GOLDEN ARROW
EMPLOYEES' MEDICAL BENEFIT FUND

Notice of the Annual General Meeting

TO BE HELD ON TUESDAY, 4 AUGUST 2026

Including the annual financial statements
for the year ended 31 December 2025

GOLDEN ARROW
EMPLOYEES' MEDICAL BENEFIT FUND

NOTICE OF THE ANNUAL GENERAL MEETING TO MEMBERS

NOTICE IN TERMS OF RULE 26.1 OF THE FUND RULES PERTAINING TO THE 2026 ANNUAL GENERAL MEETING

Notice is hereby reissued in terms of rule 26.1.3 that the Annual General Meeting (AGM) for the financial year ended in December 2025 will convene on Tuesday, 4 August 2026 at 18:30 at the Samaj Centre, Temple Street, Gatesville.

AGM ATTENDANCE

In accordance with the Fund's rules, attendance at the AGM will be limited to principal members in good standing (members whose contributions are not in arrears), officers of the Fund and relevant stakeholders who are formally invited by the Fund to attend the AGM in line with the Medical Schemes Act and the Fund's rules.

The members present at the meeting shall constitute a quorum, as prescribed by Fund rule 26.1.3, is required to ensure that the AGM proceeds.

The AGM will start promptly at 18:30.

Your support of the 2026 Golden Arrow Employees' Medical Benefit Fund AGM will be highly appreciated.

By order of the Board

MARIEHETTE LOUWSMA (MS)
PRINCIPAL OFFICER

GOLDEN ARROW
EMPLOYEES' MEDICAL BENEFIT FUND

ANNUAL GENERAL MEETING OF MEMBERS TO BE HELD ON TUESDAY, 4 AUGUST 2026 AT 18:30 AT THE SAMAJ CENTRE, TEMPLE STREET, GATESVILLE

AGENDA

1. Opening and welcome; confirmation of proper notice given and quorum present
2. Apologies and proxies received
3. **Resolution 1** | Approval of the Minutes of the Annual General Meeting held on 23 July 2025
4. Presentation of the Annual Report of the Chairperson of the Board for the year ended 31 December 2025
5. Presentation of the audited Annual Financial Statements for the year ended 31 December 2025
6. **Resolution 2** | Appointment of the External Auditors for the ensuing year
7. Election of Member-elected Trustees
    i. Announcement of nominations returned to the Principal Officer by the **cut-off date: 20 July 2026**
    ii. Voting for Member-elected Trustees
8. Other business of which notice was given to the Principal Officer by the **cut-off date: 20 July 2026**

We look forward to your participation at this very important meeting for members of the Fund.

By order of the Board

MARIEHETTE LOUWSMA (MS)
PRINCIPAL OFFICER

GOLDEN ARROW EMPLOYEES' MEDICAL BENEFIT FUND
MINUTES OF THE ANNUAL GENERAL MEETING HELD ON WEDNESDAY, 23 JULY 2025 AT 17:00 AT THE ARROWGATE DEPOT, 80 PALOTTI ROAD, MONTANA

PRESENT:

Fifty-five (55) members in person (including Trustees), the Chairperson and representatives of the Administrator (Momentum Health [MH])

APOLOGY:

Mr J Maggot	Alternate member-elected Trustee

1. WELCOME AND APOLOGIES

The Chairperson opened the meeting at 17:10 and welcomed all present.

The Chairperson advised that the meeting was quorate.

The Chairperson read the notice convening the Annual General Meeting (AGM), which was circulated timeously to all members, and it was taken as **READ.**

A member enquired why the adoption of the agenda was not included as part of the proceedings, as a motion was put forward by the Union for discussion and adoption by the members. The Fund Manager, Ms Andrews, informed the members that, in terms of the Fund rules and the Medical Schemes Act (MSA), the adoption of the agenda by the members present was not required. The communication, including the meeting pack and agenda, was distributed to members 21 days prior to the meeting. A number of members present insisted that the motion be added to the agenda and that the members present be afforded the opportunity to formally adopt the agenda.

The Chairperson informed the members that the Board of Trustees obtained a legal opinion on the motion put forward by the Union, after which the motion was deemed invalid to be tabled at the AGM. This decision, as well as the requirement to submit an amended motion, was communicated to the parties concerned. The Chairperson advised that the amended motion was still outstanding and, upon receipt thereof, a Special General Meeting (SGM) would be convened to deal with the matter. The Chairperson proposed that, in the interest of time, the business of the AGM proceeds in its current form.

Mr Wehr informed the members that he was not notified of the Board meeting where the legal opinion was provided to the Board and, as such, he was not part of the decision taken by the Board to deem the motion invalid. A number of members called for the Chairperson to close the meeting and continued to disrupt the proceedings.

The Chairperson allowed for an extensive period of time (approximately two hours) where members raised their concerns and objections to continuing with the meeting, after which he called the meeting to order and proceeded with the business at hand.

2. APOLOGIES AND PROXIES RECEIVED

The meeting noted the above-mentioned apology.

A total of 16 proxies were received.

3. RESOLUTION 1: APPROVAL OF THE MINUTES OF THE AGM HELD ON 24 JULY 2024

The minutes of the AGM held on 24 July 2024 was presented to the meeting for approval. Mr Abrahams proposed the approval of the minutes, the proposal of which was seconded by Mr Van Wyk. The resolution for the approval of the minutes was then **CARRIED.**

4. PRESENTATION OF THE CHAIRPERSON'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The annual report of the Board of Trustees for the year ended 31 December 2024, having been circulated and taken as **READ,** was presented to the meeting.

The Chairperson highlighted the following salient points:

- The Fund continued its commitment to providing its members with appropriate healthcare funding. The Board of Trustees continued to steer the Fund through sound, ethical governance processes to ensure the pursuit of service excellence in the provision of medical cover for members.
- The Fund continued to report positive financial results and maintained a strong financial position during 2024.
- The Employer was under no obligation to make any fixed contribution to the Fund or guarantee the benefits provided by the Fund; however, it remained committed to making monthly contributions for the year ended 31 December 2024 totalling R41,060,352 in support of the Fund.
- The reserve ratio continued to exceed the required statutory rate of 25%.
- Membership of the Fund decreased from 2,600 at the end of December 2023 to 2,520 at the end of December 2024. The average age of beneficiaries remained at 36 years and the pensioner ratio remained at 5%.
- It was imperative to ensure that the benefit offering remained sustainable in the long term and could be maintained without exorbitant contribution increases. As a result, the benefit limits for 2024 were increased by 6.2% on all benefit options. The Fund received a further exemption from Prescribed Minimum Benefits (PMBs) from the Council for Medical Schemes (CMS) until 31 December 2025.
- At the end of November 2023, the Fund announced its annual contribution increase of 6% for 2024, which was in line with the trend in the medical aid industry and considered the following uncontrollable and unavoidable factors:
  - benefit changes;
  - increases in tariffs, including those of healthcare providers;
  - increases in the utilisation of benefits;
  - the long-term sustainability of the Fund; and
  - the affordability of member contributions.
- Whilst the current reserve ratio appeared to be more than adequate to keep contribution increases low, the unpredictability of the ever-changing healthcare market and the volatility of year-on-year claims experience needed to be considered.
- The Board expressed its appreciation to all members for their contribution and ongoing active participation in the Fund.

