operating cash flow management for sustained day to day operational needs
- Transparent and reporting practices.

Value Created for Stakeholders

- Long term sustainability for the Fund.



MC

Manufactured Capital

Overview

Pulamed is dedicated to building, innovating, and optimising infrastructure and resources to support sustainable growth and stakeholder engagement.



Inputs

- Business process outsourcing and sustainable operations management.
- Advanced technology integration for streamlined operations.



Key Initiatives

- Investment in technology and resource efficiency projects.
- External supply contracts for business process outsourcing.
- Strategies to ensure uninterrupted service delivery.
- Cost-efficient enhancements in core service offerings.



Outcomes

- Established adaptive service platforms with sustainable competitive advantages.
- Satisfactory SLA compliance.
- Aligned service offerings and partnerships with organisational goals.
- Achieved cost efficiencies in primary services.

Value Created for Stakeholders

- Consistent, quality service that meets regulatory standards.
- Improved Member health and well-being through responsible service delivery.

Material Sustainability Topics

- Member well-being, service quality, and regulatory compliance.



IC

Intellectual Capital

Overview

Pulamed's commitment to corporate citizenship transcends compliance, embodying our dedication to meaningful growth and societal contribution. We recognise that our sustained success depends on strong stakeholder relationships and our active contributions to broader societal well-being.



Inputs

- Proprietary algorithms, clinical guidelines, and data analytics.
- Educational resources for members and digital platforms.
- Strategic partnerships with healthcare and research entities.



Key Initiatives

- Ethical marketing and promotion of Pulamed's healthcare solutions.
- Collaborative partnerships for mutual growth.
- Digital transformation to modernise systems and enhance service delivery.



Outcomes

- Technology-enhanced business processes and secure data protection.
- Consistent and compliant regulatory and procurement systems.
- Growing member base benefiting from Pulamed's products and services.



Governance Report



Statement of Corporate Governance by the Board of Trustees

The Board of Trustees is committed to the principles and practice of fairness, openness, integrity, equity and accountability in all dealings with its stakeholders. The Pulamed Board of Trustees Charter, which includes the requirement that each trustee sign an Undertaking in terms of the Pulamed Code of Conduct, has been adhered to. The Board of Trustees also adheres to the principles of the Code of Corporate Practices and Conduct as set out in the King IV™ Report on Corporate Governance.

The Board of Trustees meets regularly and monitors the performance of the Fund. They address a range of key issues and ensure that discussions on policy, strategy, and performance are critical, informed, and constructive. 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 does not have ex-

officio members and has, in the year under review, taken note of the recommendation from the Botswana Accountancy Oversight Authority (BAOA) review to have the Principal Officer as a Trustee in line with the King IV™ Code of Governance. The Board is still reviewing this recommendation. 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 human resources, actuarial science, finance, medicine, pharmaceuticals, investment, ICT and governance. All Trustees appointed to the Board are vetted by NBFIRA and should



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pass the fit and proper test before assuming office – to this end, all Pulamed Trustees have been found to be fit and proper. Trustees are elected and appointed for a five-year period and may be re-elected, provided that no Trustee serves more than two consecutive terms. All Trustees have access to the advice and services of the Corporate Secretary and Management team. They may also seek independent professional advice at the expense of the Fund to support them in their duties, where appropriate. In terms of the Board Charter, Trustees should ensure that an annual performance evaluation is completed to identify their training needs. The Board Charter also determines that the performance of all Committees is assessed annually to ensure the credibility of the Committees. Through the Executive Management of the Fund, the Board ensures that the performance of service providers is monitored in line with applicable service level agreements.

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 remains committed to supporting good governance and ethical leadership recognising that these increase stakeholder confidence and enable better decision-making for the benefit of stakeholders, particularly the Members of the Fund.

The Board of Trustees is satisfied that it has fulfilled its responsibilities to manage the Fund's assets with due skill and care, in accordance with its governing documents, for the period under review.

Internal Control and Risk Management

The Board is responsible for establishing and managing both manual and automated internal controls and systems. These controls and systems are designed to provide reasonable but not absolute assurance about the integrity and reliability of the financial statements and to safeguard the Fund's assets through its combined assurance model. The Fund's internal

controls are based on established policies and procedures, exercised by trained personnel with the appropriate segregation of duties.

The Fund's Information Technology (IT) policies are designed to support the effective and efficient management of IT resources, enabling the Fund to achieve its strategic objectives. During the period under review, the Fund issued a tender for the development and implementation of an Information Technology Governance Framework, further demonstrating its desire for complete alignment with the King IV principles and international best practices in information technology.

The Board of Trustees is ultimately responsible for risk management of the Fund and has a formal risk evaluation process in place. The Finance, Audit & Risk Committee oversees risk management for the Fund and holds management accountable for the implementation of effective risk compliance strategies. The Board, through its oversight, ensures that opportunities and risks are carefully considered during strategic development. No event or matter has come to the attention of the Board of Trustees that would indicate a material breakdown in the functioning of the key internal controls and systems that were in operation during the year 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, supported by policies and processes, ensures consistent governance, facilitates strategic execution, 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. The Board is satisfied that the delegation of authority in place contributes to role clarity and the effective exercise of authority.

Authority for managing the Fund’s day-to-day activities is delegated to the Fund’s Executive Management through the Principal Officer. The Board 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 is comfortable that this delegation of authority fosters accountability and ensures effective exercise of authority without any member of the Executive Management having unfettered power.

Our Ethics

Pulamed Rules, Code of Ethics & Conduct, Conditions of Service, alongside the Fund’s values foster an ethical culture within the organisation. All new staff and trustees undergo an orientation and induction process that takes them through the Fund’s ethical culture and governance principles. The Governance Committee oversees ethical business practices and protects stakeholder interests.

The Fund has implemented a Whistle Blowing Policy and maintains an anonymous whistleblower tip-off line to enhance governance and transparency. This provides an avenue for raising concerns related to fraud, corruption, or misconduct by employees or service providers. All reports received through these platforms are investigated, and the outcomes are communicated to the Board, with remedial actions implemented through the office of the Principal Officer. Additionally, the Non-Bank Financial Institutions Regulatory Authority (NBFIRA) offers a whistleblowing platform that enables stakeholders to report unethical activities within the industry.





BLOW THE WHISTLE ON FWA

GIVE FRAUD + WASTE + ABUSE THE RED CARD!

Did you know that healthcare fraud can contribute directly and indirectly to the rise of medical costs, including your membership contribution? You have the power to help us prevent fraud for the greater good of all our members.

You are encouraged to use any of the dedicated Whistle Blowers hotline reporting channels to report any suspected medical aid fraud.

- ➔ Check your claim statements carefully and ensure you received the services your service provider is claiming.
- ➔ Make sure your membership card and number are protected. Don't accept cash from a service provider in exchange for a medical aid claim. Report suspicious behaviour.

HERE'S HOW YOU CAN BLOW THE WHISTLE:



Call directly on the toll-free numbers
Use the dedicated Whistle Blowers hotline number to make a report via the live answering service.

Call **00269 8004 800 129**
(Toll Free for BTC Landline and Mobile Network)

Call **0027 31 308 4668**
(International Call Rates Apply)



Report online at www.whistleblowing.co.za
Visit the Whistle Blowers website to report and make your submission via the online reporting platform.



Email to fraud@whistleblowing.co.bw
Send an email of your report privately to Whistle Blowers.



Download and use the Whistle Blowers mobile app
Application Name "Whistle Blower".
Available on Google Play and Apple App stores.
The app guides you through the reporting process.



WhatsApp
Send your report to Whistle Blowers via WhatsApp Call **+27 81 55 55 201**
WhatsApp Chatbot **+27 31 308 4664**

REMEMBER, REPORTS CAN BE SUBMITTED ANONYMOUSLY OR IN CONFIDENCE



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 2024, Pulamed had 25,798 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 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

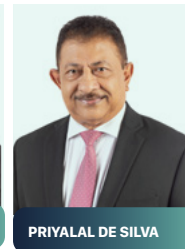
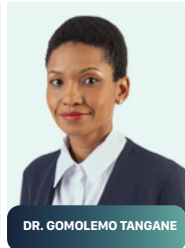
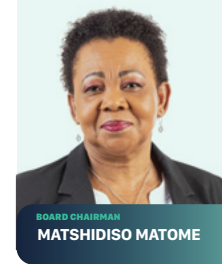
The Registered Office of the Fund (Fund Office) is at:

Unit 1 (Acacia) Prime Plaza Plot 74358, Western Commercial Road New CBD, Gaborone

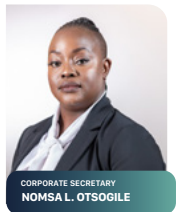
AUDITOR

Deloitte & Touche

TRUSTEES



EXECUTIVE MANAGEMENT



BOARD OF TRUSTEES



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BOARD CHAIRMAN

MATSHIDISO MATOME

DATE OF FIRST APPOINTMENT – NOVEMBER 2023

Ms. Matshidiso Matome is the Chairman of the Board of Trustees of Pulamed. Her career spans over 30 years in various areas of healthcare including patient care, policy, healthcare financing, health risk management and academia. Matshidiso is currently a lecturer in the Faculty of Health Sciences at the University of Botswana.

Ms. Matshidiso 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 Matshidiso 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.

Matshidiso 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).



TRUSTEE

LESEGO KEITSILE

DATE OF FIRST APPOINTMENT – NOV 2023

Ms. Keitsile is a highly accomplished Executive Investment Professional with extensive experience in investment and portfolio management. With an MSc in Finance and Investments, a certificate in Executive Leadership, and a BA in Finance, Accounting, and Management, she has a track record of successful portfolio management, investment analysis, and business development. She has worked as a Business Consultant at Grant Thornton Botswana and 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.

As the Head of Investments at Letlile La Rona Limited, responsible for growing the property portfolio through mergers and acquisitions in Botswana and Africa.



TRUSTEE

ISHMAEL DIPHOLO

DATE OF FIRST APPOINTMENT – JULY 2019

Mr. Dipholo holds a Bachelor of Arts Degree in Social Sciences and a Master's in Business Administration (MBA), both from the University of Botswana. He is a well-rounded business executive with over 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.

BOARD OF TRUSTEES



TRUSTEE
KUSHATHA MOSWELA
DATE OF FIRST APPOINTMENT – JUL 2019

Ms. Kushatha Moswela is a seasoned 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.



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.



TRUSTEE
DR. GOMOLEMO TANGANE
DATE OF FIRST APPOINTMENT – NOV 2023

Dr Gomolemo Tangane is a renowned Clinical and Radiation Oncologist and an accomplished health services manager. She has extensive experience in various healthcare settings, including her current role at Sir Ketumile Masire Teaching Hospital (SKMTH). Dr. Tangane has previously served as a Medical Officer at Jwaneng Mine Hospital and as a Radiation Oncology Registrar at Groote Schuur Hospital in Cape Town. Dr Tangane is a Fellow of the College of Radiation Oncologists of South Africa and holds a Bachelor of Medicine and Bachelor of Surgery from the University of Adelaide, South Australia, a Master of Medicine in Radiation Oncology from University of Cape Town, and a Master of Occupational Safety and Health from the University of Turin/ International Labor Organization.

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. She has also provided numerous community healthcare teaching sessions as part of giving back to the community.



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

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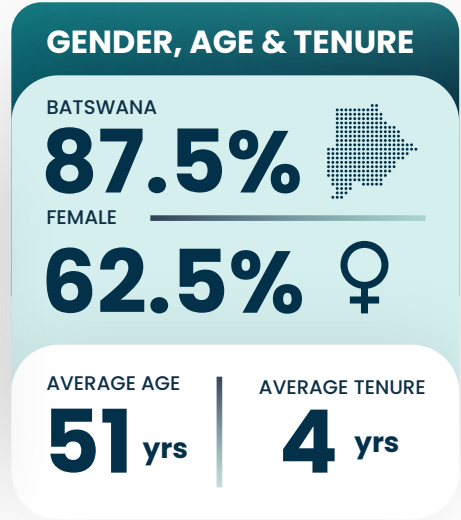
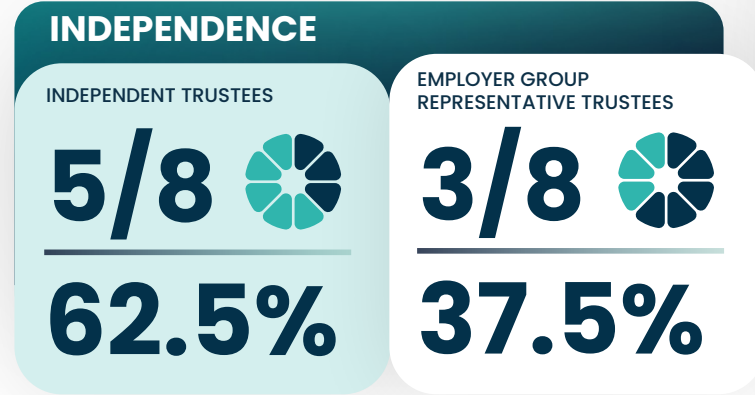
TRUSTEE
ANTHONY MASUNGA
DATE OF FIRST APPOINTMENT - AUG 2015

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 was, until 02 August 2024, the Managing Director of BTCL where he was 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 27 years' experience in the field of Telecommunications and Information Technology.

Mr. Masunga is currently pursuing his passion for sustainable investment through his private venture, Peolwane Dimensions.

Board Composition & Tenure



Board of Trustees' Skills Matrix Diversity

Name	Gender	Age	Date of First Appointment	Years on Board	Representing	Areas of Expertise
Matshidiso Matome	Female	58	Nov-23	1	Independent	Medicine - Pharmaceuticals
Gomolemo Tangane	Female	44	Nov-23	1	Independent	Medicine
Lesego Keitsile	Female	36	Nov-23	1	Independent	Investments
Antony Masunga	Male	53	Aug-15	9	Employer Representative - BTCL	IT Management
Kushatha Moswela	Female	46	Jul-19	5	Independent	Actuarial Science Insurance
Ishmael Dipholo	Male	49	Jul-19	5	Employer Representative - BAC	Human Resources
Naiko Ralebala	Female	52	Jul-19	5	Employer Representative - Debswana	Accounting
Priyalal De Silva	Male	69	Jul-19	5	Independent	Accounting Audit

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The Board of Trustees operates in terms of a Board Charter, which is reviewed annually or whenever there are regulatory or legislative changes. 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. This was the first year of Mrs. Matshidiso Matome's chairmanship following her appointment in November 2023. The 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. She 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 – she 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.

