



Medical Aid Scheme

Administered by
Discovery
Health

TFGMAS

ANNUAL GENERAL MEETING | 2024



Notice is hereby given that the TFG Medical Aid Scheme (TFGMAS) Annual General Meeting (AGM) will be held on the following date and the meeting will be held as follows:

Date: 12 June 2024

Time: 11:30

Venue: Virtual Meeting

Registration: To join the meeting virtually, online registration will close at 11:30 on 11 June 2024

Please note that only principal members, who are in good standing with all contributions due paid up to date, are allowed to attend the meeting. No dependants are permitted to attend the meeting.

**PLEASE REGISTER YOUR ATTENDANCE
IF YOU WILL BE JOINING THE MEETING
VIRTUALLY:**

1. Please register by entering <https://reg.lumiengage.com/LumiLandingPage/tfg-mas-agm-2024/login> in your web browser to attend the AGM
2. Members attending the AGM will be required to provide their South African identity number together with their membership number to be able to register their attendance and cast their vote.

 PLEASE NOTE:

By registering your attendance virtually on the Lumi system, you give Lumi Technologies SA (Pty) Ltd consent to process your personal information on behalf of TFG Medical Aid Scheme (TFGMAS) for purposes of ascertaining your membership status with TFGMAS and establishing your eligibility to vote at the AGM. A guide on how to attend the Virtual meeting is available on the Scheme website by visiting www.tfgmedicalaidscheme.co.za and included with this communication.

AGENDA FOR THE MEETING IS AS FOLLOWS:

1. Welcome and quorum
2. Confirmation of the minutes of the 2023 Annual General Meeting, held 20 June 2023
3. Approval of the Agenda
4. Adoption of 2024 Chairperson's Report
5. Presentation by the Principal Officer
6. To adopt the Annual Financial Statements for the 2023 financial year
7. Governance:
 - 7.1 Appointment of external auditors: Approval of external auditors for 2024 financial year-end
 - 7.2 Voting and confirmation of the Board of Trustees of TFGMAS
 - 7.3 Presentation: Trustee Remuneration
 - 7.4 Confirmation of composition of the Audit Committee
 - 7.5 Confirmation of composition of the Disputes Committee
8. Questions and answer session

PLEASE NOTIFY THE PRINCIPAL OFFICER OF ANY MOTIONS

The Rules of the Scheme require attendees to notify the Principal Officer of any motions for discussion at least 7 days before the date of the meeting – not later than 11:30 on 5 June 2024.

You can email your motions to tfgmasagm@discovery.co.za

ANNUAL FINANCIAL STATEMENTS, TRUSTEES' REPORT AND COPIES OF THE MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING

The 2023 Annual Report, including the audited Annual Financial Statements and the Trustees' Report (for the year ending December 2023) will be available on the Scheme's website by the latest 29 May 2024 at 11:30. It may also be requested from the Scheme's call centre on **0860 123 077** from this date.



Chairperson's Report

I am pleased to report that TFG Medical Aid Scheme is in a sound financial position. Your Board of Trustees has once again balanced a competitive benefit structure for both plans with contributions that provide excellent value for money. We have kept a tight rein on non-healthcare costs and our investments are well managed ensuring that our reserves will cope with the volatile economic environment that we continue to face. Members enjoyed a contribution holiday in January 2023 which effectively reduced the cost of annual contributions by 8% and by all accounts was well received by members in this tough economic environment.

Your Board continually monitors service levels provided by Discovery Health and we are delighted to report that we are very satisfied with the service levels provided to our members. Through our continued partnership with Discovery Health, the Scheme strives to ensure that members have access to safe, efficient and effective private healthcare. Together with Discovery Health, we continue to research and implement innovative care initiatives that are aimed at providing members with support in managing a range of medical conditions.

Prevention continues to be a focus for 2024 and we encourage members to make use of the WELLTH Fund which was introduced in 2023. The WELLTH Fund provides additional screening benefits to members which are funded from the Scheme's reserves.

Highlights of the 2023 financial results are enclosed with this document and the detailed Annual Financial Statements (AFS) may be obtained from the Scheme's website, should more details or information be required.

I would like to thank Ms Aanisah Parker, who was appointed by the Board to fill a vacancy on the Board created as a result of the resignation of one of the member-elected trustees in the past year, as well as Ms Josy Vandenbroucke and Mr Rolf Walther, who's first term of office comes to an end. All three are eligible to be elected again as a member-elected trustees onto the Board.

The Scheme will be holding member elections at the AGM on 12th June 2024 to fill the vacancies referenced above and I encourage your active participation in order to ensure that you are represented on the Board of Trustees.

Your trustees thank you, our members, for the support and trust that you have placed in us. We aim to grow scheme membership during 2024 and look forward to TFG Medical Aid Scheme being the medical aid scheme of choice for TFG employees and pensioners.