The annual Chairperson's report for the year ended 31 December 2023 was **RECEIVED** and **ADOPTED,** as proposed by Mr Maggot and seconded by Mr Abrahams.

5. PRESENTATION OF THE AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

The meeting **NOTED** the annual financial statements for the period ended 31 December 2024.

6. RESOLUTION 2: APPOINTMENT OF THE EXTERNAL AUDITORS FOR THE ENSUING YEAR

The Chairperson informed members that the Board of Trustees recommended the re-appointment of Strachan & Crouse as the Fund's External Auditors for the ensuing year.

The meeting **RE-APPOINTED** Strachan & Crouse as the Fund's Auditors for the ensuing year, as proposed by Mr Abrahams and seconded by Mr Gaffley.

7. GENERAL

No matters were included for discussion under 'General'.

8. CLOSURE OF MEETING

There being no further business to discuss, the Chairperson thanked members for their attendance and expressed his appreciation to the Trustees, the Principal Officer, the Auditors and the Administrator for their efforts over the past year.

The Chairperson declared the meeting closed at 20:03.

CHAIRPERSON **DATE**

GOLDEN ARROW EMPLOYEES' MEDICAL BENEFIT FUND
CHAIRPERSON'S REPORT FOR THE FINANCIAL YEAR 2025

As Chairperson of the Board of Trustees of Golden Arrow Employees' Medical Benefit Fund (the Fund), I present the annual report of the Board of Trustees for the year ended 31 December 2025.

The Fund continued its commitment to providing its members with appropriate healthcare funding. The Board of Trustees continued to steer the Fund through sound, ethical governance processes to ensure the pursuit of service excellence in the provision of medical cover for members of the Fund.

The Fund continued to report positive financial results and maintained a strong financial position during 2025.

Golden Arrow Bus Services (Pty) Ltd has no obligation to make any fixed contribution to the Fund or to guarantee the benefits provided by the Fund, but the company committed to making monthly contributions for the year ending 31 December 2025 totalling R43,113,360 in order to support the Fund.

Therefore, the reserve ratio continued to exceed the required statutory rate of 25%. This favourable position is welcomed in a year in which the healthcare industry continued to be challenged by financial and legislative changes.

Membership of the Fund decreased from 2,520 at the end of December 2024 to 2,492 at the end of December 2025. The average age of beneficiaries at the end of December 2025 was 37 years and the pensioner ratio was 5%.

One of the most important factors that needs to be taken into consideration when enhancing benefits for the next year is that both the Fund rate (the rate at which we reimburse claims) and the benefit limits need to be increased.

The first priority of the Fund is to ensure that the current benefits remain sustainable in the long term and can be maintained without increasing contributions too much. As a result, the benefit limits for 2025 were increased by 5% on all the options.

The Fund also received further exemption for Prescribed Minimum Benefits from the Council for Medical Schemes until 31 December 2026.

As communicated at the end of November 2024, the Fund announced its annual contribution increase of 5% for 2025, which was in line with the trend in the medical aid industry. The annual contribution increases review takes into account the following uncontrollable and unavoidable factors:

- benefit changes;
- increases in tariffs, including those of healthcare providers;
- increases in the utilisation of benefits;
- the long-term sustainability of the Fund; and
- the affordability of member contributions.

While the reserve ratio may appear to be more than adequate to keep contribution increases low, we need to factor in the unpredictability of the ever-changing healthcare market and the volatility of year-on-year claims experience.

The Board expresses its appreciation to all members for their contribution and ongoing active participation in the Fund. We look forward to yet another successful year for the Fund in which our members and their dependants will enjoy good health.

YAASIEN ABRAHAMS
CHAIRPERSON

GOLDEN ARROW EMPLOYEES' MEDICAL BENEFIT FUND

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

GOLDEN ARROW EMPLOYEES' MEDICAL BENEFIT FUND
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for the year ended 31 December 2025

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REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees hereby presents its report for the year ended 31 December 2025.

Registration number: 1270

1. DESCRIPTION OF THE FUND

1.1 Terms of registration

Golden Arrow Employees' Medical Benefit Fund (the "Fund") is a not-for-profit fund registered in terms of the Medical Schemes Act No. 131 of 1998, as amended (the "Act"). Membership of the Fund is open to all employees of Golden Arrow Bus Services (Pty) Ltd and any other institution to whose employees membership has been extended by the Board of Trustees appointed to manage the Fund in terms of the rules.

1.2 Benefit options within the Fund

The Fund offers three benefit options, namely:
- Primary;
- Standard; and
- Advanced.

1.3 Risk transfer arrangement

The Fund has entered into a capitation agreement with Netcare 911 (Pty) Ltd to provide emergency transport to all the beneficiaries registered on the Fund.

2. MANAGEMENT

2.1 Board of Trustees

The names of the trustees in office during the year and up to the date of signing this report are:

Employer trustees

Mr A Levendal (Ex-Chairperson)	Resigned: August 2025
Mr Y Abrahams (Chairperson)	Resigned: March 2025 and Re-appointed: September 2025
Mr I Demink (Vice-Chairperson)	Appointed: May 2025
Mr K Patterson	Resigned: January 2026
Ms K de Jongh	Appointed: February 2026

Member trustees

Ms G Abrahams	
Ms L Engelbrecht	
Mr G Wehr	Resigned: March 2026

2.2 Principal Officer

Ms Mariehette Louwsma

Business address	**Postal address**
Arrowgate Depot	P O Box 1795
Pallotti Road	Cape Town
Montana Estate	8000
Cape Town	

2.3 Registered office and postal address

Registered office	**Postal address**
Arrowgate Depot	P O Box 1795
Pallotti Road	Cape Town
Montana Estate	8000
Cape Town	

2.4 Fund administrator during the year

Momentum Health (Pty) Limited

Business address	**Postal address**
268 West Avenue	P O Box 7400
Centurion	Centurion
Gauteng	0046
157	

2.5 Independent Auditors

Strachan & Crouse

Business address	**Postal address**
1226 Francis Baard Street	Private Bag X15
Hatfield	Menlo Park
Pretoria	0102
0083	

2.6 Actuaries

NMG Actuarial & Specialised Consulting

Business address	**Postal address**
Belvedere Office Park Block B	PO Box 3950
Pasita Street	Tygervalley
Tygervalley	7536
7536	

2.7 Investment manager during the year

Prescient Investment Management (Pty) Ltd

Business address	**Postal address**
Prescient House	P O Box 31142
The Terraces	Tokai
Steenberg Boulevard	7966
Steenberg Office Park	
Cape Town	
7945	
Financial services provider number: 2545	

2.8 Capitation Service Provider

Netcare 911 (Pty) Ltd

Business address	**Postal address**
Netcare 911 House	P O Box 3455
49 New Road	Halfway House
Midrand	1685
1685	

3. INVESTMENT STRATEGY OF THE FUND

The Fund's investment objectives are to maximise the return over the long-term with minimum risk. The investment strategy takes into consideration both constraints imposed by legislation and the Board of Trustees.

The Board of Trustees is responsible for all the investment decisions, and part of its strategy is to ensure that:

- the Fund remains liquid;
- that investments are placed at minimum risk and maximum return, with no risk of loss of capital;
- that investments made are within the regulations of the Medical Schemes Act No. 131 of 1998, as amended; and
- a risk assessment is performed with feedback to the Board of Trustees with recommendations on the risks identified.