Corporate Secretary

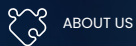
The Corporate Secretary is responsible to the Board for ensuring adherence to sound corporate governance principles and compliance with prescribed procedures. The Fund's Corporate Secretary is Ms. Nomsa L. Otsogile. The Corporate

Secretary furnishes the Board with vital information and legal counsel regarding its duties, responsibilities and corporate governance principles. 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. The performance of the Corporate Secretary undergoes an evaluation as part of the Board's assessment process. The assessment confirmed that the Corporate Secretary is:

- Demonstrating effective discharge of responsibilities throughout the reviewed year
- Exhibiting competence, suitable qualifications and a wealth of experience
- Maintaining a professional and unbiased relationship with the Board and Trustees
- Possessing the necessary skills, knowledge and experience to provide the Board with sound governance guidance
- 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



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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 have largely been implemented. Unfortunately, due to the changes that were happening in the Board in 2023, there was no Board evaluation conducted.

The next Board evaluation is scheduled for 2025 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 five 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.

Induction

A comprehensive onboarding procedure for incoming Trustees is implemented, centering on the Fund's culture and operational intricacies. Newly appointed Trustees receive training on:

- Board governance, including the Fund Rules, the Delegation of Authority matrix, the Governance Framework and the Board and Board Committee Charters
- Ethics, including the Pulamed Code of Conducts & Ethics and related policies
- Financial information
- Risk management, including the Risk Management Framework, regulatory risk & compliance framework.

Board Succession Planning

A Board Succession Policy was approved by the Board of Trustees and implementation of the policy is ongoing. Positions for the vacant positions will be advertised and suitable candidates will be recommended for appointment in line with the Policy. The Fund's Board Succession Policy 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 have undergone an induction programme as well. There is an annual Trustee training budget and plan aimed at developing and capacitating Trustees to discharge their duties. All current

Pulamed Trustees and new ones being recommended for appointment (Resolutions 8-9) 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 employed under a standard contract consistent with the terms applicable to all other employees. This contract commenced in 2023 and spans a period of five (5) years, including a termination notice period of two (2) months. The Board of Trustees has approved a succession strategy for the position of Principal Officer, with implementation set to begin in 2025. This strategy will identify potential candidates based on their readiness to assume the role, using the following selection criteria:

- Emergency/ready-now candidate: Someone prepared to take over immediately if necessary.
- Medium-term candidate: Ready in one to three years.
- Long-term candidate: Ready in three to five years.

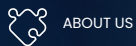


BOARD COMPOSITION AND ATTENDANCE

The Board is supported by various sub-committees that assist in discharging its duties. These Committees include the Finance, Audit & Risk Committee (FARC), Investment Committee (IC), Governance Committee (GC), and Benefits Management Committee (BMC).

Each Committee operates in line with its Charter, which determines its terms of reference and responsibilities. The Committees make recommendations to the Board, and the Chairpersons provide updates to the Board during each meeting.

Name of Committee	Frequency of Meetings
<p>Finance, Audit & Risk Committee (FARC) oversees the Fund's financial reporting, internal controls, and risk management, ensuring the effective management of financial, clinical, and operational risks. The Committee also reviews financial policies, strategies, and annual financial statements.</p>	<p>Quarterly</p>
<p>Investment Committee (IC) meets quarterly to monitor the Fund's investments and ensure compliance with the Fund's investment policy document. The Committee ensures responsible investment practices and advises the Board on investment performance and opportunities.</p>	<p>Quarterly</p>
<p>Governance Committee (GC) is responsible for overseeing nominations, remuneration, IT governance, procurement, and corporate social investment. It also reviews Board and staff remuneration and provides recommendations for the development of the Fund's governance framework.</p>	<p>Quarterly</p>
<p>Benefits Management Committee (BMC) meets on an ad hoc basis to address member-related issues and benefits, including assessing member requests for ex-gratia payments.</p>	<p>Ad hoc</p>



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1. Finance, Audit and Risk Committee (FARC)

The Finance, Audit and Risk Committee performs a key oversight role by safeguarding the integrity of the Fund's finance management function, financial reporting and the internal control environment. Further, with the integration of the Risk and Compliance Committee, the Committee monitors the Fund's financial, clinical and operational risks. The Committee oversees and advises the Board on legal and compliance related matters and meets quarterly.

The Committee is responsible for the following:

a) Finance Function & Financial Reporting

In so far as this function is concerned, the Committee is responsible for reviewing the expertise, resources and experience of the Fund's finance function and disclose the results of the review in this report to members.

The Committee is further in charge of:

- review the Fund's management accounts at least on a quarterly basis.
- recommending policies and strategies that would maintain and improve the financial health and integrity of the Fund to the Board.
- recommending an annual operating budget to the Board and monitoring the financial performance of the Fund against approved budgets, long-term trends and

industry benchmarks.

- reviewing the annual financial statements and determining whether they are complete and consistent with the information known to Committee members.
- Considering, alongside internal external auditors any fraud, illegal acts, deficiencies in internal financial controls or other similar issues as they relate to financial reporting.

b) Internal Control

The Finance, Audit & Risk Committee is responsible for ensuring the effectiveness of the Fund's internal control system and assessing whether management has controls in place for unusual types of transactions and any potential transactions that may involve an unacceptable degree of risk. The Committee is also responsible for gaining an understanding of whether internal control recommendations made by internal and external auditors have been implemented by Management.

c) Internal Audit

The Finance, Audit & Risk Committee is responsible for recommending the appointment of internal auditors to the Board of Trustees. It is responsible for overseeing internal audit and for assessment of the performance of the Fund's internal audit function. The Committee approves the Fund's internal audit plan and reviews the extent of control testing, understanding the degree to which it can be relied on to detect internal

control problems or fraud. The Committee reviews the effectiveness of the internal audit function by ensuring that the internal audit function is subject to an independent quality review. The Committee meets separately, without Management, once a year with the internal auditors to discuss any matters that the Committee or auditors believe should be discussed privately. Once internal audit is conducted, the Committee ensures that significant findings and recommendations made by the internal auditors are received and discussed on a timely basis to consider the response of the Administrators, the Principal Officer and Trustees (as appropriate) to any internal audit recommendations.

d) External Audit

The Committee is responsible for recommending the appointment and the terms of engagement and remuneration of the external auditor to the Board. The Committee reviews the findings of the audit with the external auditor. The Committee also meets the external auditors once every year, in the absence of management, to discuss any issues arising from the audit.

e) Legal & Compliance

The Committee reviews compliance with regulatory requirements and all applicable laws governing the Fund. It further reviews the effectiveness of the system for monitoring compliance with laws, regulations and voluntary codes and the results of



management’s investigation and follow-up (including disciplinary action) of any fraudulent or acts or non-compliance.

f) Risk Management

The Finance, Audit & Risk Committee oversees the Fund’s risk management and recommends to the Board on how risk should be approached and addressed by the Fund. The Committee recommends the nature and extent of the risks that Pulamed should be willing to take in pursuit of its strategic objectives, including the Fund’s risk appetite, and the limit of the potential loss that the Fund has the capacity to tolerate. The Committee is responsible for review the Pulamed risk management framework and policies. Furthermore, the Committee reviews the implementation and maintenance of the Enterprise-wide Risk Management (ERM) Framework and internal control system in the Fund and ensures that all significant risks are identified, evaluated, mitigated, monitored and communicated to the Board.

2. Investment Committee

The Investment Committee meets quarterly and is mandated to review and oversee the Fund’s investments and their performance. It examines reports from the Investment Consultant and Asset Managers concerning investment performance and opportunities. The Committee is responsible for ensuring implementation of the Fund’s Investment

Policy Document (IPD). The Committee further, with the guidance of the Investment Consultant, ensures that responsible investment is practised by the Fund in line with King IV™. Other duties of the Investment Committee include:

- Development and Implementation of Investment Strategies
- Developing and implementing, upon approval by the Board, investment objectives, policies, strategies, and procedures, including an Asset Allocation Strategy or Plan.
- Risk Management
- Identifying, managing, and monitoring risks associated with investments.
- Appointment and Oversight of External Advisors
- Appointing, managing relationships with, and monitoring asset managers, investment consultants, and investment advisors as required.
- Investment Proposal Review
- Reviewing proposals for investments from asset managers and others to determine appropriate investment options for the Fund.
- Monitoring Investment Performance
- Monitoring and reviewing all areas of the investment strategy, including the performance of the investment portfolio, and recommending necessary interventions to the Board.
- Research and Analysis

- Conducting research on new or existing investment products to facilitate appropriate and timely investment decisions

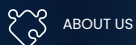
3. Governance Committee

The Committee is for issues emanating from the following areas:

- Nominations and Remunerations
- IT Governance
- Procurement and Asset Disposal
- Social & Corporate Investment
- Disputes and Ethics

The Governance Committee meets quarterly to:

- ⊕ **Review Remuneration and Human Resource Issues**
Evaluate and make recommendations on remuneration and human resource matters concerning both Pulamed staff and the Board of Trustees.
- ⊕ **Recommend Nominations**
Propose candidates to the Board for vacancies in the Board and its Committees.
- ⊕ **Oversee IT Governance Framework Development**
Ensure the development and continuous monitoring of the Fund’s IT governance framework.



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- ⦿ **Supervise Procurement and Asset Disposal**
 Provide oversight on all procurement and asset disposal activities, and recommend third-party entities for service engagements with the Fund.
- ⦿ **Monitor Social and Corporate Investment**
 Oversee the Fund's contributions to the development of communities where its activities are primarily conducted or where its products or services are predominantly marketed.

4. Benefits Management Committee (BMC)

The Benefits Management Committee meets on an ad hoc basis and is entrusted with advising the Board on issues related to members and their benefits. The Committee plays a crucial role in ensuring that the Fund's benefit structures remain responsive to the needs of its members. Its key responsibilities include:

- ⦿ **Advising on Member-Related Issues and Benefits**
 The Committee evaluates current benefit offerings and member services, providing recommendations to the Board for enhancements or modifications. This involves assessing the effectiveness of existing benefits, identifying gaps or areas for improvement, and ensuring that the benefits align with the Fund's strategic objectives and members' expectations.
- ⦿ **Assessment of Ex-Gratia Payment Requests**
 One of the Committee's primary functions is to review and assess requests from members for ex-gratia payments. Ex-gratia payments are discretionary payments made by the Fund in exceptional circumstances where members may not be entitled to a benefit under the standard terms but are faced with unique situations.

To adhere to effective Board governance principles and best practices, the Fund restructured its committee memberships during the 2023/2024 financial year due to the retirement of some Trustees. These changes took effect on 1st September 2023 to maintain robust governance and oversight. Further adjustments were made following the confirmation of new Independent Trustees at the 2023 Annual General Meeting. By realigning committee memberships, the Fund reinforced its commitment to strong governance practices. This approach aligns with best practice recommendations that emphasise regular review and adjustment of Board and committee structures in response to organisational changes. The proactive restructuring ensured the committees remained effective, diverse, and capable of fulfilling their mandates, thereby upholding the Fund's accountability and strategic objectives.

Finance, Audit and Risk Committee

#	Name	Role
1	Priyalal De Silva	Chairman
2	Naiko C. Ralebala	Member
3	Anthony Masunga*	Member
4	Gomolemo Tangane**	Member

*Joined the Committee on 01 September 2023 until the restructuring after the 2023 AGM

**Joined the Committee following the 2023 AGM replacing Mr. Masunga

Investment Committee

#	Name	Role
1	Naiko Ralebala	Chairman
2	Kushatha Moswela	Member
3	Maleho Mothibatsela*	Member
4	Lesego Keitsile**	Member

*Retired on 01 December 2023

**Joined the Committee following the 2023 AGM replacing Mr. Mothibatsela



Governance Committee

#	Name	Role
1	Anthony Masunga	Chairman
2	Ishmael Dipholo	Member
3	Bakani Thipe*	Member
4	Kushatha Moswela**	Member
5	Matshidiso Matome***	Member

*Retired on 30 June 2023, but was co-opted by the Board to finalise a specific project he was involved in.
 **Joined the Committee on 01 September 2023 until the restructuring after the 2023 AGM.
 ***Joined the Committee following the 2023 AGM replacing Ms. Moswela.

Benefits Management Committee

#	Name	Role
1	Leawetsa Meyer*	Chairman
2	Oteng Sebonego**	Member
3	Ishmael Dipholo***	Member
4	Gomolemo Tangane****	Chairman

* Resigned on 23 November 2023
 **Retired on 31 October 2023
 ***Joined the Committee on 01 September 2023
 ****Joined the Committee following the 2023 AGM and was appointed Chair of the Committee.

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TABLE 1: BOARD ATTENDANCE FOR FY2024

Name	Designation	Board	Special Board	Annual General Meeting	Finance, Audit and Risk	Special Finance, Audit and Risk	Governance	Benefits	Investment	Ethics and Disciplinary	Strategy Review Session
Maleho Mothibatsela	Chairman ¹	2/4	5/7	1/1					2/4		
Matshidiso Matome	Chairman ²	3/4	2/7	1/1			1/4				3/3
Bakani Thipe ³	Trustee	1/4					1/4				
Oteng Sebonego ⁴	Trustee	2/4	2/7	1/1							
Anthony Masunga	Trustee	3/4	6/7	1/1	1/4	1/2	4/4			1/1	
Leawetsa Meyer ⁵	Trustee	1/4	2/7								
Naiko Ralebala	Trustee	4/4	3/7	1/1	4/4	2/2			4/4	1/1	
Kushatha Moswela	Trustee	3/4	6/7	1/1			2/4		4/4		3/3
Priyalal De Silva	Trustee	4/4	6/7	1/1	4/4	2/2				1/1	3/3
Ishmael Dipholo	Trustee	4/4	6/7	1/1			4/4	1/1			3/3
Lesego Keitsile	Trustee	3/4	2/7	1/1					2/4		3/3
Gomolemo Tangane	Trustee	2/4	1/7	1/1	2/4	1/2		1/1			3/3

1. Retired at the 2023 AGM held on 1st December 2023.
2. Elected as Chairman at the Q1 F2024 Board of Trustees meeting held on 30th November 2023.
3. Retired in June 2023. Subsequently, Mr. Bakani Thipe was co-opted by the Board of Trustees to see a project to completion.
4. Retired on 31st October 2023.
5. Resigned on 23rd November 2023.