I would like to express my sincere gratitude to the Principal Officer, the Board of Trustees, and committee members for their valuable contribution and for the dedication and care with which they exercise the duties and responsibilities, which has contributed to the success of the Scheme. I am also sincerely grateful to our many professional service providers for their support.

Mr Paul Barnard
CHAIRPERSON
April 2024

TFGMAS Highlights from the Scheme's financial results as at 31 December 2023

STATEMENT OF FINANCIAL POSITION

	2023 (R)	Restated* 2022 (R)	Restated* 1 Jan 2022 (R)
ASSETS			
<i>Non-current assets</i>	229 611 899	227 330 304	193 332 601
Financial assets at fair value through profit or loss	229 611 899	227 330 304	193 332 601
<i>Current assets</i>	49 456 235	53 411 117	58 478 920
Financial assets at fair value through profit or loss	36 230 254	10 061 612	-
Other receivables	45 864	188 665	164 799
Cash and cash equivalents	13 180 117	43 160 840	58 314 121
Total assets	279 068 134	280 741 421	251 811 521
LIABILITIES			
<i>Non-current liabilities</i>	270 761 649	271 751 120	245 060 341
Insurance liability for future members	270 761 649	271 751 120	245 060 341
<i>Current liabilities</i>	8 306 485	8 990 301	6 751 180
Insurance contract liabilities	6 193 852	6 537 595	5 261 143
Trade and other payables	2 112 633	2 452 706	1 490 037
Total liabilities	279 068 134	280 741 421	251 811 521

* The new accounting standard IFRS17 Insurance contracts was implemented retrospectively effective 1 January 2023.

TFGMAS Highlights from the Scheme's financial results as at 31 December 2023

STATEMENT OF COMPREHENSIVE INCOME

	2023 (R)	Restated 2022 (R)
<i>Insurance revenue</i>	159 184 288	175 086 735
<i>Insurance service expense*</i>	-178 044 767	-190 232 853
<i>Net income from risk transfer arrangements</i>	347 643	480 504
Premiums paid	-3 093 036	-2 160 298
Amounts recovered from risk transfer arrangements	3 440 679	2 640 802
Insurance service result	-18 512 836	-14 665 615
Interest from cash and cash equivalents	241 499	112 203
Income from investments at fair value through profit or loss	21 677 933	16 812 005
<i>Net investment income</i>	21 919 432	16 924 209
Net healthcare result	3 406 596	2 258 594
<i>Sundry income</i>	4 831	3 962
<i>Other operating expenses</i>	-3 411 427	-3 137 676
Net result for the year	-	-
Total comprehensive surplus/(deficit) for the year	-	-
In terms of IFRS17 and Mutual Entity disclosures, all surpluses or deficits are allocated to insurance service expenses. The amounts allocated were as follows:	-989 471	26 690 779

TFGMAS Highlights from the Scheme's financial results as at 31 December 2023

STATEMENT OF CASH FLOWS

	2023 R	2022 R
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Cash receipts from members and providers</i>	159 268 160	175 020 783
Cash receipts from members – contributions	159 137 235	174 913 527
Cash receipts from members and providers – other	130 925	107 256
<i>Cash paid to providers and members</i>	-183 558 712	-163 664 261
Cash paid to providers and members – claims	-169 462 849	-151 434 244
Cash paid for non-healthcare expenditure	-14 095 863	-12 230 017
<i>Interest income</i>	5 704 145	4 570 344
<i>Dividends</i>	3 810 853	4 272 255
Cash (utilised by)/generated from operations	-14 775 554	20 199 121
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of investments	-32 667 251	-36 040 326
Proceeds on disposals of investments	17 462 082	687 924
<i>Net cash flows from investing activities</i>	-15 205 169	-35 352 402
<i>Net decrease in cash and cash equivalents</i>	-29 980 723	-15 153 281
<i>Cash and cash equivalents at the beginning of the year</i>	43 160 840	58 314 121
Cash and cash equivalents at the end of the year	13 180 117	43 160 840

TFGMAS Highlights from the Annual Financial Statements as at 31 December 2023

NON-COMPLIANCE MATTERS

During 2023 the Scheme did not comply with the following sections and regulations of the Medical Schemes Act:

01 | Contributions not received within three days of it becoming due

In terms of Section 26(7) of the Act, all contributions shall be paid directly to a medical scheme not later than three days after payment thereof becoming due.

There were a small number of instances, during the year, where the Scheme received contributions after three days of becoming due, however, there are no contracts in place agreeing to this. A detailed mandate is in place with the Administrator regarding the collection of these contributions.

02 | Investment in participating employer and medical administrators

In terms of Section 35(8) of the Act, a medical scheme is prohibited from investing any of its assets in an employer who participates in that scheme or any medical scheme administrators.