The Fund invested in fixed income investments, bonds, money market instruments, and cash during 2025. This policy is reviewed annually, taking into consideration compliance with the Act, the risk and returns of the various investment instruments and the surplus of funds available to invest.

4. MANAGEMENT OF INSURANCE RISK

The primary insurance activity carried out by the Fund assumes the risk of loss from members and their dependants related to the health of the Fund's members. As such, the Fund is exposed to the uncertainty surrounding the timing and severity of claims under the contract.

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

The Fund uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims is greater than expected.

Insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques. The Board of Trustees frequently assess the necessity to enter into risk transfer arrangements in order to manage the Fund's insurance risk.

5. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES

5.1 Results of operations

The results of the Fund are clearly set out in the annual financial statements and the Board of Trustees believe that no further clarification is required.

5.2 Operational statistics - Current year

	2025			
	Primary	**Standard**	**Advanced**	**Total**
Number of members at the end of the year	17	2 261	214	2 492
Average number of members for the year	18	2 254	226	2 498
Number of beneficiaries at the end of the year	18	3 864	406	4 288
Average number of beneficiaries for the year	20	3 899	433	4 352
Number of dependants at the end of the year	1	1 603	192	1 796
Average number of dependants for the year	2	1 645	207	1 854
Dependant ratio at the end of the year	0.1	0.7	0.9	0.7
Average age of beneficiaries for the year	86	36	47	37
Pensioner ratio at the end of the year	100%	3%	19%	5%
Relevant healthcare expenditure as a percentage of contributions *	127%	129%	187%	137%
Relevant healthcare expenditure incurred per average beneficiary per month (pabpm)	703	1 119	2 442	1 249
Directly Attributable Insurance Service Expenses as a percentage of contributions	32%	14%	8%	13%
Directly Attributable Insurance Service Expenses (pabpm)	177	121	103	119
Average contributions per member per month (R)	616	1 500	2 496	1 584
Average contributions per beneficiary per month (R)	554	867	1 303	909
Average claims incurred per member per month (R)	678	1 837	4 579	2 076
Average claims incurred per beneficiary per month (R)	610	1 062	2 390	1 192
Average administration costs per member per month (R)	241	255	241	254
Average administration cost per beneficiary per month (R)	216	148	126	146
Average managed care services per member per month (R)	99	97	97	97
Non-health expenses per beneficiary per month (R)	76	50	44	49
Amount paid to the administrator (R)	46 700	5 847 884	586 345	6 480 929
Average reserves per member at 31 December (R)	N/A	N/A	N/A	120 772
Managed care: Management services as a percentage of contributions	16%	6%	4%	6%
Non-health expenses as a percentage of contributions	14%	6%	3%	5%
Return on investments as a percentage of investments	N/A	N/A	N/A	7%
Reserves per beneficiary (R)	N/A	N/A	N/A	69 322

Operational statistics - Prior year

	2024			
	Primary	**Standard**	**Advanced**	**Total**
Number of members at the end of the year	19	2 253	248	2 520
Average number of members for the year	20	2 296	249	2 565
Number of beneficiaries at the end of the year	21	3 933	470	4 424
Average number of beneficiaries for the year	22	4 029	479	4 530
Number of dependants at the end of the year	2	1 680	222	1 904
Average number of dependants for the year	2	1 733	230	1 965
Dependant ratio at the end of the year	0.1	0.7	0.9	0.8
Average age of beneficiaries for the year	83	35	46	36
Pensioner ratio at the end of the year	100%	3%	19%	5%
Relevant healthcare expenditure as a percentage of contributions *	152%	139%	194%	147%
Relevant healthcare expenditure incurred per average beneficiary per month (pabpm)	798	1 139	2 414	1 272
Directly Attributable Insurance Service Expenses as a percentage of contributions	33%	14%	8%	13%
Directly Attributable Insurance Service Expenses (pabpm)	173	112	104	111
Average contributions per member per month (R)	579	1 442	2 389	1 527
Average contributions per beneficiary per month (R)	526	822	1 242	865
Average claims incurred per member per month (R)	596	1 712	4 353	1 959
Average claims incurred per beneficiary per month (R)	542	975	2 263	1 109
Average administration costs per member per month (R)	229	236	240	236
Average administration cost per beneficiary per month (R)	208	135	125	134
Average managed care services per member per month (R)	92	92	92	92
Non-health expenses per beneficiary per month (R)	69	44	40	44
Amount paid to the administrator (R)	49 089	5 635 421	611 158	6 295 668
Average reserves per member at 31 December (R)	N/A	N/A	N/A	96 731
Managed care: Management services as a percentage of contributions	16%	6%	4%	6%
Non-health expenses as a percentage of contributions	13%	5%	3%	5%
Return on investments as a percentage of investments	N/A	N/A	N/A	8%
Reserves per beneficiary (R)	N/A	N/A	N/A	54 772

* The employer grant is not included in the ratio: Relevant Healthcare expenses as a percentage of contributions.

5.3 Solvency ratio

The solvency ratio is calculated on the following basis:

	2025 R	2024 R
Liability to members for future benefits	301 688 250	248 115 816
Less: Cumulative unrealised net gains on investments	(7 604 934)	(3 634 045)
Liability to members for future benefits per Regulation 29	294 083 316	244 481 771
Gross annual insurance revenue	47 528 851	47 014 422
Solvency ratio (Liability to members for future benefits/Gross annual insurance revenue)	618.75%	520.01%

5.4 Outstanding claims

The basis of calculation and the movement of the outstanding claims provision is discussed in notes 1.6 and 8 to the annual financial statements and this is consistent with the prior year. There have been no unusual movements that the trustees believe should be brought to the attention of the members of the Fund. The movements in the outstanding claims provision are set out in note 8 to the annual financial statements.

6. EMPLOYER GRANT

Golden Arrow Bus Services (Pty) Ltd has no obligation to make any fixed contribution to the Fund or to guarantee the benefits provided by the Fund, but the company has committed to make monthly contributions for the year ending 31 December 2025, totalling R43,113,360 (2024: R41,060,352) in order to support the Fund for the foreseeable future.

7. ACTUARIAL SERVICES

The Fund's actuaries have been consulted in the determination of the contribution and benefit levels. They monitor the Fund's claims expenditure and underwriting results on a monthly basis.

8. EVENTS AFTER REPORTING DATE

At the date of finalisation of the Annual Financial Statements there were no material events that occurred subsequent to the reporting date that required adjustments to the amounts recognised in the Annual Financial Statements.

9. INVESTMENT IN AND LOANS TO PARTICIPATING EMPLOYERS OF MEMBERS OF THE FUND AND TO OTHER RELATED PARTIES

The Fund holds no investments in and granted no loans to participating employers of the Fund's members. Note 17 to the annual financial statements fully discloses related party transactions.

10. AUDIT COMMITTEE

An Audit Committee was established on 31 March 2005 in accordance with the provisions of the Medical Schemes Act No. 131 of 1998, as amended. The audit committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties. At present, the committee consists of five members of which two are members of the Board of Trustees. The committee met on 2 occasions during the year as follows:
26 March 2025; and
4 November 2025.

Attendance of these meetings are disclosed in note 11 of the Report of the Board of Trustees. The audit committee members, the fund administrators and the external auditors attend committee meetings and have unrestricted access to the chairperson of the committee.