Notes:

Special Board – There were four (4) scheduled Board meetings. Five (5) additional meetings were held for Board Training, the approval of the Annual Financial Statements, approval of the budget, meeting of the Ethics and Disciplinary Committee and for the discussion of the Administration contract. There were two (2) scheduled engagements relating to the Annual General Meeting being the AGM pack approval, and the 2023 Annual General Meeting. An additional meeting with the Board Chairman regarding the Chairman’s speech was held.

Special Finance, Audit, and Risk Committee – There were four (4) scheduled quarterly reporting meetings. Additionally, there are two special meetings of the Committee, for the close of external audit and approval of the annual financial statements and the budget.

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TRUSTEES' FEES

The Board periodically reviews the fees paid to Trustees to ensure they remain competitive and aligned with industry benchmarks. As a result of this exercise, the 2023 Annual General Meeting (AGM) approved the following fee structure for the Board of Trustees for the year 2023/2024:

Trustee Remuneration Fee Structure

	Fees as at FY2024 (BWP)
Chairman Annual Retainer	65 000
Trustees Annual Retainer	50 000
Chairman of the Board (per sitting)	16 500
Committee Chairperson	10 000
Trustees (per sitting) – at Board level	9 500
Trustees (per sitting) – at Committee level	7 500

The remuneration for Trustees is primarily based on their participation in meetings, as detailed in Table 1. Beyond meeting fees, Trustees receive compensation for additional Board activities, including strategy review sessions. Furthermore, Trustees are reimbursed for expenses related to travel, accommodation, and meals incurred while fulfilling their duties.

During the year under review, total Trustee remuneration and expenses amounted to P1.8 million. This includes P415,000 allocated to Board retainer fees and P1.39 million designated for Board sitting fees.

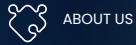
Table 2: Breakdown of the Trustees' fees:

Name	Board Sitting Remunerations (before TAX) BWP	Retainer Fee	Total (before TAX) BWP
Maleho Mothibatsela	163,500	32,500	196,000
Bakani Thipe	17,000	-	17,000
Oteng Sebonego	28,500	25,000	53,500
Anthony Masunga	150,000	50,000	200,000
Leawetsa Meyer	28,500	25,000	53,500
Naiko Ralebala	146,000	50,000	196,000
Kushatha Moswela	178,000	50,000	228,000
Priyalal De Silva	182,500	50,000	232,500
Ishmael Dipholo	170,500	50,000	220,500
Matshidiso Matome	125,500	32,500	158,000
Gomolemo Tangane	101,000	25,000	126,000
Lesego Keitsile	100,500	25,000	125,500
Total	1,391,500	415,000	1,806,500

Commitment to King IV™ Governance Principles

At Pulamed, we are unwavering in our commitment to upholding the highest standards of corporate governance. Recognising that robust governance is the cornerstone of sustainable success, we have diligently worked towards aligning our practices with the King IV™ Code of Governance. While the full implementation of King IV™ is an ongoing journey, we are proud of the significant strides we have made during the period under review. This section highlights our adherence to the Code's principles and showcases the initiatives undertaken to embed ethical leadership, transparency, and accountability throughout our organisation.

PRINCIPLE	STATUS	ALIGNMENT & ADOPTION	METRICS
<p>PRINCIPLE 1 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 including:</p> <ul style="list-style-type: none"> Fund Rules Code of Conduct Declarations of interests and statements of conflict 	<ul style="list-style-type: none"> 100% of Trustees and staff have signed the Code of Conduct. All Trustees disclosed conflicts of interest during annual declarations. where there were ethics violations reported, all were resolved in the past year.
<p>PRINCIPLE 2 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 focuses on embedding an ethical culture by ensuring operationalisation of policies and enhancing ethical values amongst employees.</p>	<ul style="list-style-type: none"> Provided ethics training for all employees. Resolved 100% of reported misconduct incidents.
<p>PRINCIPLE 3 The Governing Body should ensure that the organisation is and is seen to be a responsible corporate citizen.</p>	Applied	<p>Adopted a shared-value framework to unlock environmental, economic, and social value for stakeholders, including the broader society. Implemented a Citizen Economic Empowerment Initiative and engaged in Corporate Social Investment (CSI) activities.</p>	<ul style="list-style-type: none"> Directed 90% of procurement spend to citizen-owned companies. Completed 11 CSI initiatives benefiting over 12,000 community members. Reduced carbon footprint by 15% over the past year.
<p>PRINCIPLE 4 The Governing Body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.</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>	<ul style="list-style-type: none"> Achieved 90% of strategic objectives as measured by key performance indicators. Maintained 100% compliance with regulatory requirements. Increased stakeholder value by 12% year-on-year.



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PRINCIPLE	STATUS	ALIGNMENT & ADOPTION	METRICS
<p>PRINCIPLE 5 The Governing Body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects.</p>	Applied	<p>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 confident that this report aligns with the relevant reporting standards as prescribed to ensure that stakeholders make informed assessment of the performance of the Fund with no room for ambiguity.</p>	<ul style="list-style-type: none"> Issued annual reports to members of the Fund. Held 5 stakeholder engagement sessions to discuss reports. Received 85% positive feedback on report clarity and usefulness.
<p>PRINCIPLE 6 The Governing Body should serve as the focal point and custodian of corporate governance in the organisation.</p>	Applied	<p>The updated governance framework ensures the Board acts in the Fund's best interest, in line with fiduciary duties, and is accountable to Members at the AGM.</p>	<ul style="list-style-type: none"> Conducted governance framework review during the year. Achieved 100% quorum at Board and Committee meetings. Complied with governance codes and best practices.
<p>PRINCIPLE 7 The Governing Body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively</p>	Applied	<p>The Governance Committee ensures a balance of knowledge, skills, gender, experience, and independence.</p> <p>Disclosures on the Board composition under the Governance section of this report, highlighting the first time Pulamed has had a female leading the Board.</p>	<ul style="list-style-type: none"> Board composition: 63% female, 37% male. Completed a skills matrix aligning 100% of required competencies. Maintained a ratio of 60% non-executive to 40% employer group Trustees in the Fund Rules & Board Charters.
<p>PRINCIPLE 8 The Governing Body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.</p>	Applied	<p>Delegated functions to Committees without absolving Board accountability. The Committees are mandated to make recommendations of their final decisions to the Board of Trustees for approval.</p> <p>The Chairperson of the Board is not a member of the Finance, Audit & Risk Committee.</p>	<ul style="list-style-type: none"> Delegated some decisions to Committees while retaining oversight. Committees met quarterly and reported to the Board. Achieved 100% compliance with delegation protocols.



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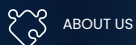


FINANCIAL STATEMENTS

PRINCIPLE	STATUS	ALIGNMENT & ADOPTION	METRICS
<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 are conducted as part of good governance. The Fund's board evaluation exercises are conducted every two years to allow for traction on recommendations made after each evaluation.</p> <p>The Board evaluation includes evaluation of the Board, Chairperson, individual Trustees, Corporate Secretary, independence assessments, peer assessment and skill assessment.</p>	<ul style="list-style-type: none"> Completed 100% of scheduled evaluations. Implemented 90% of evaluation recommendations within 12 months.
<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	<p>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>	<ul style="list-style-type: none"> Achieved 100% adherence to the Delegation of Authority matrix. Resolved all role clarity issues reported within 2 weeks. Management met or exceeded performance targets in delegated most duties.
<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	<p>Consistently monitored risks through the Risk Register, with the Finance, Audit & Risk Committee ensuring appropriate risk mitigation measures are in place.</p>	<ul style="list-style-type: none"> Identified and mitigated 100% of high-priority risks. Updated the Risk Register quarterly. Achieved strategic objectives despite identified risks.
<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	<p>Managed IT risk as part of operational risk. Initiated digital transformation (2022-2027 strategy), starting with rebranding and IT Governance Framework development.</p>	<ul style="list-style-type: none"> Completed 30% of digital transformation milestones on schedule. Achieved 99.9% IT system uptime. Recorded zero major cybersecurity incidents during the year.
<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	<p>Compliance with applicable laws is a key risk that is managed through the Finance, Audit & Risk Committee.</p> <p>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, and accounting standards.</p>	<ul style="list-style-type: none"> Achieved 100% compliance rate for all statutory obligations. The BAOA review on corporate governance gave the Fund a "green light" audit.



PRINCIPLE	STATUS	ALIGNMENT & ADOPTION	METRICS
<p>PRINCIPLE 14 The Governing Body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</p>	Applied	A Remuneration Policy guides fair and market-aligned compensation. The Governance Committee recommends HR policies to attract and retain talent, with salary structures reviewed for market competitiveness.	<ul style="list-style-type: none"> Employee retention rate of 100%. Aligned 100% of remuneration with performance outcomes.
<p>PRINCIPLE 15 The Governing Body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision making and external reporting purposes.</p>	Applied	<p>Pulamed’s assurance is provided through the internal and external audit functions. 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 compromising the external auditor’s independence and right to the audit.</p>	<ul style="list-style-type: none"> Resolved 90% of audit findings and recommendations within agreed timelines. Implemented audit recommendations. Achieved assurance coverage of all key risk areas.
<p>PRINCIPLE 16 In the execution of its governance roles and responsibilities, the Governing Body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.</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>	<ul style="list-style-type: none"> Conducted 13 stakeholder engagement activities during the year. Achieved satisfactory stakeholder scores. Resolved 90% of stakeholder queries and concerns within 10 business days.



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1 ORDINARY RESOLUTION NO. 1

APPROVAL OF THE MINUTES OF THE PULAMED ANNUAL GENERAL MEETING HELD ON 01ST DECEMBER 2023

The Minutes of the Fund's 2023 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 01st December 2023 as a true reflection of proceedings held on that day.

2 ORDINARY RESOLUTION NO. 2

APPROVAL OF THE AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 TOGETHER WITH THE EXTERNAL AUDITOR'S REPORTS THEREON BE ADOPTED

The Fund's Audited Annual Financial Statements for the year ended 30th June 2024 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 2024 together with the External Auditor's report.

3 ORDINARY RESOLUTION NO. 3 – 4

RETIREMENT OR RESIGNATION OF TRUSTEES – To consider and note Trustees that resigned in terms of the Fund rules.

During the year under review, the following Trustees resigned from the Board:

Mr. Anthony Masunga (Employer Group Representative for BTCL) – **(Resolution 3)**

Ms. Naiko Ralebala (Employer Group Representative for Debswana) – **(Resolution 4)**

REQUESTED RESOLUTION

The Annual General Meeting hereby NOTES the retirement of:

- **Mr. Anthony Masunga**
- **Ms. Naiko Carol Ralebala**

4 ORDINARY RESOLUTION NO. 5 – 7

APPOINTMENT OR RE-APPOINTMENT OF TRUSTEES – Re-appointment of Trustees of the Fund

The following Trustees retire by rotation in terms of the Fund's Deed of Trust and the Board Charter and are eligible to offer themselves for re-election:

4.1. Mr. Ranjith Priyalal De Silva, an Independent Trustee **(Resolution 5)**

4.2. Mr. Ishmael Dipholo, an Employer Group Representative (BAC) **(Resolution 6)**

4.3 Ms. Kushatha Moswela, an Independent Trustee **(Resolution 7)**

being eligible and available, offer themselves for re-election and shall be re-elected by way of separate resolutions. Biographical information of the Trustees to be re-elected is included in the Annual General Meeting Report.

REQUESTED RESOLUTION

The Annual General Meeting hereby APPROVES the re-appointment of the following Trustees:

- **Mr. Ranjith Priyalal De Silva**
- **Mr. Ishmael Dipholo**
- **Ms. Kushatha Moswela**

5 ORDINARY RESOLUTION NO. 8 – 9

APPOINTMENT OF TRUSTEES – Appointment of Trustees of the Fund

In line with the Fund's Board Succession Plan and vacancies that exist on the Board, the Board of Trustees commenced a vigorous process to fill Board vacancies, found ideal candidates and duly submitted the names of the candidates to the Regulator, NBFIRA for vetting. A favourable vetting outcome was received for the candidates. The following two (2) new Trustee nominees are being tabled to the 2024 Annual General Meeting for their appointment to be endorsed by the general membership as per the Board of Trustees' recommendation:



5.1 Mr. Wanatsha Moakufi – Employer Group Representative (**Resolution 8**) – Mr. Moakufi will be replacing Ms. Ralebala on the Board of Trustees.

5.2 Mr. Anthony Masunga – Independent Trustee (**Resolution 9**) – Mr. Masunga is not new to the Board of Trustees. He was previously an Employer Group Representative (BTCL), having resigned from the Board on 02 August 2024. Mr. Anthony Masunga’s resignation was untimely and could not have been pre-empted by the Board. The Board of Trustees is of the view that the agenda before the Board, particularly with regards to the Fund’s Digitalisation Strategy is too advanced to introduce a new person to step in at this juncture. The Board of Trustees notes that Mr. Masunga had been the only IT expert within the Board and he is instrumental in providing the Board with guidance through this digitalisation journey. The Board of Trustees therefore resolved that Mr. Masunga be converted to an Independent Trustee for the remainder of his full ten (10) year tenure, which shall lapse on 31 July 2025. Regulatory approval has been given in line with this resolution, subject to approval by the 2024 Annual General Meeting.

The professional biographies of the candidates are as follows:



Mr. Wanatsha Moakufi

Wanatsha Moakufi currently leads Debswana’s Citizen Economic Empowerment Programme (CEEP), a restructured performance-based socio-economic development programme that has delivered more than BWP20 billion shared citizen spend value and more than 16000 jobs in the past five years. Wanatsha is focused on leading CEEP towards industry development and diversification where significant value and more jobs can be created for the benefit of all citizens. He previously transformed and led Sesiro Insurance Company – a company that provides corporate and individual insurance covers to Debswana, its employees and other associated companies.