At 31 December 2023 the Scheme held shares through linked life policies in The Foschini Group Ltd to the value of R954,587 (2022: R644,845), in Momentum Metropolitan Holdings to the value of R1,432,811 (2022: R988,041), in Discovery Ltd to the value of R951,829 (2022: R694,280) and in Sanlam Limited to the value of R1,687,718 (2022: R1,060,140).

Funds in this specific portfolio are structured at the sole discretion of the asset manager in a manner that maximizes returns.

Therefore, the Scheme does not make inputs into the structuring of the portfolio. The Scheme received exemption from this section of the Act until 30 November 2025 at which stage the Scheme will apply for a further exemption.

03 | Claims not settled within 30 days

In terms of Section 59(2) and Regulation 6(2) of the Act a medical scheme shall pay a member or supplier of services any benefit owing to that member or supplier within 30 days of receipt of the medical claim. A limited number of exceptions were noted where settlement took longer than 30 days from receipt. These were limited to more complex claims and management is committed to resolve these matters in a responsible manner and in the best interest of the member and the Scheme.

04 | Investment in local equities

In terms of Regulation 30 and Annexure B a medical scheme is only allowed to invest up to 40% of investable assets in local equities. As at 31 December 2023 the Scheme's equity holding exceeded this limit.

Regulation 30(3)(A) provides that assets in excess of the minimum specified in Regulation 30 may be allocated according to different percentages if a medical scheme provides the Registrar of Medical Schemes with a certified statement from a suitably qualified person. The Scheme provided such statement to the Registrar of Medical Schemes, and the Scheme is investing within the suggested percentages.

TFGMAS Highlights from the Scheme's financial results as at 31 December 2023

KEY FINANCIAL AND SERVICE METRICS

KEY FINANCIAL AND SERVICE METRICS	2023	2022
Total insurance liability for future members per statement of financial position	R 270 761 649	R 271 751 120
Accumulated funds ratio per Regulation 29	128,61%	124,25%
Membership (lives)	2 920	3 069
Insurance revenue	R 159 184 288	R 175 086 735
Members' funds per member at 31 December	R 92 727	R 88 472

KEY METRICS PER BENEFIT OPTION FOR THE YEAR ENDED 31 DECEMBER 2023	2023 TFG HEALTH	2023 TFG HEALTH PLUS	2023 TOTAL
Number of members at year-end	1 655	1 265	2 920
Average number of beneficiaries for the accounting period	3 452	3 020	6 472
Average age of beneficiaries for the accounting period	29	39	34
Pensioner ratio (beneficiaries >65 years old)	4,0%	14,0%	8,0%
Dependent ratio	2,1	2,3	2,2
Average contributions per member per month	R 2 823	R 7 322	R 4 816
Average insurance service expenditure per member per month (*)	R 2 864	R 6 987	R 4 690
Members' funds per member at 31 December	N/A	N/A	R 92 727
Insurance service expenditure as a percentage of contributions (*)	101,5%	95,4%	97,4%
Non-healthcare expenditure as a percentage of gross contributions	12,7%	4,9%	7,5%
Return on investments as a percentage of investments at 31 December	N/A	N/A	7,8%

* For the purpose of these ratios the directly attributable expenses were excluded from the insurance service expenditure.

TFGMAS Highlights from the Scheme's financial results as at 31 December 2023

KEY METRICS PER BENEFIT OPTION FOR THE YEAR ENDED 31 DECEMBER 2022	2022 TFG HEALTH	2022 TFG HEALTH PLUS	2022 TOTAL
Number of members at year-end	1 671	1 398	3 069
Average number of beneficiaries for the accounting period	3 539	3 324	6 863
Average age of beneficiaries for the accounting period	29	38	33
Pensioner ratio (beneficiaries >65 years old)	4,0%	13,0%	8,0%
Dependent ratio	2,1%	2,3%	2,2%
Average contributions per member per month	R 2 662	R 6 929	R 4 644
Average insurance service expenditure per member per month (*)	R 2 268	R 6 050	R 4 024
Members' funds per member at 31 December	N/A	N/A	R 88 472
Insurance service expenditure as a percentage of contributions (*)	85,2%	87,3%	86,7%
Non-healthcare expenditure as a percentage of gross contributions	12,7%	4,9%	7,3%
Return on investments as a percentage of investments at 31 December	N/A	N/A	6,3%

* For the purpose of these ratios the directly attributable expenses were excluded from the insurance service expenditure.





Medical Aid Scheme

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TFG Medical Aid Scheme. Registration number 1578 is administered by Discovery Health (Pty) Ltd, registration number 1997/013480/07. Discovery Health (Pty) Ltd is an authorised financial services provider.