In accordance with the provisions of the Act, the primary responsibility of the committee is to assist the Board of Trustees in carrying out its duties relating to the Fund's accounting policies, internal control systems and financial reporting practices. The external auditors formally report to the committee on findings arising from audit activities.

The Audit Committee for the year under review comprised:

Ms U Gribble	Non-trustee	(Chairperson)
Ms C Smit	Non-trustee	
Ms J Ramplin	Non-trustee	
Mr A Levendal	Trustee	Resigned: August 2025
Mr Y Abrahams	Trustee	Resigned: March 2025, Re-appointed: September 2025 and Resigned: February 2026
Mr I Demink	Trustee	Appointed: June 2025
Ms K de Jongh	Trustee	Appointed: February 2026

11. BOARD OF TRUSTEES AND SUB-COMMITTEES MEETING ATTENDANCE

The following schedule sets out the number of meetings attended by the Board of Trustees and Sub-Committee members:

Type of committees	**Board Meetings**		**Audit Committee**		**Benefit Review**	
Number of committee meetings	7		2		3	
	A	B	A	B	A	B
Committee members						
Ms G Abrahams	7	6	0	0	3	3
Mr Y Abrahams (Chairperson)	3	3	1	1	0	0
Mr I Demink (Vice-Chairperson)	6	4	1	1	3	3
Ms L Engelbrecht	7	5	0	0	3	3
Mr A Levendal (Ex-Chairperson)	5	4	1	1	3	3
Mr K Patterson	7	7	1	1	3	2
Mr G Wehr	3	2	0	0	2	1
Ms C Smit (Non-Trustee)	0	0	2	2	0	0
Ms J Ramplin (Non-Trustee)	0	0	2	2	0	0
Ms U Gribble (Non-Trustee)	0	0	2	2	3	3
Ms M Louwsma (Principal Officer)	7	7	2	2	3	3

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

12. NON-COMPLIANCE MATTERS

The following areas of non-compliance with the Act were identified during the year:

12.1 Contravention of section 26(7) of the Medical Schemes Act

Nature and impact

In terms of section 26(7) of the Medical Schemes Act it is a requirement that contributions be received within 3 days of becoming due. This is an industry wide problem and is not confined to Golden Arrow Employees' Medical Benefit Fund.

Causes for the failure

The non-compliance relates to instances during the year when contributions were received more than 3 days after the due date.

Corrective action

Continuous communication to employer groups to emphasize the importance of prompt payment.

12. NON-COMPLIANCE MATTERS (continued)

12.2 Contravention of section 33(2) of the Medical Schemes Act

Nature and impact

Section 33(2) of the Act indicates that the Registrar shall not approve any benefit option under this section unless the Council is satisfied that such benefit options shall be self-supporting in terms of membership and financial performance; and are financially sound. The Registrar may withdraw benefit options directly affecting the members on these options.

At 31 December 2025, the following options reported an operational deficit for the year:

Options	Insurance service result loss for the year
	R
Primary	(78 102)
Standard	(17 429 229)
Advanced	(6 453 865)

Causes for the failure

The Fund was specifically costed to incur net healthcare deficits on the options as the increases necessary to achieve a net healthcare surplus would have been too onerous for members of the options.

Corrective action

As the solvency ratio at reporting date was 618.75%, the Board of Trustees were comfortable that the Fund would remain compliant with the minimum solvency ratios prescribed by the Medical Schemes Act.

13. FIDELITY COVER

In accordance with the rules, the Fund has insurance with Camargue (policy no. 2016/6928) to cover these risks. On 31 December 2025, the total cover was R8,000,000 (2024: R8,000,000).

14. OTHER MATTERS

The Fund obtained exemption from compliance with the Prescribed Minimum Benefits requirements. This exemption was obtained until 31 December 2026, subject to reconsideration by the Registrar should the Fund or industry change significantly.

GOLDEN ARROW EMPLOYEES' MEDICAL BENEFIT FUND
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2025
STATEMENT OF RESPONSIBILITY OF THE BOARD OF TRUSTEES

The trustees are responsible for the preparation, integrity, and fair presentation of the annual financial statements that fairly present the state of affairs of the Fund as at the end of the accounting year and the results of its operations and cash flow information for the year-ended. The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Medical Schemes Act, No. 131 of 1998, as amended, and includes amounts based on judgements and estimates made by the trustees.

The trustees consider that, in preparing the annual financial statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

The trustees are satisfied that the information contained in the annual financial statements fairly presents the results of operations and the cash flows for the year and the financial position of the Fund at year-end. The trustees also prepared the other information included in the annual report and are responsible for both its accuracy and its consistency with the annual financial statements.

The trustees are responsible for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Fund to enable the trustees to ensure that the annual financial statements comply with the relevant legislation.

Golden Arrow Employees' Medical Benefit Fund operates in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the Fund are being controlled.

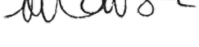
The going concern basis has been adopted in preparing the annual financial statements. The trustees have no reason to believe that the Fund will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These annual financial statements support the viability of the Fund. The continued long-term financial viability of the Fund is dependent upon the employer continuing to make grants to the Fund. The trustees do not currently have any basis to assume that the grant, although at the employer's discretion, will not continue into the future.

The Fund's external auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

The annual financial statements were approved by the Board of Trustees on 20 April 2026 and is signed on its behalf:

……
Mr Y Abrahams
Chairperson

……
Mr Demink
Vice-Chairperson



…….....
Ms M Louwsma
Principal Officer

20 April 2026

GOLDEN ARROW EMPLOYEES' MEDICAL BENEFIT FUND
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2025

STATEMENT OF CORPORATE GOVERNANCE BY THE BOARD OF TRUSTEES

Golden Arrow Employees' Medical Benefit Fund is committed to the principles and practice of fairness, openness, integrity and accountability in all dealings with its stakeholders. The trustees are proposed and elected by the members of the Fund and the employers.

BOARD OF TRUSTEES

The trustees meet regularly and monitor the performance of the Administrator. They address a range of key issues and ensure that discussion of items of policy, strategy and performance is critical, informed and constructive.

All trustees have access to the advice and services of the Principal Officer and, where appropriate, may seek independent professional advice at the expense of the Fund.

INTERNAL CONTROL

The Administrator of the Fund maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements and to safeguard, verify and maintain accountability for its assets adequately. Such controls are based on established policies and procedures and are implemented by trained personnel with the appropriate segregation of duties.

No event or item has come to the attention of the Board of Trustees that indicates any material breakdown in the functioning of the key internal controls and systems during the year under review.