Mr Moakufi has served as a corporate attorney with various companies in Botswana including Letshego Guard, Botswana Public Officers Pension Fund (BPOPF) and Tati Nickel Mining Company. Wanatsha holds a Bachelor of Laws from the University of Botswana and has completed various leadership trainings including a Management Development Program with UNISA School of Business Leadership, Board Leadership Program with Gordon Institute of Business Science, Game Changers at Anglo Leadership Academy and an Executive Development program on Certificate of Management Excellence with Harvard Business School.



Mr. Anthony Masunga

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.

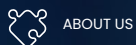
Mr. Masunga was, until 02 August 2024, the Managing Director of BTCL where he was tasked with providing overall leadership of the business and infusing a performance driven culture. He has served in several leadership positions ranging from BTC’s Chief Operating Officer, Acting Group General Manager Commercial, Privatisation Programme Manager, General Manager of beMOBILE (now BTC Mobile) to Chief Technical Officer of a mobile operator in Botswana. He has over 27 years’ experience in the field of Telecommunications and Information Technology.

Mr. Masunga is currently pursuing his passion for sustainable investment through his private venture, Peolwane Dimensions.

REQUESTED RESOLUTION

The Annual General Meeting hereby APPROVES the appointment of the following Trustees in line with the recommendation of the Board of Trustees and Regulatory approval:

- **Mr. Wanatsha Moakufi**
- **Mr. Anthony Masunga**



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6 ORDINARY RESOLUTION NO. 10

TO CONSIDER AND RATIFY THE REMUNERATION PAID TO TRUSTEES OF THE FUND FOR THE YEAR ENDED 30TH JUNE 2024

The fees payable to Trustees as approved at the 2023 Annual General Meeting are as follows:

	Fees as at FY2024 (BWP)
Annual Retainer	50 000
Chairman Annual Retainer	65 000
Trustees (per sitting) – at Board level	9 500
Trustees (per sitting) – at Committee level	7 500
Committee Chairperson	10 000
Chairperson of the Board (per sitting)	16 500

The fees paid to Trustees for the FY2024 amount to P1,806,500 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 FY2024.

7 ORDINARY RESOLUTION NO. 11

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 P1,230,538.80 for the FY2024 audit.

REQUESTED RESOLUTION

It is hereby RESOLVED that fees paid to the Fund's external auditors amounting to P1,230,538.80 (VAT inclusive) for the FY2024 external audit are hereby ratified.

8 ORDINARY RESOLUTION NO. 12

APPOINTMENT OF EXTERNAL AUDITORS

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 Fund went out to tender for external audit services during the period under review.

Following the tender evaluation process, Board of Trustees recommends the appointment of Deloitte & Touche as the Fund's external auditors for a period of five (5) years. The appointment is in line with Regulation 9 (3) of the Financial Reporting Regulations, 2021, which provides that,

"... a certified auditor registered in accordance with Regulation 12 shall be appointed for a term not exceeding five years and may be re-appointed for another term not exceeding five years. Regulation 12 provides for registration of certified auditors, certified auditors of Public Interest Entities (PIEs), audit firms and audit firms of PIEs..."

The Board of Trustees confirms that Deloitte & Touche was appointed for the first time at the Fund's 2019 AGM and that the appointment of Deloitte & Touche would be in line with the Financial Reporting Regulations, 2021.

REQUESTED RESOLUTION

It is RESOLVED that Deloitte & Touche be and are hereby appointed as external auditors of the Fund from conclusion of this AGM for a period of five (5) years, at fees to be negotiated and agreed upon and subject to performance.



9 ORDINARY RESOLUTION NO.13

APPROVAL OF PROPOSED AMENDMENTS TO THE FUND’S RULES

The following changes are proposed to the Fund Rules:

PROPOSED AMENDMENT NEW RULE	PROPOSED RULE WORDING	REASON FOR PROPOSED CHANGE
<p>GENERAL PROPOSED CHANGES</p> <p>Rule 21.3.12</p> <p>In the case where a pharmacist supplied medicine on the strength of a prescription to a member or a dependant of that member, as addendum to the account or statement, a copy or a photocopy of the prescription certified by the pharmacist, or another pharmacist connected with the pharmacy which supplied such medicine, as a true copy or photocopy of such prescription.</p>	<p>In the case where a pharmacist supplied medicine on the strength of a prescription to a member or a dependant of that member, as addendum to the account or statement, a copy or a photocopy of the prescription certified by the pharmacist, or another pharmacist connected with the pharmacy which supplied such medicine, as a true copy or photocopy of such prescription. This excludes supply of over-the-counter medicines prescribed by pharmacist.</p>	<p>Review to allow members to use Over-the-Counter benefit without prescription. This will save on consultation fees for simple ailments.</p>

REQUESTED RESOLUTION

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



A Futurist Digital Medical Aid Fund



Reach us at 365 0555



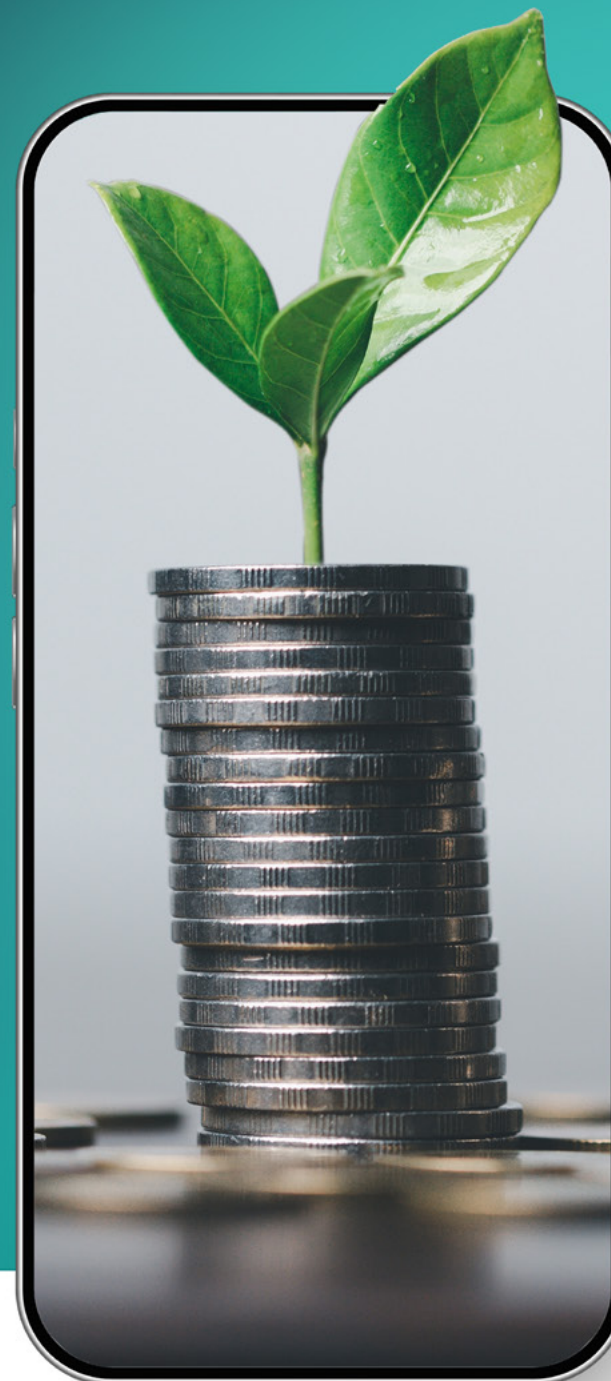
Follow us @Pulamed

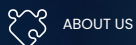


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ABRIDGED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2024





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GENERAL INFORMATION

Country of incorporation and domicile	Botswana																						
Nature of business and principal activities	Pula Medical Aid Fund Trust (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>Matshidiso Matome</td> <td>(Chairman) Appointed 30/11/2023</td> </tr> <tr> <td>Kushatha Moswela</td> <td></td> </tr> <tr> <td>Naiko Carol Ralebala</td> <td></td> </tr> <tr> <td>Ishmael Dipholo</td> <td></td> </tr> <tr> <td>Anthony Masunga</td> <td>Resigned 07/08/2024</td> </tr> <tr> <td>Priyalal De Silva</td> <td></td> </tr> <tr> <td>Gomolemo Tangane</td> <td>Appointed 30/11/2023</td> </tr> <tr> <td>Lesego Keitsile</td> <td>Appointed 30/11/2023</td> </tr> <tr> <td>Oteng Sebonego</td> <td>Retired 31/10/2023</td> </tr> <tr> <td>Leawetsa Meyer</td> <td>Resigned 23/11/2023</td> </tr> <tr> <td>Maleho Mothibatsela</td> <td>Retired 01/12/2023</td> </tr> </table>	Matshidiso Matome	(Chairman) Appointed 30/11/2023	Kushatha Moswela		Naiko Carol Ralebala		Ishmael Dipholo		Anthony Masunga	Resigned 07/08/2024	Priyalal De Silva		Gomolemo Tangane	Appointed 30/11/2023	Lesego Keitsile	Appointed 30/11/2023	Oteng Sebonego	Retired 31/10/2023	Leawetsa Meyer	Resigned 23/11/2023	Maleho Mothibatsela	Retired 01/12/2023
Matshidiso Matome	(Chairman) Appointed 30/11/2023																						
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Leawetsa Meyer	Resigned 23/11/2023																						
Maleho Mothibatsela	Retired 01/12/2023																						
Principal Officer	Khumoetsile Mapitse																						
Registered office	Unit 1 (Acacia), Prime Plaza Plot 74358 4th Western Commercial Road, New CBD Gaborone Botswana																						
Postal address	P O Box AAD 891 Gaborone Botswana																						
Bankers	First National Bank Botswana Limited Access Bank Botswana Limited ABSA Bank Botswana Limited BBS Bank Limited Stanbic Bank Botswana Limited Bank Gaborone Limited First Capital Bank Limited																						
Independent auditors	Deloitte & Touche Plot 64518 Fairgrounds Gaborone Botswana																						
Administrators	Associated Fund Administrators Botswana Proprietary Limited																						
Investment manager	Botswana Insurance Fund Management 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)																						



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Pula Medical Aid Fund Trust

Registration number TUHGB-000071-20

Abridged Financial Statements for the year ended 30 June 2024

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 Trust ("the Fund"), comprising the statement of financial position as at 30 June 2024, the statements of profit or loss and other comprehensive income, changes in reserves and cash flows for the year then ended, and material accounting policies and other explanatory information, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

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 Accounting Standards.

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 Accounting Standards 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.

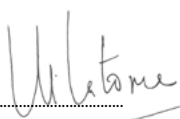
These controls are monitored throughout the Fund and all employees are required to maintain the highest ethical standards in ensuring the Fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Fund is on identifying, assessing, 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 audited by the Fund's independent auditors and their report is available for inspection during working hours at the Fund's registered office.

Approval of the abridged financial statements of the Fund

The abridged financial statements set out on pages 77 to 120, which have been prepared on the going concern basis, were approved by the Board of Trustees on 17 October 2024 and were signed on their behalf by:


.....
Chairman


.....
Trustee

Pula Medical Aid Fund Trust

Registration number TUHGB-000071-20

Abridged Financial Statements for the year ended 30 June 2024

Board of Trustees' Report

The Trustees have pleasure in submitting their report on the abridged financial statements of Pula Medical Aid Fund Trust for the year ended 30 June 2024.

1. Nature of business

Pula Medical Aid Fund Trust (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.

3. Contact information

Registered office: Unit 1 (Acacia), Prime Plaza
Plot 74358, 4th Western Commercial
Road, New CBD Gaborone
Botswana

Postal address: P O Box 891 AAD Gaborone Botswana

5. Going concern

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

2. Review of financial results and activities

The abridged financial statements have been prepared in accordance with IFRS Accounting Standards. The accounting policies have been applied consistently compared to the prior year, except for the adoption of IFRS 17 - Insurance Contracts, set out in note 1.13.

Full details of the financial position, results of operations and cash flows of the Fund are set out in these abridged financial statements.

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.

6. Auditors

Deloitte & Touche were appointed as the Fund's auditors for the 2023/2024 financial year.

Pula Medical Aid Fund Trust

Registration number TUHGB-000071-20

Abridged Financial Statements for the year ended 30 June 2024

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.

Pula Medical Aid Fund Trust

Registration number TUHGB-000071-20

Abridged Financial Statements for the year ended 30 June 2024

Statement of Financial Position as at 30 June 2024

Figures in Pula	Note(s)	2024	2023	2022
Assets				
Equipment	2	1,094,437	1,039,103	1,730,639
Right-of-use assets	3	542,763	967,570	932,077
Intangible assets	4	22,548	63,003	103,458
Investments at fair value**	5	133,351,999	115,015,414	90,854,251
Investments at amortised cost	6	70,718,026	45,653,987	57,514,847
Other receivables*	7	242,265	199,852	331,384
Cash and cash equivalents	8	76,669,800	45,899,748	51,911,414
Total Assets		282,641,838	208,838,677	203,378,070
Liabilities				
Lease liabilities**	3	661,104	1,116,471	1,066,766
Liability to future members*	9	195,204,432	142,667,581	137,993,696
Insurance contract liabilities*	10	61,675,817	48,420,091	49,955,369
Re-insurance contract liabilities*	11	356,899	717,932	746,813
Other payables*	12	22,336,263	14,764,471	13,034,751
Subscriptions received in advance*	13	2,407,323	1,152,131	580,675
Total Liabilities		282,641,838	208,838,677	203,378,070

* Comparative amounts in these financial statements have been restated as a result of changes in material accounting policies due to the adoption of IFRS 17 - Insurance Contracts. Refer to Note 1.13 on new standards effective 2024 for detailed changes in material accounting policies.

** In the prior year, assets and liabilities were classified as either non-current or current on the statement of financial position. However, following the adoption of IFRS 17, all balances are now presented in order of liquidity on the statement of financial position without explicit distinction between current and non-current classifications. The distinction between current and non-current balances, where applicable, is provided in the accompanying notes to the statement of financial position. Refer to note 1.13.