……	……	……...
Mr Y Abrahams	Mr Demink	Ms M Louwsma
Chairperson	Vice-Chairperson	Principal Officer

20 April 2026

STRACHAN & CROUSE
Chartered Accountants & Registered Auditors

Capital Junction
1226 Francis Baard Street
Hatfield, Pretoria, 0083

Postnet Suite # 490
Private Bag X15
Menlopark, 0102

Tel:+ 27 (0) 12 430 3420

info@strachancrouse.co.za
www.strachancrouse.co.za

OUR REF: 2/2683/0

20 April 2026

Independent Auditor's Report

To the Members of Golden Arrow Employees' Medical Benefit Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Golden Arrow Employees' Medical Benefit Fund (the Scheme), set out on pages *18* to *55,* which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in members' funds and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Golden Arrow Employees' Medical Benefit Fund as at 31 December 2025*,* and its financial performance and cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Medical Schemes Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Scheme in accordance with the Independent Regulatory Board for Auditors' *Code of Professional*

Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence* Standards).
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	**How our audit addressed the key audit matter**
Claims	
Claims amounted to R62 m in the current financial year. Refer to Note 11 in the financial statements. Risk claims incurred is a key driver in determining the sustainability of the scheme. Due to the significance of the matter to the financial statements as a whole and the fact that claims are inherently susceptible to fraud and error, we identified claims to be a key audit matter. The majority of claims are received via electronic data interchange (EDI) and significant controls are implemented to ensure that only valid claims are processed and paid. The payment of valid claims is dependent on the integrity of the administration system of the scheme's administrator. We obtained claims data for the entire period and performed analytical, substantive and control testing in order to verify the validity and accuracy of claims.	We focused our testing on the controls implemented by management to ensure that all claims payable are accounted for and only valid claims are processed and paid. We obtained an understanding of the role that the internal audit department of the administrator played in identifying fraudulent claims. We obtained an understanding of the role of the clinical committee in approving claims to be paid. Through the use of computer assisted audit techniques we interrogated the full claims data and identified those claims which could be subject to audit. We evaluated the accuracy of the master file health care benefits and tariff codes on the administration platform and that members' benefit options are correctly loaded. We evaluated and considered the findings, as issued by the independent auditors of the administrator of the scheme, on the control – and information system processing environment of the administrator.

Provision for Outstanding claims component of the Liability for Incurred Claims (LIC)	
In terms of the Medical Schemes Act, members have at least four months from the date on which the medical service was rendered to submit their claims to the scheme. The scheme makes a provision for medical services rendered but not submitted at year end in order to disclose the ultimate cost of settling all claims for the year. Liability for incurred claims: The Liability for incurred claims (LIC) provision consisting of: – Best estimate liability of claims incurred but not reported R 1 863 761 (2024: R2 057 082); and – Risk adjustment R 109 141 (2024: R93 657); The LIC forms part of the insurance contract liability. The insurance contract liability is described in note 8 to the financial statements. The LIC includes the estimated cost of healthcare benefits that have been incurred by the members before the end of the financial year but that have not been reported to the Scheme by that date, as well as insurance accounts payable. Per IFRS 17, the Scheme measures the LIC provision as the fulfilment cash flows plus a risk adjustment at year-end. The estimate of the future cash flows in terms of the LIC provision is adjusted to reflect the compensation that the Scheme requires for bearing the uncertainty about the amount and timing of the cash flows arising from non-financial risk including claims risk, membership risk, and expense risk. At year-end, the cost of outstanding incurred claims is estimated by the Scheme's actuaries, using the Bornhuetter-Ferguson method (BFM) in the calculation of the Scheme's LIC provision. Considering the IFRS 17 requirements, the LIC estimate shows the LIC provision at various percentiles of the simulated LIC. We considered the Liability for incurred claims (Note 8) as a matter of most significance to the current year audit of the financial statements due to the following: - The degree of estimation uncertainty and complexity of the fulfilment cash flows; - Significant judgment in selecting the related risk adjustment for non-financial risk factors; and - the materiality of this liability.	Our audit procedures for the Liability of incurred claims (LIC) provision included the following: • We obtained an understanding of the inherent risk factors in relation to the complexity, subjectivity and the change of the LIC provision estimate; • We assessed the appropriateness and timely recognition of the related LIC provision against the requirements of IFRS 17 - Insurance contracts; • We have gained a detailed understanding of the claims and LIC estimation process and obtained an understanding of the relevant controls. • We obtained the report of the Scheme's independent actuary of the LIC provision at year end and tested the appropriateness of the estimate performed as follows: – Evaluated the competence, capabilities and objectivity of the Scheme's independent actuary. – Obtained an understanding of the method and models used in calculating the LIC provision estimate and assessed whether it is appropriate in terms of acceptable methodologies, industry standards, and that they meet the measurement objectives of IFRS 17; – Obtained an understanding of the significant assumptions used in the estimate and, challenged whether the assumptions are appropriate for the estimate of the LIC provision and the risk adjustment factors; – Obtained an understanding of the data utilised in the calculation of the estimate; – Assessed the estimate for indicators of possible management bias. • We obtained audit evidence from events occurring after the reporting period as a retrospective review of the LIC provision estimate that was set at year end: • We assessed the claims received subsequent to year-end for claims incurred relating to the 2025 financial year; Based on our assessment of the events and claims occurring after the reporting period as a retrospective review, we did not identify any matters that would require additional

	audit procedures to be performed. • We evaluated the presentation of the disclosure relating to the LIC provision in the current year, against the requirements of IFRS Accounting Standards and relevant industry guidance.

Other Information

The Scheme's trustees are responsible for the other information. The other information comprises the information included in the Audited Financial Statements which includes the Report of the Board of Trustees, the Statement of Responsibility by the Board of Trustees and the Statement of Corporate Governance by the Board of Trustees. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Scheme's Trustees for the Financial Statements

The Scheme's trustees are responsible for the preparation and fair presentation of the financial statements, in accordance with IFRS Accounting Standards as issued by the IASB and the requirements of the Medical Schemes Act of South Africa, and for such internal control as the Scheme's trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Scheme's trustees are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Scheme's trustees either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud+ or error, and to issue an auditors'' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Scheme's trustees.
- Conclude on the appropriateness of the Scheme's trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Scheme's trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
From the matters communicated with the Scheme's trustees, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

***Non-compliance with the Medical Schemes Act of South Africa*[1]**

As required by the Council for Medical Schemes, we report the following material instances of non-compliance with the requirements of the Medical Schemes Act of South Africa, as amended, that have come to our attention during the course of our audit:

1. Section 26(7) – Contributions received more than 3 days after the due date.
2. Section 33(2) – Benefit options shall be self-supporting. All benefit options not self-supporting.

Audit Tenure

As required by the Council for Medical Schemes' Circular 38 of 2018, *Audit Tenure*, we report that Strachan & Crouse has been the auditor of Golden Arrow Employees' Medical Benefit Fund for 3 years.

The engagement partner, D G Strachan, has been responsible for Golden Arrow Employees' Medical Benefit Fund's audit for 1 year.