Pula Medical Aid Fund Trust

Registration number TUHGB-000071-20

Abridged Financial Statements for the year ended 30 June 2024

Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula	Note(s)	2024	2023
Insurance revenue*	14	578,328,842	480,776,392
Insurance service expenses*	15.1	(514,823,437)	(466,216,989)
Net expense from the reinsurance contracts*	16	(4,188,945)	(3,435,782)
Insurance service result*		59,316,460	11,123,621
Fair value gain on investments at fair value through profit or loss	20&22	12,163,892	10,711,635
Other operating expenses*	15.2	(29,506,119)	(24,606,798)
Investment income	18	10,618,342	7,523,027
Finance costs	19	(55,724)	(77,600)
Net surplus for the year*		52,536,851	4,673,885
Other comprehensive income		-	-
Transfer to liability to future members		(52,536,851)	(4,673,885)
Total comprehensive surplus for the year*		-	-

Pula Medical Aid Fund Trust

Registration number TUHGB-000071-20

Abridged Financial Statements for the year ended 30 June 2024

Statement of Changes in Reserves

Figures in Pula	Accumulated Surplus	Total Reserves
Previously reported balance at 30 June 2022	143,402,533	143,402,533
Adjustments:		
Initial impact of application of IFRS 17	(5,408,837)	(5,408,837)
Reclassification to liability to future members on initial application of IFRS 17	(137,993,696)	(137,993,695)
Restated reserves balance at 01 July 2022	-	-
Balance at 30 June 2023	-	-
Balance at 30 June 2024	-	-

* Comparative amounts in these financial statements have been restated as a result of changes in material accounting policies due to the adoption of IFRS 17 - Insurance Contracts. Refer to Note 1.13 on new standards effective 2024 for detailed changes in material accounting policies.

Pula Medical Aid Fund Trust

Registration number TUHGB-000071-20

Abridged Financial Statements for the year ended 30 June 2024

Statement of Cash Flows

Figures in Pula	Note(s)	2024	2023
Cash flows from operatin activities			
Net surplus for the year		52,536,851	4,673,885
Adjustments for non cash items:			
Depreciation - equipment		486,845	452,852
Depreciation - right of use assets		426,288	404,905
Amortisation of intangible assets		40,455	40,455
Unrealised forex differences on bank balances		10,092	25,934
Fair value gain on financial assets at fair value through profit or loss		(12,163,892)	(10,711,635)
Impairment of insurance contract assets		5,452,999	(756,710)
Loss on disposal of equipment		-	250,000
Adjust for items which are presented separately:			
Interest income		(6,257,732)	(4,060,091)
Dividends received		(4,360,610)	(3,462,936)
Finance costs		55,724	77,600
Changes in working capital:			
Subscription in advance		1,255,192	571,456
Insurance contract liabilities*		7,802,727	(778,568)
Re-insurance contract liabilities*		(361,033)	(28,881)
Other receivables*		(42,413)	131,532
Other payables*		7,571,792	1,729,720
Net cash generated from/(used in) operating activities		52,453,285	(11,440,482)
Cash flows from investing activities			
Purchase of equipment	2	(542,179)	(128,402)
Proceeds from disposal of equipment		-	117,086
Net purchases of investments	22	(30,700,709)	(1,463,747)
Finance income received	22	5,721,709	3,935,170
Dividends received	18	4,360,610	3,462,936
Net cash (used in)/generated from investing activities		(21,160,569)	5,923,043
Cash flows from financing activities			
Payment on lease liabilities	3	(456,848)	(390,693)
Finance costs paid	3	(55,724)	(77,600)
Net cash used in financing activities		(512,572)	(468,293)
Total cash and cash equivalents movement for the year			
Cash and cash equivalents at the beginning of the year		45,899,748	51,911,414
Effect of foreign exchange on cash and cash equivalents		(10,092)	(25,934)
Total cash and cash equivalents at the end of the year	8	76,669,800	45,899,748

Pula Medical Aid Fund Trust

Registration number TUHGB-000071-20

Abridged Financial Statements for the year ended 30 June 2024

Material Accounting Policies

Pula Medical Aid Fund Trust (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. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 - Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these abridged financial statements.

1.1 Basis of preparation

The abridged financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards issued and effective at the time of preparing these abridged financial statements and the Trust Property Control Act of Botswana as amended.

The annual abridged financial statements have been prepared on the historical cost basis except for certain financial instruments carried at fair value, and incorporate the principal accounting policies set out below. The abridged financial statements are presented in and rounded to the nearest Pula, which is the Fund's functional and presentation currency.

These accounting policies are consistent with the previous period except for the adoption of IFRS 17 - Insurance Contracts as disclosed in note 1.13.

1.2 Statement of compliance

The abridged financial statements have been prepared, in all material respects, in accordance with IFRS Accounting Standards.

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 Accounting Standards 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.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the Trustees have made in the process of applying the Fund's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

IFRS 17 - Insurance contracts

(a) Classification

The Fund applies IFRS 17 to insurance contracts it issues and reinsurance contracts held. The Fund applied judgement in determining whether insurance contracts issued by the Fund and reinsurance contracts held transfer significant insurance risk. The Fund uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which there is a possibility of a loss on a present value basis) and whether the accepted insurance risk is significant. Once a contract has been classified as an insurance contract the classification remains unchanged for the remainder of its lifetime, even if the insurance risk reduces significantly during the coverage period, unless the terms of the contract are modified.

The Fund applied judgement in determining whether one or more components embedded within the insurance contracts are distinct. In making this assessment, the Fund evaluated contractual terms and conditions. The Fund concluded that there are no distinct components that would be within the scope of another Standard.

Material Accounting Policies

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

(b) Level of aggregation (unit of account)

Judgement is applied to determine IFRS 17 insurance contracts, these groups are split between profitable contracts, those with no significant possibility and those with a possibility of becoming onerous. Contracts measured applying the premium allocation approach (PAA) are assumed not to be onerous unless facts and circumstances indicating otherwise have been identified. The Fund determined that it meets the definition of a mutual entity ((as defined in IFRS 3) and concluded that there are adequate reserves available to offset the losses should there be any loss-making contracts, and therefore, during the year, no contracts were deemed to be onerous.

Judgement is applied in determining whether the contracts have similar risks and are managed together for identification of portfolios. The Fund concluded that the insurance contracts benefit options transfer the same risks and are monitored for profitability and performance together on a Fund level; therefore, contracts issued will form part of the same portfolio at a Fund level.

The Fund concluded that reinsurance contracts held do not transfer similar risks and are managed individually; therefore, each reinsurance contract held forms a portfolio on its own.

(c) Measurement

Other directly attributable expenses:

The Fund performs regular expense analysis and applies judgement to determine the extent to which overheads are directly attributable to fulfilling insurance contracts. These directly attributable expenses are included in the measurement of insurance contracts.

Contract boundaries:

The concept of a contract boundary is used to determine which future cash flows should be considered in the measurement of a contract in the scope of IFRS 17. The Fund applied judgement to assess if the Fund has the practical ability to reprice the entire contract to reflect the reassessed risks. In making this assessment, the Fund

evaluated all contractual substantive rights and obligations. The Fund has determined that contract boundaries are ranging from one year to more than one year.

Initial and subsequent measurement:

The Fund determined that the premium waiver benefit embedded within the contracts extends the contract boundaries and coverage period to more than 12 months. The Fund concluded that the liability for remaining coverage (LRC) measured applying general measurement model (GMM) principles would not materially differ from the one produced applying the premium allocation approach (PAA) principles; and therefore measures the insurance contracts issued applying the premium allocation approach (PAA).

The premium waiver benefit embedded within the reinsurance contract held with Liberty Life has a contract boundary and coverage period of more than 12 months. The Fund concluded that the liability for remaining coverage (LRC) measured applying general measurement model (GMM) principles would not materially differ from the one produced applying the premium allocation approach (PAA) principles; and therefore measures the reinsurance contract held with Liberty Life applying the premium allocation approach (PAA).

(d) Risk adjustment for non-financial risk

The insurance liability (asset) carrying amount includes an explicit component called the risk adjustment for non-financial risk that allows for the compensation required for being exposed to the insurance risks (catastrophe and expense risks) contained within the Fund's insurance contracts. The confidence level has been set at the 75th percentile. The risk adjustment for financial risk methods and assumptions did not change between the year ended 2023 and year ended 2024.

The approach used to determine the risk adjustment for non-financial risk

The Fund determines the risk adjustment for non-financial risk in respect of insurance contracts issued and reinsurance contracts held using the Value-at-Risk (VaR) method for liability for Incurred claims (LIC).

Material Accounting Policies

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

(e) Mutual entity considerations

IFRS 17 does not define a “mutual entity”, however, IFRS 3 defines “mutual” entity as an entity, other than an investor-owned entity, that provides dividends, lower costs or other economic benefits directly to its owners, members or participants. For example, a mutual insurance company, a credit union and a co-operative entity are all mutual entities.

The Fund has determined that it provides economic benefits directly to its members. Profits generated by the Fund are reserved for servicing insurance contracts obligations in the form of claims, any other expenses relating to insurance contracts and future insurance contracts. As such, the accumulated profits or losses generated by the Fund are due to the policyholders as these are intended to service current and future insurance contracts. The Fund concluded that it meets the definition of a mutual entity (as defined in IFRS 3). As such, where facts and circumstances indicating that a group of insurance contracts may be onerous have been identified, losses identified are offset against liability to future members.

Critical accounting estimates

(a) Discount rates

The Fund concluded that cashflows related to the premium waiver benefit are not significant and significant cashflows are expected to be resolved within 12 months. The Fund elected not to discount insurance contracts and reinsurance contracts measured applying the premium allocation approach (PAA), due to the short term nature of the significant contractual cashflows of these contracts.

(b) Estimate of fulfilment cashflows

Included in the measurement of each group of insurance contracts in the scope of IFRS 17 are all the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability weighted expected future cash flows.

Expenses directly attributable to insurance contracts are identified and allocated to groups of insurance contracts. The Fund has adopted a method to identify directly attributable expenses by the nature of these expenses.

The Fund recognises insurance acquisition cash flows as expense when they are incurred.

(c) Liability for Incurred claims (LIC) provision:

The liability for incurred claims (LIC) is determined through a rigorous methodology that incorporates several established actuarial techniques. To arrive at a reliable estimate, the Fund engages actuaries to perform an estimate of the liability for Incurred claims (LIC). The actuaries utilise traditional chain ladder techniques, the Bornhuetter-Ferguson (BF) method, and comparisons between these methods to ensure accuracy. The chain ladder method analyses claims development patterns over a 24-month period preceding the calculation date. It assumes that claims are fully settled within 20 months. This approach allows for the consideration of late-reported claims that may emerge after the service date, providing a historical perspective on claims development. No inflation adjustment is applied for this analysis, as the historical data reflects stable conditions.

The Bornhuetter-Ferguson (BF) method offers a hybrid approach by combining the results of the chain ladder technique with projections of total claims to be paid for the month. This method utilises historical claims data alongside an estimated total based on observed trends. By incorporating both past claims processing history and future expectations, the Bornhuetter-Ferguson (BF) method enhances the reliability of the liability for Incurred claims (LIC) estimation.

The liability for Incurred claims (LIC) provision is ultimately derived from a combination of the aforementioned methodologies. The actuaries assess the outputs from both the chain ladder and Bornhuetter-Ferguson (BF) methods to determine the best estimate for the liability as of the reporting date. This methodology is consistent with the prior year's estimation process and aligns with IFRS 17 requirements by excluding post-year-end data in the liability for Incurred claims (LIC) provision calculation.

(d) Liability for remaining coverage (LRC)

The liability for remaining coverage comprises of premiums receivable from members for coverage that has already been provided as at the reporting date. These receivables are adjusted for an impairment allowance to reflect the best estimate of the amounts expected to be collected. Significant judgement is applied in selecting the method used to compute the expected credit loss on these premiums receivable.

Material Accounting Policies

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

The Fund makes use of a provision matrix as a practical expedient to the determination of expected credit losses on premiums 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.

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:

Item	Depreciation method	Average Useful Life
Motor vehicles	Straight line	5 years
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.

Pula Medical Aid Fund Trust

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Abridged Financial Statements for the year ended 30 June 2024

Material Accounting Policies

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.

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.

Material Accounting Policies

1.6 Financial instruments (continued)

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 18).

Other receivables

Classification

Other receivables comprises 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 other receivables.

Recognition and measurement

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.

Impairment

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

The Fund measures the loss allowance for 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.

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.

Subscriptions are generally due in advance, in line with the Fund's policy. However, for corporate clients who settle subscriptions through payroll systems, the Fund allows a grace period of up to 30 days for payment. While technically any arrears could be considered a default under IFRS 9, the Fund does not consider corporate clients to be in default until after this 30-day grace period. After 30 days, any unpaid subscriptions are considered in default, and the member is subject to follow-up for suspension of coverage.

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Material Accounting Policies

1.6 Financial instruments (continued)

Credit risk

Details of credit risk are included in the other receivables note (note 7) and the financial instruments and risk management note (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 other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

Investments at fair value through profit or loss

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

Investments in equity instruments

Classification

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

Recognition and measurement

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

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

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

Dividends received on equity investments are recognised in profit or loss when the Fund's right to 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 18).

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.

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.

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Material Accounting Policies

1.6 Financial instruments (continued)

Investments in debt instruments at fair value through profit or loss

Classification

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

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

Recognition and measurement

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

Fair value gains or losses are recognised in profit or loss (note 20). Details of the valuation policies and processes are presented in note .

Finance income on debt instruments at fair value through profit or loss are included in investment income (note 18).

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.

Other payables

Classification

Other payables (note 12), excluding amounts received in advance, payroll accruals 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.

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Material Accounting Policies

1.6 Financial instruments (continued)

Subscriptions refundable represent overpayments made by members or corporate clients, typically arising when payments continue after a dependent is no longer covered or due to other administrative errors. These overpayments are not considered part of the insurance contract boundary and are classified as financial liabilities under IFRS 9. The Fund recognises these amounts at amortized cost and holds them as liabilities until they are refunded to the respective members or clients. Subscriptions refundable are settled upon request or upon identification of the overpayment.

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.

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 (note).

Derecognition

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

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.

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Abridged Financial Statements for the year ended 30 June 2024

Material Accounting Policies

1.6 Financial instruments (continued)

Financial liabilities

Financial liabilities are not reclassified.

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 last closing price reported by the stock exchange. 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 other receivables and other payables are assumed to approximate their fair values due to their short term nature.

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.

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 15) 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.

Material Accounting Policies

1.8 Leases (continued)

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 19).

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

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

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

Right-of-use assets

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

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

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

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

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

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. 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.

Material Accounting Policies

1.9 Impairment of non-financial assets (continued)

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.