STRACHAN & CROUSE
D G Strachan
Partner
Registered auditor
20 April 2026

Capital Junction
1226 Francis Baard Street
Hatfield
Pretoria
0083

GOLDEN ARROW EMPLOYEES' MEDICAL BENEFIT FUND
STATEMENT OF FINANCIAL POSITION
as at 31 December 2025

	Notes	2025 R	2024 R
ASSETS			
Non-current assets		221 605 984	178 185 464
Equipment	2	17 786	-
Financial assets at fair value through profit and loss	3	221 588 198	178 185 464
Current assets		80 732 230	70 601 131
Trade and other receivables	6	3 613 059	3 440 814
Cash and cash equivalents	4	77 119 171	67 160 317
Total assets		302 338 214	248 786 595
FUNDS AND LIABILITIES			
Non-current liabilities		301 688 250	248 115 816
Liability to members for future benefits	5.1	301 688 250	248 115 816
Current liabilities		649 964	670 779
Insurance contract liabilities	5.2	330 671	388 000
Trade and other payables	7	319 293	282 779
Total funds and liabilities		302 338 214	248 786 595

GOLDEN ARROW EMPLOYEES' MEDICAL BENEFIT FUND
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2025

	Notes	2025 R	2024 R
Insurance revenue*	10	47 488 414	47 011 514
Insurance service expense*		(71 250 879)	(69 169 379)
Claims incurred**	11	(62 240 913)	(60 314 120)
Third party claim recoveries**		122 248	20 278
Accredited managed healthcare services (no risk transfer)**	12	(2 901 509)	(2 818 784)
Directly attributable expenditure	13	(6 230 705)	(6 056 753)
Net expenses from risk transfer arrangement**	9	(198 732)	(2 105)
Premiums paid for risk transfer arrangement		(625 810)	(607 841)
Recoveries from risk transfer arrangement		427 078	605 736
Insurance service result		(23 961 197)	(22 159 970)
Other income		80 107 400	63 415 214
Employer Grant	15	43 113 360	41 060 352
Investment income	16	22 122 991	19 407 839
Realised gain on financial assets at fair value through profit and loss	3	10 900 160	517 855
Unrealised gain on financial assets at fair value through profit and loss	3	3 970 889	2 429 168
Other expenditure		(2 573 769)	(2 367 574)
Other administration expenditure	13	(1 385 573)	(1 220 115)
Investment management fees		(1 188 196)	(1 147 459)
Profit for the year before amounts attributable to members for future benefits		53 572 434	38 887 670
Transfer to liability to members for future benefits***	5.1	(53 572 434)	(38 887 670)
Profit or loss for the year		-	-

* Net Impairment loss on healthcare receivables disclosed under Other expenditure in the prior year has been reclassified from Other expenditure to Insurance revenue and Insurance service expenses, refer to note 28.

** Relevant healthcare expenditure consists of claims incurred, third party recoveries, accredited managed healthcare services (no transfer of risk) and reinsurance results.

*** Transfer to liability to members for future benefits was disclosed in the prior year under Insurance service expenses. To enhance transparency in the presentation of the Statement of Comprehensive Income, transfer to liability to members for future benefits have been excluded from the insurance services expenses and presented separately on the Statement of Comprehensive Income.

GOLDEN ARROW EMPLOYEES' MEDICAL BENEFIT FUND
STATEMENT OF CASH FLOWS
for the year ended 31 December 2025

	Note	2025 R	2024 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from members and providers		47 420 472	46 925 017
Cash receipts from members - contributions		47 306 055	46 903 343
Cash receipts from members and providers - other		114 417	21 674
Cash paid to providers, employees and members		(72 846 779)	(70 060 456)
Cash paid to providers, employees and members - insurance service expenditure		(71 481 291)	(68 832 464)
Cash paid to providers, employees and members - non-insurance expenditure		(1 365 488)	(1 227 992)
Cash utilised in operations		**(25 426 307)**	**(23 135 439)**
Cash receipts other: Employer Grant		42 942 276	41 060 352
Net cash from operating activities		**17 515 969**	**17 924 913**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		(13 000 000)	(21 000 000)
Interest received		5 442 885	5 908 611
Net cash utilised in investing activities		**(7 557 115)**	**(15 091 389)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		9 958 854	2 833 524
Cash and cash equivalents at the beginning of the year		67 160 317	64 326 793
Cash and cash equivalents at the end of the year	4	**77 119 171**	**67 160 317**

GOLDEN ARROW EMPLOYEES' MEDICAL BENEFIT FUND
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2025

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the annual financial statements are set out below and are in accordance with International Financial Reporting Standards (IFRS). These policies were consistently applied to all years presented.

1.1 Basis of preparation

The annual financial statements are prepared in accordance with IFRS. IFRS comprise International Financial Reporting Standards, International Accounting Standards (IAS) and the interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC). The standards referred to are set by the International Accounting Standards Board (IASB). The annual financial statements are prepared on a going concern basis using the historical cost convention, except for financial assets investments, which are carried at fair value.

The following new standards not yet effective are expected to be applicable to medical schemes:

Effective date	**Standard, amendment or interpretation**	**Summary of requirements**
Effective for annual periods beginning on or after 1 January 2026	Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments	These amendments: - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI). Early application is permitted.
Effective for annual periods beginning on or after 1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements	IFRS 18 Presentation and Disclosure in Financial Statements: The new IFRS Accounting Standard IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements. IAS 1 Presentation of Financial Statements did not have detailed requirements on: • classification of income and expenses in the statement of profit or loss. • presentation of subtotals above 'profit or loss' in the statement of profit or loss; or • aggregation and disaggregation of information presented in the primary financial statements or disclosed in the notes. This lack of detailed requirements led to diversity in practice as entities defined their own subtotals and performance measures. Investors found it difficult to analyse and compare companies' financial performance. IFRS 18 Presentation and Disclosure in Financial Statements, issued by the IASB on 9 April 2024, will improve the quality of financial reporting by: • requiring defined subtotals in the statement of profit or loss; Early application is permitted.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

1.2 Insurance contracts

IFRS 17 and mutual entity considerations

The Fund has aligned with and adopted the reporting requirements of a mutual entity for the purposes of applying IFRS17 which is different to the accounting under IFRS 4. While the legal construct of a medical scheme and a mutual entity differ, there are certain similarities between the two which allow for the same accounting treatment and principles to be applied for the purposes of IFRS 17. One such similarity lies in their purpose to satisfy a common need while not making profits or providing a return on capital.

It is expected that the remaining assets of the Fund will be used to pay current and future members. As the Fund is in a surplus position, it recognised a liability in its statement of financial position to provide coverage to future members.

This liability is in essence incurred because the Fund is obliged to:

- provide coverage to that member;
- pay incurred claims of that member; or
- provide coverage to future members.

On measurement of the liability to future members, the fulfilment cash flows of this liability are measured incorporating information about the fair value of the other assets and liabilities of the Fund. As a consequence of recognising this liability, the Fund's Accumulated Funds as previously reported were transferred to the insurance contract liability for future members on the transition date. As a result of the recognition of the liability to future members, an additional onerous contract liability was not recognised.

Identification of insurance contracts

The contracts issued by Fund (the issuer) indemnify covered members (the policyholder) and their registered dependants against the risk of loss arising from the occurrence of a health event (insured event). The timing, frequency and severity of the health event covered is uncertain. These contracts fall under the scope of IFRS 17.

Whilst the timing, frequency, severity and type of health events are uncertain, the ultimate insurance risk covered by a medical scheme can be defined as a single risk – that of providing cover for a health event that the member may incur. The risk under the insurance contracts issued by medical schemes can be expressed as the probability that an insured event ("health event") occurs, multiplied by the expected amount of the resulting claim.

Separating components from an insurance contract

Under IFRS 17, Personal Medical Savings Accounts meet the definition of an investment component as it requires a medical scheme to repay a member in all circumstances, regardless of whether an insured event occurs. The Fund does not have a savings option and therefore is not required to separate an investment component.

Level of aggregation

IFRS 17 requires the Fund to identify portfolios of insurance contracts. Such identification impacts the identification of groups of insurance contracts and the unit of account to which the requirements of IFRS 17 are applied. A portfolio comprises contracts subject to similar risks that are managed together.

The Fund has applied the exemption under IFRS 17 to include all insurance contracts issued by the Fund within the same group given that the Act prevents the Fund from assessing the risks of an individual member and setting contributions or levels of benefits that fully reflect the risk of that member. As such, the Fund does not group contracts into various profitability groupings.

The contracts issued by the Fund are subject to similar risks and managed together and fall into the same portfolio with no further disaggregation into groups. The level of aggregation is set at the overall Scheme level for the Fund.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

1.2 Insurance contracts (continued)

Recognition and derecognition

IFRS 17 requires the Fund to recognise a group of insurance contracts it issues from the earliest of the following:

(a) The beginning of the coverage period;
(b) The date when the first payment from a member becomes due; and
(c) For onerous contracts, when the contracts become onerous.

The Fund is required to derecognise an insurance contract:

(a) When the obligation specified in the insurance contract expires or is discharged or cancelled; or
(b) If the terms are modified due to an agreement between the Fund and its members or by Regulation.

The Fund's coverage period aligns to the financial reporting year and its benefit cycle as both begin on 1 January each year and conclude on 31 December of the same year.

An insurance contract is derecognised when it is extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled).

Onerous contracts

In the consideration of whether facts and circumstances indicate that a group of insurance contracts is onerous, the Fund considers whether the expected deficit of the following year exceeds the insurance liability attributable to future members. In the rare scenario where the following year's deficit exceeds the insurance liability attributable to future members – the contracts written would be onerous and an onerous contract liability raised. Where the amounts attributable to future members exceed the following year's deficit the contracts would not be determined as onerous, and no provision raised as a liability is already recognised.

Contract boundary

The Fund uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

The contract boundary and the coverage period for the Fund is one year or less. This is supported by the setting of contribution levels annually with the benefit cycle commencing on 1 January and ending on 31 December of each year.

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 member is obligated to pay contributions, or the Fund has a substantive obligation to provide the member with insurance coverage or other services.

Cash flows outside the boundary of an insurance contract and which relate to future insurance contracts are recognised when those contracts meet the recognition criteria.

The insurance contracts issued by the Fund to its members have a contract boundary of one year or less.

Measurement model - Premium allocation approach (PAA)

IFRS 17 introduces a default measurement model for insurance contract liabilities referred to as the General Measurement Model (GMM). An optional simplified approach referred to as the Premium Allocation Approach (PAA) is available to entities where their contracts have a coverage period of one year or less, or where the entity reasonably expects that applying the PAA would not produce a measurement of the Liability for Remaining Coverage (LRC) (a component of the insurance contract liability) that would differ materially from that under the GMM.

The Fund meets the eligibility criteria above to apply the PAA as its contracts have a coverage period of one year or less.

The contract boundary for contracts issued to its members does not exceed 12 months and consequently the Fund elected to apply the PAA. In applying the PAA, the Fund chose to recognise any insurance acquisition cash flows as expenses when it incurs those costs.

The classification of the Fund as mutual entities does not impact the extent of insurance contract services to be provided by the Fund in terms of the member contracts and therefore the PAA is still applicable.

The Fund measures the Liability for incurred claims (LIC) as the fulfilment cash flows relating to incurred claims. The future cash flows are not adjusted for the time value of money and the effect of financial risk as these cash flows are expected to be paid in one year or less from the date the claims are incurred.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

1.2 Insurance contracts (continued)

Liability for Remaining Coverage (LRC)

The LRC refers to the Fund's obligation to:

(a) Investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred (i.e., the obligation that relates to the unexpired portion of the insurance coverage); and

(b) Pay amounts under existing insurance contracts that relate to:

- insurance contract services not yet provided (i.e., the obligations that relate to future provision of insurance contract services); or
- other amounts that are not related to the provision of insurance contract services and that have not been transferred to the liability for incurred claims.

As the coverage period of the Fund's insurance contracts does not extend beyond the financial year, the Fund would have no obligation to pay for claims for insured events that have not occurred as there would be no unexpired portion of insurance coverage at the year-end reporting date.

No LRC is recognised for contributions received in advance at the year-end reporting date, as these contributions fall outside of the coverage period and result from a voluntary payment by the member in respect of a new contract effective from the following year and for which the Fund has no obligation to provide future insurance contract services as at the preceding year end reporting date.

As the coverage period and the financial year of the Fund are the same, there would be no LRC at the year-end reporting date.

Liability for Incurred Claims (LIC)

The LIC refers to the Fund's obligation to:

(a) Investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses; and

(b) pay amounts that relate to:

- insurance contract services that have already been provided, or
- other amounts that are not related to the provision of insurance contract services and that are not in the LRC.

The Fund's Rules require claims to be submitted within four months following the date on which the service was rendered. Therefore, at the year-end reporting date, the Fund is required to provide a LIC comprising the fulfilment cash flows related to the past service.

The LIC is measured at the fulfilment cash flows related to past service for cash flows within the contract boundary (best estimate of fulfilment cash flows) and adjusted to reflect the compensation that the Fund requires for bearing the uncertainty about the amount and timing of the cash flows arising from non-financial risk as the Fund fulfils its insurance contracts (risk adjustment).

The Fund estimates which cash flows are expected and the probability that they will occur as at the measurement date. The uncertainty in the insurance contracts lies in the number, severity, and timing of claims. The estimation is based on historical information, current conditions, and forecasts of future conditions. To the extent that the historical claims development method is used, it is assumed that the historical pattern will occur again in the future. There are reasons why this may not be the case, which, insofar as they can be identified, have been allowed for by modifying the methods. Such reasons may include:

- Changes in processes that affect the development or recording of claims paid and incurred (such as changes in claims submission mechanisms);
- Changes in composition of members and their dependants;
- Variations in the nature and average cost incurred per claim;
- Legislative changes (e.g., expansion of the definition of a Prescribed Minimum Benefit (PMB) / Chronic Disease List (CDL) condition); and
- Random fluctuations.

As the Fund is applying the PAA and the coverage period of each contract does not exceed one year, no discounting is applied.

Risk adjustment – liability for incurred claims (LIC)

The risk adjustment for non-financial risk is calculated at portfolio level as the Act limits the Fund's ability to set a price that reflects the risk at member level.

The confidence level method was used to derive the overall risk adjustment for non-financial risk. In the confidence level method, the risk adjustment is determined by applying a confidence level to run-off triangles used to calculate the LIC. The confidence level is set to 75%.

PRINCIPAL ACCOUNTING POLICIES (continued)

1.2 Insurance contracts (continued)

Reinsurance contracts - Risk transfer arrangements

IFRS 17 requires the Fund to apply the standard to the reinsurance contracts that it holds. A reinsurance contract is defined under IFRS 17 as an insurance contract issued by one entity to compensate another entity for claims arising from one or more insurance contracts issued by that other entity.

Whilst the capitation providers of the Fund's Risk Transfer Arrangements (RTAs) are not reinsurers as defined in the Act, these RTAs meet the definition of a reinsurance contract under IFRS 17 and therefore are required to be accounted for as such.

IFRS 17 requires the Fund to present income or expenses from reinsurance contracts held, separately from the expenses or income from the underlying insurance contracts issued by the Fund.