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 Translation of foreign currencies

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

At the end of the reporting period:

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

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.

1.12 Finance income

Finance income is recognised in the statement of profit or loss 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.

Material Accounting Policies

1.13 IFRS 17 – Insurance Contracts

IFRS 17 was issued by the IASB in 2017 and replaces IFRS 4 for annual reporting period beginning on or after 1 January 2023, with early application permitted. The Fund adopted the accounting standard on 1 July 2023 and restated comparative information. IFRS 17 introduces an internationally consistent approach to the accounting for insurance contracts issued and reinsurance contracts held.

(a) Definition, scope and separation of components

Products sold by the Fund are classified as insurance contracts when the Fund accepts significant insurance risk from a policyholder (member) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. The Fund determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Fund to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance. Products and services provided by the Fund and reinsurance agreements held were assessed on a contract by contract basis to determine whether they meet the requirements to be considered insurance contracts under IFRS 17. In making this assessment, the Fund assessed all substantive rights and obligations, including those arising from laws and/or regulations. It was determined that all products issued by the Fund and related reinsurance agreements held meet the IFRS 17 definition of insurance contracts.

Through the contracts issued, the Fund undertakes to compensate the member for medical and/or funeral costs should an uncertain event specified by the contracts occur. The Fund, therefore, accepts morbidity and mortality risks. In the normal course of business, the Fund uses reinsurance to mitigate its risk exposures. A reinsurance contract held transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, the related reinsurance contracts held transfer morbidity and mortality risks.

When the contract has met the requirements of IFRS 17 – Insurance Contracts and is classified as an insurance contract, the classification remains unchanged for the remainder of its lifetime, unless the contractual terms are significantly modified.

An insurance contract may contain one or more components that would be within the scope of another Standard if they were separate contracts. These components could relate to distinct investment components, embedded derivatives not closely related to host insurance contract, or distinct goods and services. An investment component

is distinct if, the investment component and the insurance component are not highly interrelated; and a contract with equivalent terms is sold, or could be sold, separately in the same market or the same jurisdiction, either by entities that issue insurance contracts or by other parties. In some instances, the Fund compensates the member by providing some of the medical services through a facility the Fund owns instead of covering medical costs provided by a third party. However; the Fund does not compensate the member for all the risks embedded within the contracts by providing services. As such, this cannot be regarded as provision of distinct goods and services. The Fund determined that there are no distinct components that would be within the scope of another Standard.

b) Transition approach

The entity is required to apply IFRS 17 fully retrospectively (i.e., apply IFRS 17 as if it had always been applied), unless it is impracticable to do so. It is impracticable to apply the requirements of the standard fully retrospectively if; when the entity cannot apply the requirements after making every reasonable effort to do so, the determination of practicability is made on a contract-by-contract basis. The Fund has determined that it is able to access and extract the historical granular data to apply the Standard as if it had always been applied. The Fund has therefore applied IFRS 17 fully retrospectively.

At transition date, the Fund:

- Derecognised any existing balances that would not exist had IFRS 17 always applied
- Recognised IFRS 17 balances
- Recognised any resulting net difference in reserves and reclassified to liability to future members

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Material Accounting Policies**1.13 IFRS 17 - Insurance Contracts (continued)**

The table below illustrates the impact on opening reserves on transition to IFRS 17:

Description	Amount
Total funds and reserves attributable to members of the Fund as previously reported - 30 June 2022	143,402,533
Impact of initial application of IFRS 17:	
Adjustment as a result of the risk adjustment for non-financial risk - insurance contracts	(2,238,837)
Change in estimate of liability for claims incurred	(3,170,000)
Transfer of reserves to liability to future members:	(137,993,696)
Total funds and reserves attributable to members of the Fund as at 30 June 2022 - restated	-

The tables below illustrate the impact of IFRS - 17, on the financial statements previously reported amounts and the restated amounts:

Statement of Cash Flows for the year ended 30 June 2023
In Pula

	Previously reported amount	Restated amount	Impact
Assets			
Other receivables	3,421,610	199,852	(3,221,758)
Total assets	212,060,435	208,838,677	(3,221,758)
Equity			
Accumulated reserves	(143,402,533)	-	143,402,533
Liabilities			
Liability to future members	-	(142,667,581)	(142,667,581)
Other payables	(28,218,071)	(14,764,471)	13,453,600
Provision for outstanding claims	(36,611,000)	-	36,611,000
Subscriptions received in advance	(3,880,843)	(1,152,131)	2,728,712
Insurance contract liability	-	(48,420,091)	(48,420,091)
Reinsurance contract liability	-	(717,932)	(717,932)
Total liabilities	(69,826,385)	(208,838,677)	(139,012,292)

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Material Accounting Policies**1.13 IFRS 17 - Insurance Contracts (continued)****Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023
In Pula**

Insurance revenue
Insurance service expenses
Income from contributions
Claims expenditure and other member benefits
Net income/expense from the reinsurance contracts held
Total insurance service result
Other operating expenses
Net (deficit)/surplus for the year
Transferred to insurance liability to future members
Total comprehensive loss for the year

Previously reported amount	Restated amount	Impact
-	480,776,392	480,776,392
-	(466,216,989)	(466,216,989)
480,900,880	-	(480,900,880)
(448,751,252)	-	448,751,252
-	(3,435,782)	(3,435,782)
-	11,123,621	11,123,621
(52,505,993)	(24,606,798)	27,899,195
(1,168,483)	4,673,885	5,842,368
-	(4,673,885)	(4,673,885)
(1,168,483)	-	1,168,483

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Abridged Financial Statements for the year ended 30 June 2024

Material Accounting Policies**1.13 IFRS 17 - Insurance Contracts (continued)****Statement of Cash Flows for the year ended 30 June 2023
In Pula**

Deficit for the year
Movement in trade and other receivables
Movement in trade and other other payables
Movement in insurance contract liabilities
Movement in re-insurance contract assets

	Previously reported amount	Restated amount	Impact
	(1,168,483)	4,673,885	5,842,368
	560,415	131,532	(428,883)
	7,392,159	2,080,298	(5,311,861)
	-	(1,129,146)	(1,129,146)
	-	(28,881)	(28,881)

Statement of Financial Position as at 30 June 2022**Assets**

Trade and other receivables
Total assets

	Previously reported amount	Restated amount	Impact
	3,225,315	331,384	(2,893,931)
	206,272,001	203,378,070	(2,893,931)

Equity

Accumulated reserves

	(143,402,533)	-	143,402,533
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Liabilities

Liability to future members
Trade and other payables
Subscriptions received in advance
Provision for outstanding claims
Insurance contract liability
Reinsurance contract liability
Total liabilities

	-	137,993,696	137,993,696
	(20,825,912)	(13,034,751)	7,791,161
	(2,936,790)	(580,675)	2,356,115
	(38,040,000)	-	38,040,000
	-	(49,955,369)	(49,955,369)
	-	(746,813)	(746,813)
	(62,869,468)	(203,378,070)	(140,508,602)

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Abridged Financial Statements for the year ended 30 June 2024

Material Accounting Policies**1.13 IFRS 17 - Insurance Contracts (continued)**

In the prior year, assets and liabilities were classified as either non-current or current on the statement of financial position. However, following the adoption of IFRS 17, all balances are now presented in order of liquidity on the statement of financial position without explicit distinction between current and non-current classifications. Impacted assets and liabilities are presented in the table below:

2023 - In Pula**Assets**

Investments at fair value

Liabilities

Lease liabilities

2022 - In Pula

Investments at fair value

Liabilities

Lease liabilities

Previously reported amount		Restated amount	
Non current	Current	Combined restated amount	Impact
109,322,287	5,693,127	115,015,414	-
(659,910)	(456,561)	(1,116,471)	-
Previously reported amount		Restated amount	
Non current	Current	Combined restated amount	Impact
89,456,401	1,397,850	90,854,251	-
(814,322)	(252,444)	(1,066,766)	-

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Abridged Financial Statements for the year ended 30 June 2024

Material Accounting Policies

1.13 IFRS 17 – Insurance Contracts

Changes in presentation and disclosure

In the Statement of Financial Position, the Fund presents separately:

- Portfolios of insurance and reinsurance contracts issued that are assets;
- Portfolios of insurance and reinsurance contracts issued that are liabilities;
- Portfolios of reinsurance contracts held that are assets; and
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

The Statement of Profit or Loss has changed significantly compared to prior the year. Previously, the Fund reported the following line items:

- Revenue from contributions
- Incurred claims

IFRS 17 requires separate presentation of:

- Insurance revenue;
- Insurance service expenses;
- Insurance finance income or expenses (Due to the short-term nature of the Fund's products, the Fund currently does not have any insurance finance income or expenses.); and
- Income or expenses from reinsurance contracts held. As the Fund is a mutual entity ((as defined in IFRS 3);
- The Statement of Profit or Loss does not reflect any surplus/(deficit) for the year. These profits or losses are transferred to insurance liability to future members.
- Total comprehensive income for the year is transferred to and recognised as part of changes to the the liability to future members..
- The Fund does not present the accumulated funds in the Statement of Changes in Reserves.
- Previously reported accumulated surplus are transferred to insurance liability to future members.

(c) Level of aggregation (unit of account)

A portfolio of insurance contracts issued comprise of contracts subject to similar risks

and managed together. Contracts issued by the Fund provide the following benefit options:

- Premium benefit option (including: medical aid benefits, premium waiver benefit, funeral benefit, critical illness benefit, travel insurance benefit and emergency medical service benefit))
- High benefit option (including: medical aid benefits, premium waiver benefit, funeral benefit, critical illness benefit, travel insurance benefit and emergency medical service benefit))
- Standard benefit option (including: medical aid benefits, premium waiver benefit, funeral benefit, critical illness benefit, travel insurance benefit and emergency medical service benefit))

These benefit options are monitored for profitability and performance together on a Fund level, making use of the same management reports. Contracts issued (in accordance with benefit options) transfer the same risks (mortality and morbidity). As such, contracts issued will form part of the same portfolio at a Fund level (i.e., the Fund is a portfolio).

The Fund holds four reinsurance contracts, transferring risks in respect of different types of benefits offered by the Fund's insurance contracts (i.e., premium waiver benefit, travel insurance benefit, funeral benefit and emergency medical service benefit). These reinsurance contracts are managed individually. The Fund concluded that each reinsurance contract forms a portfolio on its own.

The portfolio of insurance contracts is divided into a minimum of three groups: contracts identified as onerous at initial recognition, contracts that do not have a significant possibility of becoming onerous subsequently, and any remaining contracts. In the context of the Fund as a mutual entity, the classification of contracts as onerous is influenced by the overall performance of the Fund, reflecting the potential for cross-subsidisation among contracts.

The Fund is a mutual entity as defined in IFRS 3, it has determined that there are adequate reserves available to offset the losses should there be any loss-making contracts. During the year, no contracts were deemed to be onerous.

The Fund's cohort is determined to be 01 July – 30 June. These groups represent the level of aggregation at which insurance revenue is measured. Such groups are not subsequently reconsidered.

Material Accounting Policies

1.13 IFRS 17 – Insurance Contracts

(d) Recognition, modification and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the beginning of the coverage period; the date when the first payment from the policyholder is due or actually received, if there is no due date; and when it is determined that a group of contracts has become onerous. The Fund recognises the group of profitable insurance contracts at the beginning of the coverage period as this is the earlier date; and a group of onerous contracts when facts and circumstances indicating that the group has become onerous have been identified.

The Fund recognises a group of reinsurance contracts in a net gain position at the beginning of the coverage period; and recognises a group of reinsurance contracts in a net cost position at the date that the Fund recognises an onerous group of underlying insurance contracts.

The Fund derecognises a contract when the contract's coverage period has come to an end or when the policy has been cancelled. There were no contracts identified to be significantly modified as at 30 June 2024.

(e) Measurement

(i) Fulfillment cash flows within contract boundary

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Fund has a substantive obligation to provide the policyholder with insurance coverage. In assessing contract boundaries for insurance contracts issued and reinsurance contracts held, the Fund assessed substantive contractual rights and obligations. The Fund determined the contract boundaries for insurance contracts issued and reinsurance contracts held to range from less than one year to more than a year. Fulfillment cash flows are determined separately for insurance contracts issued and reinsurance contracts held. Fulfillment cash flows are allocated to groups of insurance contracts for measurement purposes.

On initial recognition, a group of insurance contracts is measured as the total of fulfillment cash flows (estimates of future cash flows and a risk adjustment for non-financial risk).

When estimating future cash flows, the Fund includes all cash flows within the contract boundary including:

Insurance contracts issued:

- Premiums due and received/paid
- Claims paid, including the claims paid as a result of a premium waiver benefit
- Claims incurred but not reported
- Claims reporting but not yet settled
- Insurance acquisition cash flows
- Other directly attributable expenses

Reinsurance contracts held:

- Reinsurance recoverable due and received
- Reinsurance payable and paid
- Other directly attributable expenses

(ii) Initial and subsequent measurement

The IFRS 17 default measurement approach is the general measurement model (GMM); this applies to insurance contracts issued as well as reinsurance contracts held. An entity may simplify the measurement of a group of insurance contracts using the premium allocation approach (PAA) if the entity reasonably expects that the simplification would produce a measurement (applied general measurement model (GMM) principles) of the liability for remaining coverage liability for remaining coverage (LRC) for the group that would not differ materially from the one that would be produced applying the premium allocation approach (PAA) principles.

The Fund's insurance contracts have a premium waiver benefit embedded within them; where when a principal member dies, the remaining dependents will continue receiving medical benefits at no additional costs for a period of 12 months. The Fund holds reinsurance contracts with a coverage period of 12 months or less.

Reinsurance contracts held by the Fund (with the exception of the reinsurance contract with Liberty Life) qualify to be measured applying the premium allocation approach (PAA) by virtue of having a coverage period of 12 months or less. In respect of insurance contracts issued and the reinsurance contract held with Liberty Life, while the contract boundary extends to 24 months due to the application of the premium waiver, the additional cash flows from the waiver are historically immaterial and are not expected to be material.

Material Accounting Policies

1.13 IFRS 17 – Insurance Contracts

Therefore, the Fund has determined that the liability for remaining coverage (LRC) measured applying general measurement model (GMM) principles would not materially differ from the one produced applying the premium allocation approach (PAA) principles. On this basis, the Fund measures insurance contracts issued and the related reinsurance contracts held applying the premium allocation approach (PAA).

The Fund holds reinsurance contracts to manage its exposure to a variety of risks that arise from providing healthcare coverage and related member benefits. These reinsurance arrangements include travel insurance, medical evacuation, funeral benefit, and premium waiver reinsurance. All reinsurance contracts are assessed at the Fund level and are managed as part of the Fund's overall risk management strategy to protect the financial stability of the Fund and its members.

While some reinsurance contracts, such as travel insurance and medical evacuation, directly mitigate risks associated with healthcare events, other contracts, like the premium waiver and funeral benefit, are designed to address the financial consequences of life events that could impact the continuity of healthcare coverage or financial obligations related to the Fund. These contracts collectively ensure that the Fund and its members are safeguarded against a range of risks, including those that extend beyond immediate health-related events.

Given the integrated nature of these reinsurance arrangements and their shared objective of mitigating member and Fund liabilities, the Fund aggregates the reinsurance contracts into a single portfolio for financial reporting purposes. Reinsurance recoverables and liabilities are presented on a net basis in the financial statements, in accordance with IFRS 17.

Reinsurance contract assets or liabilities are recognised when premiums due to reinsurers are paid, or when claims from insurance contracts are ceded to the reinsurer. Reinsurance recoverables are recognised when the corresponding claims are recognised under insurance contracts.

(iii) Liability for remaining coverage and liability for incurred claims

Liability for remaining coverage (LRC) - measured applying the premium allocation approach (PAA):

On initial recognition the liability for remaining coverage (LRC) is the premiums received at initial recognition, minus any insurance acquisition cash flows not recognised as expense when incurred, plus or minus any amount arising from the derecognition of insurance acquisition cash flows and any other asset or liability previously recognised for cash flows related to the group of contracts.

At the end of the period the liability for remaining coverage (LRC) is determined by the premiums received during the period, minus insurance acquisition cash flows not recognised as expense, plus any amounts relating to the amortisation of insurance acquisition cash flows recognised as an expense in the reporting period, minus the amount recognised as insurance revenue for services provided in that period, and minus any investment component paid or transferred to the liability for incurred claims.

The Fund makes use of a provision matrix as a practical expedient to the determination of expected credit losses on premiums 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.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The impairment allowance is calculated on a collective basis for all premiums 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 LRC, through use of a loss allowance account. The impairment loss is included in insurance service expenses. 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 premiums are recognised prior to termination of these defaulted members are written off in profit or loss.

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Material Accounting Policies

1.13 IFRS 17 – Insurance Contracts

Insurance service expenses

Insurance Service Expenses comprise claims incurred, attributable insurance expenses, and the risk adjustment directly related to the provision of insurance coverage. Claims expenses include all payments made to members for covered healthcare services, along with any adjustments for outstanding claims liabilities. Attributable insurance expenses encompass expenditures directly associated with the management and delivery of insurance services. The Fund recognises these expenses in profit or loss in the period in which the insurance services are provided.

Insurance revenue

Insurance Revenue comprises premiums earned from members applying the premium allocation approach (PAA). Premiums are recognised as revenue in the period in which the insurance coverage is provided, reflecting the period over which the associated insurance services are rendered. The Fund determines the contract boundary for insurance contracts, ensuring that revenue is recognised only for coverage that extends to the reporting date, while any premiums received for future periods are deferred and recognised as a liability on the statement of financial position under the description of subscriptions in advance.

1.14 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 at prices approved by the Trustees.

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Notes to the Abridged Financial Statements

2. Equipment

	2024			2023		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Motor vehicles	451,215	(31,334)	419,881	-	-	-
Office equipment	2,769,879	(2,167,697)	602,182	2,454,138	(1,480,242)	973,896
IT equipment	201,200	(128,826)	72,374	445,705	(380,498)	65,207
Total	3,422,294	(2,327,857)	1,094,437	2,899,843	(1,860,740)	1,039,103

Reconciliation of equipment – 2024

Figures in Pula

	Opening carrying value	Additions	Depreciation	Closing carrying value
Motor vehicles	-	451,215	(31,334)	419,881
Office equipment	973,896	20,177	(391,891)	602,182
IT equipment	65,207	70,787	(63,620)	72,374
	1,039,103	542,179	(486,845)	1,094,437

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

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Notes to the Abridged Financial Statements

3. Right-of-use assets and lease liabilities

The Fund held two (2) lease contracts at reporting date for its motor vehicle and operating premises in Gaborone. 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% (2023: 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 motor vehicle lease of 6.76% (2023: 6.76%) was applied in the calculation of the discounted present value of the motor vehicle lease liability and right-of-use asset

Reconciliation of right-of-use assets

Cost

Balance at 30 June 2022

Additions

Reassessment

Disposal

Balance at 30 June 2023

Reassessment

Balance at 30 June 2024**Accumulated depreciation**

Balance at 30 June 2022

Depreciation for the year

Disposals

Balance at 30 June 2023

Depreciation for the year

Balance at 30 June 2024

	Buildings	Motor vehicles	Total
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
Reassessment	1,481	-	1,481
Balance at 30 June 2024	1,583,174	465,519	2,048,693

	Buildings	Motor vehicles	Total
Balance at 30 June 2022	(683,599)	(96,360)	(779,959)
Depreciation for the year	(267,904)	(137,001)	(404,905)
Disposals	-	105,222	105,222
Balance at 30 June 2023	(951,503)	(128,139)	(1,079,642)
Depreciation for the year	(270,575)	(155,713)	(426,288)
Balance at 30 June 2024	(1,222,078)	(283,852)	(1,505,930)

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Abridged Financial Statements for the year ended 30 June 2024

Notes to the Abridged Financial Statements**3. Right-of-use assets and lease liabilities (continued)****Net carrying amount as at:**

30 June 2023

30 June 2024

Buildings	Motor vehicles	Total
630,190	337,380	967,570
361,096	181,667	542,763

Lease liabilities

Minimum lease payments due

Within one year

Two to five years

Less finance charges component

Present value of minimum lease payments**Present value of minimum lease payments due**

Within one year

Two to five years

Current liabilities

Non-current liabilities

Other disclosures

Interest expense on lease liabilities

Lease principal repayment

Total cashflows from leases

	2024	2023
	534,742	512,230
	152,183	685,678
	686,925	1,197,908
	(25,821)	(81,437)
	661,104	1,116,471
	509,958	456,561
	151,146	659,910
	661,104	1,116,471
	509,958	456,561
	151,146	659,910
	661,104	1,116,471
	55,724	77,600
	456,848	390,693
	512,572	468,293

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Abridged Financial Statements for the year ended 30 June 2024

Notes to the Abridged Financial Statements

4. Intangible assets

Figures in Pula

	2024			2023		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Accounting software	202,274	(179,726)	22,548	202,274	(139,271)	63,003

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Closing balance
Accounting software	63,003	(40,455)	63,003

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Closing balance
Accounting software	103,458	(40,455)	22,548

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Notes to the Abridged Financial Statements

5. Investments at fair value

Equity investments at fair value through profit or loss

Debt investments at fair value through profit or loss

Summary of investments held by Fund Manager (BIFM)

Non-current assets

Non-current assets

Listed shares

Mutual funds

Money markets investments

Current assets

Listed bonds

Money markets investments

Total investments

Listed shares

Listed bonds

Mutual funds

Money markets investments

	2024	2023
	36,680,882	32,024,212
	96,671,117	82,991,202
	133,351,999	115,015,414
	36,680,882	32,024,212
	27,826,002	27,021,593
	52,211,723	45,305,766
	5,589,916	4,970,716
	122,308,523	109,322,287
	1,357,536	577,895
	9,685,940	5,115,232
	11,043,476	5,693,127
	36,680,882	32,024,212
	29,183,538	27,599,488
	52,211,723	45,305,766
	15,275,856	10,085,948
	133,351,999	115,015,414

Investment above comprises of segregated and pooled funds. The disclosures on the allocation of pooled and segregated funds are based on the investment manager's reports as at the financial reporting date

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Abridged Financial Statements for the year ended 30 June 2024

Notes 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 Financial instruments and risk management for details of risk exposure.

6. Investments at amortised cost

Non-current assets

Short term deposit with financial institutions

	2024	2023
	70,718,026	45,653,987

Short-term deposits as at the reporting date have an average maturity term of 10 months (2023:12 months) and earn an average interest of 7.04% (2023:7.35%) 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. Other receivables

Other receivables

		Restated
	73,667	44,424
	168,598	155,428
	242,265	199,852
	73,667	44,424
	168,598	155,428
	242,265	199,852

Non-financial instruments

Prepayments

Total other receivables

Financial instrument and non-financial instrument components of other receivables

Listed bonds

Money markets investments

Notes to the Abridged Financial Statements

7. Other receivables (Continued)

Exposure to credit risk

As at the reporting date, the Fund's "Other receivables" comprise the following items:

- Interest receivable – Amounts due from interest earned on financial assets.
- Sundry debtors – Various receivables arising from normal business transactions.
- Refundable deposits – Security deposits that are refundable upon completion of contractual obligations.

These receivables are classified as financial assets measured at amortised cost in accordance with IFRS 9, Financial Instruments. As such, they are subject to impairment assessment under the Expected Credit Loss (ECL) model.

Expected Credit Loss Model under IFRS 9

IFRS 9 requires entities to recognise an allowance for ECLs on financial assets measured at amortised cost, which includes receivables. The ECL model takes into account not just historical credit loss experience but also forward-looking information that may affect the creditworthiness of a debtor. However, an entity is not required to recognise a loss allowance for ECLs if it can demonstrate that the credit risk is negligible.

Assessment of Credit Risk and Conclusion

The Fund has assessed the credit risk associated with each component of "Other Receivables" as follows:

- Interest receivable: These amounts are derived from high-quality financial assets where the counterparty's credit risk is low. Historical experience and forward-looking analysis show no risk of default or inability to recover these amounts.
- Sundry debtors: These receivables are immaterial in amount and arise from routine operational transactions where counterparties have a low risk of default. The Fund has no history of significant credit losses related to these balances, and current economic conditions and forward-looking factors suggest no substantial increase in credit risk.
- Refundable deposits: These are security deposits refundable upon completion of contractual terms, such as lease or service agreements. The risk of non-recovery is minimal as these are with counterparties with high credit standing, and the underlying contracts provide sufficient security to mitigate any potential credit risk.
- Overpayments or prepayment to suppliers: These are overpaid amounts by customers, which are usually settled through future service use. The Fund has a strong history of recovering such amounts with no defaults, and forward-looking factors do not indicate any change in this trend.

Given the nature of the receivables, historical data, forward-looking information, and a thorough review of the specific circumstances surrounding these items, management has concluded that the credit risk for all categories under "Other Receivables" is immaterial. Therefore, there is no reasonable expectation of credit losses. Accordingly, no Expected Credit Loss (ECL) allowance has been recognised for the year ended 30 June 2024 (2023 : PNIL).

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Notes to the Abridged Financial Statements

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand
Bank balances
Money market settlement accounts

2024	2023
2,758	482
76,667,042	44,951,274
-	947,992
76,669,800	45,899,748

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. Liability to future member

Opening balance
Transfer of surplus for the period to liability to future members

	Restated
142,667,581	137,993,696
52,536,851	4,673,885
195,204,432	142,667,581
195,204,432	142,667,581

Non current

Liability to future members

Due to the nature of the Fund as a mutual entity with cross-subsidisation and the absence of onerous contracts at Fund level, the entire liability to future members is classified as non-current.

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Notes to the Abridged Financial Statements

10. Insurance contract liabilities

Liability for remaining coverage

Contributions receivable

Impairment allowance

	2024	2023
Contributions receivable	11,754,366	3,334,868
Impairment allowance	(5,566,109)	(113,110)
Total	6,188,257	3,221,758

Expected credit loss (ECL) provision ageing analysis:

Expected credit loss rate

Not past due: 2.75% (2023: 0.96%)

Less than 30 days past due: 8.79% (2023: 4.19%)

31 - 60 days past due: 15.93% (2023: 11.23%)

61 - 90 days past due: 22.15% (2023: 25.22%)

91 - 120 days past due: 100% (2023: 25.77%)

Total

	2024	2024	2023	2023
	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	3,097,672	(85,210)	2,557,788	(24,629)
Less than 30 days past due	1,498,359	(131,821)	323,173	(13,551)
31 - 60 days past due	1,268,342	(202,090)	179,662	(20,173)
61 - 90 days past due	954,432	(211,427)	109,433	(27,604)
91 - 120 days past due	4,935,561	(4,935,561)	164,812	(27,153)
Total	11,754,366	(5,566,109)	3,334,868	(113,110)

Reconciliation of expected credit loss allowance:

Opening balance

(Additional provisions)/release to income statement

Opening balance	(113,110)	(869,820)
(Additional provisions)/release to income statement	(5,452,999)	756,710
Total	(5,566,109)	(113,110)

Liability for incurred claims components:

Creditors for claims

Provision for incurred but not reported claims

Risk adjustment

Creditors for claims	(28,231,133)	15,464,380
Provision for incurred but not reported claims	(37,700,000)	(34,300,000)
Risk adjustment	(1,932,941)	(1,877,469)
Total	(67,864,074)	(51,641,849)

Total insurance contract liabilities

Total insurance contract liabilities	(61,675,817)	(48,420,091)
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Abridged Financial Statements for the year ended 30 June 2024

Notes to the Abridged Financial Statements**10. Insurance contract liabilities (Continued)****2024 - In Pula****Reconciliation of insurance contracts**

Opening balance - insurance contracts liabilities

Opening balance - insurance contracts assets

Net balance as at 1 July 2023

Amounts per statement of profit or loss:

Insurance revenue

Incurred claims

Other directly attributable expenses (maintenance costs)

Changes in the risk adjustment for non financial risk

*Insurance service result**Cash flows:*

Premiums received

Claims and other directly attributable expenses paid

Total cash flows

Closing balance - Insurance contract liabilities

Closing balance - Insurance contract assets

Net balance as at 30 June 2024

	Liability for Remaining Coverage		Liability for incurred claims	
	Excluding loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening balance - insurance contracts liabilities	3,221,758	(49,764,380)	(1,877,469)	(48,420,091)
Opening balance - insurance contracts assets	-	-	-	-
Net balance as at 1 July 2023	3,221,758	(49,764,380)	(1,877,469)	(48,420,091)
<i>Amounts per statement of profit or loss:</i>				
Insurance revenue	578,328,842	-	-	578,328,842
Incurred claims	-	(467,889,779)	-	(467,889,779)
Other directly attributable expenses (maintenance costs)	-	(46,878,186)	-	(46,878,186)
Changes in the risk adjustment for non financial risk	-	-	(55,472)	(55,472)
<i>Insurance service result</i>	578,328,842	(514,767,965)	(55,472)	63,505,405
<i>Cash flows:</i>				
Premiums received	(575,362,343)	-	-	(575,362,343)
Claims and other directly attributable expenses paid	-	498,601,212	-	498,601,212
<i>Total cash flows</i>	(575,362,343)	498,601,212	-	(76,761,131)
Closing balance - Insurance contract liabilities	6,188,257	(65,931,133)	(1,932,941)	(61,675,817)
Closing balance - Insurance contract assets	-	-	-	-
Net balance as at 30 June 2024	6,188,257	(65,931,133)	(1,932,941)	(61,675,817)

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Notes to the Abridged Financial Statements

10. Insurance contract liabilities (Continued)

2023 – In Pula – Restated

Reconciliation of insurance contracts

Opening balance – insurance contracts liabilities

Opening balance – insurance contracts assets

Net balance as at 1 July 2022

Amounts per statement of profit or loss:

Insurance revenue

Incurred claims

Other directly attributable expenses (maintenance costs)

Changes in the risk adjustment for non financial risk

Insurance service result

Cash flows:

Premiums received

Claims and other directly attributable expenses paid

Total cash flows

Closing balance – Insurance contract liabilities

Closing balance – Insurance contract assets

Net balance as at 30 June 2023

	Liability for incurred claims			Total
	Liability for Remaining Coverage	Present value of future cash flows	Risk adjustment for non-financial risk	
	Excluding loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening balance – insurance contracts liabilities	2,823,350	(50,539,882)	(2,238,837)	(49,955,369)
Opening balance – insurance contracts assets	-	-	-	-
Net balance as at 1 July 2022	2,823,350	(50,539,882)	(2,238,837)	(49,955,369)
<i>Amounts per statement of profit or loss:</i>				
Insurance revenue	480,776,392	-	-	480,776,392
Incurred claims	-	(439,435,872)	-	(439,435,872)
Other directly attributable expenses (maintenance costs)	-	(27,142,485)	-	(27,142,485)
Changes in the risk adjustment for non financial risk	-	-	361,368	361,368
<i>Insurance service result</i>	480,776,392	(466,578,357)	361,368	14,559,403
<i>Cash flows:</i>				
Premiums received	(480,377,984)	-	-	(480,377,984)
Claims and other directly attributable expenses paid	-	467,353,859	-	467,353,859
<i>Total cash flows</i>	(480,377,984)	467,353,859	-	(13,024,125)
Closing balance – Insurance contract liabilities	3,221,758	(49,764,380)	(1,877,469)	(48,420,091)
Closing balance – Insurance contract assets	-	-	-	-
Net balance as at 30 June 2023	3,221,758	(49,764,380)	(1,877,469)	(48,420,091)

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Notes to the Abridged Financial Statements

11. Reinsurance contract assets

Asset for Incurred Claims

Reinsurance premiums payable

Asset for Incurred Claims

Outstanding premium waiver recoveries

Risk adjustment

Total reinsurance contract liabilities

	2024	2023
Reinsurance premiums payable	427,363	717,932
Outstanding premium waiver recoveries	(70,464)	-
Risk adjustment	-	-
Total reinsurance contract liabilities	356,899	717,932

2024 - In Pula

Reconciliation of reinsurance contracts held

Opening balance - insurance contracts liabilities

Net balance as at 1 July 2023

Amounts per statement of profit or loss:

Reinsurance premium expenses

Reinsurance recoveries

Total amount recognised in statement of profit or loss

Cash flows:

Premiums paid

Reinsurance recoveries

Total cash flows

Closing balance - Insurance contract liabilities

Closing balance - Insurance contract assets

Net balance as at 30 June 2024

	Asset for Remaining Coverage	Asset for Incurred Claims		
	Excluding loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening balance - insurance contracts liabilities	(717,932)	-	-	(717,932)
Net balance as at 1 July 2023	(717,932)	-	-	(717,932)
<i>Amounts per statement of profit or loss:</i>				
Reinsurance premium expenses	(9,378,239)	-	-	(9,378,239)
Reinsurance recoveries	-	5,189,294	-	5,189,294
<i>Total amount recognised in statement of profit or loss</i>	(9,378,239)	5,189,294	-	(4,188,945)
<i>Cash flows:</i>				
Premiums paid	9,668,808	-	-	9,668,808
Reinsurance recoveries	-	(5,118,830)	-	(5,118,830)
<i>Total cash flows</i>	(9,378,239)	5,189,294	-	(4,188,945)
Closing balance - Insurance contract liabilities	(427,363)	70,464	-	(356,899)
Closing balance - Insurance contract assets	-	-	-	-
Net balance as at 30 June 2024	(427,363)	70,464	-	(356,899)

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Abridged Financial Statements for the year ended 30 June 2024

Notes to the Abridged Financial Statements

II. Reinsurance contract assets (Continued)

2023 - In Pula - Restated

Reconciliation of reinsurance contracts held

Opening balance - insurance contracts liabilities

Net balance as at 1 July 2022 - Restated

Amounts per statement of profit or loss:

Reinsurance premium expenses

Reinsurance recoveries

Total amount recognised in statement of profit or loss

Cash flows:

Premiums paid

Reinsurance recoveries

Total cash flows

Closing balance - Insurance contract liabilities

Closing balance - Insurance contract assets

Net balance as at 30 June 2023

	2024	2024	2023	2023
	Asset for Remaining Coverage	Asset for Incurred Claims		
	Excluding loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening balance - insurance contracts liabilities	(759,173)	12,360	-	(746,813)
Net balance as at 1 July 2022 - Restated	(759,173)	12,360	-	(746,813)
<i>Amounts per statement of profit or loss:</i>				
Reinsurance premium expenses	(8,776,551)	-	-	(3,435,782)
Reinsurance recoveries		5,340,769	-	5,340,769
<i>Total amount recognised in statement of profit or loss</i>	(8,776,551)	5,340,769	-	(3,435,782)
<i>Cash flows:</i>				
Premiums paid	8,817,792	-	-	8,817,792
Reinsurance recoveries	-	(5,353,129)	-	(5,353,129)
Total cash flows	8,817,792	(5,353,129)	-	3,464,663
Closing balance - Insurance contract liabilities	(717,932)	-	-	(717,932)
Closing balance - Insurance contract assets	-	-	-	-
Net balance as at 30 June 2023	(717,932)	70,464	-	(717,932)

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Abridged Financial Statements for the year ended 30 June 2024

Notes to the Abridged Financial Statements

12. Other payables

Financial instruments:

Member subscriptions refundable

Other accounts payable

Non-financial instruments:

Payroll accruals

VAT

Financial instrument and non-financial instrument components of other payables

At amortised cost

Non-financial Instruments

The fair value of other payables approximates their carrying amounts.

13. Subscriptions received in advance

Subscriptions received in advance

Subscriptions received in advance represent amounts collected from members for future coverage periods before the related services are provided. These amounts are deferred until the respective period of coverage lapses, at which point they are released into revenue as the Fund fulfills its insurance obligations.

14. Insurance revenue

Insurance revenue from contracts measured under premium allocation approach (PAA).

	2024	Restated 2023
	8,914,776	2,728,712
	2,527,433	1,578,878
	6,742,439	6,234,046
	4,151,615	4,222,835
	22,336,263	14,764,471
	11,442,209	4,307,590
	10,894,054	10,456,881
	22,336,263	14,764,471
	2,407,323	1,152,131
	578,328,842	480,776,392

Pula Medical Aid Fund Trust

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Abridged Financial Statements for the year ended 30 June 2024

Notes to the Abridged Financial Statements**15. Insurance service and administration expenses****15.1 Insurance service expense**

Claims

Other directly attributable expenses - maintenance

Changes in risk adjustment for non financial risk

15.1.1 Claims

Primary health cover claims

Maternity program

Medical evacuation

Funeral policy

Travel insurance

15.1.2 Other directly attributable expenses - maintenance

Administration fees

Consultancy

Movement in impairment of premiums receivable allowance

Communication

Claims processing costs

15.1.3 Changes in risk adjustment for non financial risk

Risk adjustment

Total insurance service expenses

	2024	2023
	467,889,779	439,435,872
	46,878,186	27,142,485
	55,472	(361,368)
	514,823,437	466,216,989
	462,251,196	433,491,675
	772,821	727,916
	3,732,109	3,571,138
	977,000	851,986
	156,653	793,157
	467,889,779	439,435,872
	36,906,936	23,183,386
	1,449,740	2,052,268
	5,452,999	(756,710)
	228,689	110,841
	2,839,822	2,552,700
	46,878,186	27,142,485
	55,472	(361,368)
	514,823,437	466,216,989

Pula Medical Aid Fund Trust

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Abridged Financial Statements for the year ended 30 June 2024

Notes to the Abridged Financial Statements**15. Insurance service and administration expenses (Continued)****15.2 Other operating expenses**

Amortisation of intangible assets

Board and management strategy
retreat

Consultancy fees

Depreciation of right of use assets

Depreciation on equipment

Employee costs*

External auditor's fees

Internal auditor's fees

Investment portfolio management costs

Leases expenses

Legal fees

Loss on disposal of equipment

Realised foreign exchange losses

Repairs and maintenance

Training

Travel

Trustees' sitting allowances and trustees' fees

Trustees' training

Promotions and advertising

Other operating expenses

*** Employee costs consists of:**

Salaries and other short term benefits

Gratuity

Leave

Group life cover

	2024	2023
	40,455	40,455
	368,751	278,850
	255,866	385,199
	426,288	404,905
	486,845	452,852
	13,203,055	11,697,055
	1,157,200	662,321
	438,033	365,262
	785,010	643,960
	33,307	27,588
	1,658,578	938,122
	-	250,000
	41,934	105,986
	19,769	21,598
	407,017	119,917
	542,201	612,184
	2,151,925	2,873,913
	78,552	24,666
	3,518,551	1,564,352
	3,892,782	3,137,613
	29,506,119	24,606,798
	10,323,219	9,365,143
	2,260,837	1,828,177
	559,446	457,364
	59,553	46,371
	13,203,055	11,697,055

Pula Medical Aid Fund Trust

Registration number TUHGB-000071-20

Abridged Financial Statements for the year ended 30 June 2024

Notes to the Abridged Financial Statements**16. Net expense from the reinsurance contracts held**

Reinsurance premium expenses

Reinsurance recoveries

Reinsurance recoveries components:

Funeral benefit recoveries

Medical evacuation claims

Premium waiver recoveries

Travel insurance recoveries

Reinsurance premium expenses

Funeral cover policy expenses

Medical evacuation policy expenses

Premium waiver policy expense

Travel cover policy expenses

Total net expense from the reinsurance contracts held

	2024	2023
	(9,378,239)	(8,776,551)
	5,189,294	5,340,769
	(4,188,945)	(3,435,782)
	977,000	851,986
	3,732,109	3,571,138
	323,532	124,488
	156,653	793,157
	5,189,294	5,340,769
	(1,033,924)	(939,666)
	(5,429,747)	(5,564,543)
	(1,185,404)	(983,001)
	(1,729,164)	(1,289,341)
	(9,378,239)	(8,776,551)
	(4,188,945)	(3,435,782)

Pula Medical Aid Fund Trust

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Abridged Financial Statements for the year ended 30 June 2024

Notes to the Abridged Financial Statements

17. Analysis of insurance and reinsurance contracts assets and liabilities

Figures in Pula	Notes	2024			2023 Restated		
		Liabilities	Assets	Net amount	Liabilities	Assets	Net amount
Liability to future members	9	195,204,432	-	195,204,432	142,667,581	-	142,667,581
Insurance contracts issued		61,675,817	-	61,675,817	48,420,091	-	48,420,091
Reinsurance contracts held	22	356,899	-	356,899	356,899	-	356,899
		257,237,148	-	257,237,148	191,444,571	-	191,444,571

Non-current and current portions:**Non-current**

Liability to future members	195,204,432	-	195,204,432	142,667,581	-	142,667,581
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Current

Insurance contracts issued	61,675,817	-	61,675,817	48,420,091	-	48,420,091
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Reinsurance contracts held	356,899	-	356,899	356,899	-	356,899
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	257,237,148	-	257,237,148	191,444,571	-	191,444,571
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18. Finance costs

Lease liabilities

55,724	77,600
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19. Fair value gain

Financial assets mandatorily at fair value through profit or loss

12,163,892	10,711,635
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20. 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.

Pula Medical Aid Fund Trust

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Abridged Financial Statements for the year ended 30 June 2024

Notes to the Abridged Financial Statements**22. Net purchases of investments****Investments at fair value**

Opening balance - investments at fair value (excluding accrued interest)

Fair value gains for the period

Net cash purchases/sales of investments

Closing balance - investments at fair value (excluding accrued interest)**Interest (on investments at fair value)**

Opening accrued interest

Interest earning during the period

Closing interest balance

Actual interest received during the year**Investments at amortised costs**

Opening balance

Maturity of deposits from prior year

Reinvestments

Closing balance**Net investment/disinvestment in investments at amortised cost****Interest on investments in amortised costs**

Opening balance

Interest earned for the year

Closing accrued interest

Actual interest received during the year

Actual interest received during the year

Total cash interest received

Total net investments purchases

	2024	2023
	114,678,680	90,613,168
	12,163,892	10,711,635
	6,182,218	13,353,877
	133,024,790	114,678,680
	336,734	241,083
	1,295,454	1,139,858
	(327,209)	(336,734)
	1,304,979	1,044,207
	43,281,140	55,171,270
	(43,281,140)	(55,171,270)
	67,799,631	43,281,140
	67,799,631	43,281,140
	24,518,491	(11,890,130)
	2,372,847	2,343,577
	4,962,278	2,920,233
	(2,918,395)	(2,372,847)
	4,416,730	2,890,963
	5,721,709	3,935,170
	(30,700,709)	(1,463,747)

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