Risk transfer arrangements are contractual arrangements entered into by the Fund with providers. The providers are paid a fixed fee per member to cover the risk of the number of incidents that occur during a specified period and the cost of providing the service. Risk transfer arrangements do not reduce the Fund's primary obligations to its members and their dependents.

Contracts entered into by the Fund with third party service providers under which the Fund is compensated for losses/claims (through the provision of services to members) on one or more contracts issued by the Fund and that meet the classification requirements of insurance contracts are classified as risk transfer arrangements (reinsurance contracts). Only contracts that give rise to a significant transfer of insurance risk are accounted for as risk transfer arrangements. Risk transfer premiums/fees are recognised as an expense over the indemnity period.

The Fund’s RTA’s are grouped together as the contracts are subject to similar risks and are managed together. The unit of account does not differ from the unit of account of the underlying insurance contracts which have been assessed at Fund level.

The contract boundary and/or coverage period of the Fund's RTAs do not differ from the contract boundary and/or coverage period of the underlying insurance contracts. As these contracts have a boundary of one year or less, they are accounted for using the PAA.

Risk transfer premiums are recognised as an expense over the indemnity period.

Risk transfer claims and benefits reimbursed are presented in the statement of profit or loss and other comprehensive income and statement of financial position on a gross basis.

Amounts recoverable under risk transfer arrangements are estimated in a manner consistent with the insurance contracts and are assessed for non-performance at each reporting date.

Insurance revenue

When an entity applies the PAA, insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) adjusted to reflect the time value of money and the effect of financial risk, if applicable, allocated to the period.

The entity shall allocate the expected premium receipts to each period of insurance contract services on the basis of the passage of time; but if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then on the basis of the expected timing of incurred insurance service expenses.

Insurance revenue for the period is the amount of expected premium receipts (excluding the PMSA) allocated to the period. The Fund allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time and does not have a savings option.

Insurance service expenses

The Fund presents insurance service expense in profit or loss in insurance service expenses comprising incurred claims and other incurred insurance service expenses.

In applying the PAA, an entity may choose to recognise any insurance acquisition cash flows as expenses when it incurs those costs, provided that the coverage period of each contract in the group at initial recognition is no more than one year.

The Fund presents in profit or loss insurance service expenses comprising:

- Incurred claims;
- Changes that relate to past service - changes in fulfilment cash flows relating to the LIC;
- Third party claims recoveries;
- Accredited managed healthcare services (no risk transfer) - comprises amounts paid or payable to third parties for managing the utilisation, costs and quality of healthcare services to the members and their registered dependants;
- Other incurred directly attributable insurance service expenses – expenses that are directly attributable to the fulfilment of the obligations of the insurance contract. Expenses that are not directly attributable are classified as other operating expenses.

PRINCIPAL ACCOUNTING POLICIES (continued)

1.3 Equipment

The Scheme only holds equipment. Equipment is reflected at historical cost less accumulated depreciation and accumulated impairments. Depreciation is charged on the straight-line basis over the estimated useful lives of the assets after taking into consideration the assets' residual value.

The estimated useful lives of equipment are as follows:

Computer equipment - 3 years

The useful lives, depreciation methods and residual values are reviewed annually at the reporting date and adjusted if appropriate.

Maintenance and repairs are expensed as incurred. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Fund.

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with its carrying amount. Gains and losses on the disposal of equipment is recognised in profit or loss.

1.4 Financial instruments

The Fund classifies its financial assets under IFRS 9 in the following measurement categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit or loss), and
- those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For investments in equity instruments that are not held for trading, this will depend on whether the Fund has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI).

The Fund reclassifies debt investments when and only when its business model for managing those assets.

The Fund has grouped the financial instruments in the following categories:

- Trade and other receivables;
- Cash and cash equivalents;
- Accounts payable; and
- Financial assets at fair value through profit and loss.

The classification depends on the purpose for which the financial instruments are acquired. Management determines the classification of financial instruments at initial recognition. All purchases and sales of financial instruments are recognised on the trade date, which is the date on which the Fund commits to purchase the financial asset or assume financial liability. All financial assets are recognised initially at fair value plus directly attributable transaction costs.

Financial Assets

Recognition and Derecognition

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.

PRINCIPAL ACCOUNTING POLICIES (continued)

1.4 Financial instruments (continued)

Classification

IFRS 9 contains three major categories relating to the classification of debt instruments.
- Measured at amortised cost;
- Measured at fair value through other comprehensive income (FVOCI); and
- Measured at fair value through profit or loss (FVTPL).

(a) Amortised Cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

1. The financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows, and

2. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Fair value through other comprehensive income (FVOCI)

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

1. The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
2. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Fair value through profit or loss (FVTPL)

Financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. However an entity may make an irrevocable election at initial recognition for particular investments in equity instruments, that would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income.

Initial and Subsequent Measurement

Financial assets held at amortised cost

Trade and other receivables are initially measured at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest method.
Interest income is recognised less any expected credit impairment losses which are recognised as part of credit impairment charges.
Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets at fair value through profit or loss

Financial assets carried at fair value through profit or loss are initially recognised at fair value and the transaction costs are expensed in the profit or loss. Gains or losses arising from changes in the fair value, dividend and interest returns are presented in profit or loss within the period in which they arise.

Cash and cash equivalents

Cash and cash equivalents comprise current accounts and deposits held on call with banks. Cash and cash equivalents are subsequently measured at amortised cost.

Cash and cash equivalents only include items held for the purpose of meeting short-term cash commitments rather than for investing or other purposes. Cash and cash equivalents have a maturity of less than three months and insignificant risk of changes in fair value.

PRINCIPAL ACCOUNTING POLICIES (continued)

1.4 Financial instruments (continued)

Derecognition of assets or financial liabilities

The Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

Where the Fund neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Fund determines whether it has retained control of the financial asset. In this case:
(i) If the Fund has not retained control, it derecognises the financial asset and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer; and
(ii) If the Fund has retained control, it continues to recognise the financial asset to the extent of its continuing involvement in the financial asset.

The Fund derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund has a current legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial liabilities

The Fund is not permitted to borrow, in terms of Section 35 (6)(c) of the Medical Schemes Act 131 of 1998, as amended. The Fund therefore has no long-term financial liabilities. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity. Financial liabilities include trade and other payables.

The Fund has grouped the financial liabilities in the following categories:

- Financial liabilities; and
- Outstanding claims provision

Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Insurance payables

Insurance payables are initially measured at fair value (which approximates cost), and are subsequently measured at amortised cost, using the effective interest method.

1.5 Impairment of assets

The Fund recognises a loss allowance for expected credit losses on Trade and other receivables. The expected credit loss model requires the Fund to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

In determining impairment of Insurance Receivables, the incurred loss model adopted under IFRS 17: Insurance Contracts has been assessed and is reasonable and appropriate to determine impairment of Insurance Receivables.
The Fund classifies its investments as Fair value through profit or loss. Impairment in financial instruments are therefore recognised in profit or loss as and when it occurs.

PRINCIPAL ACCOUNTING POLICIES (continued)

1.6 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of discounting to present value is material, provisions are adjusted to reflect the time value of money.

Outstanding claims provision

The outstanding claims provision is a provision made for the estimated cost of healthcare benefits that have occurred before the year-end, but that have not been reported to the Fund by that date. This provision is determined as accurately as possible based on a number of factors, which include previous experience in claims patterns, claims settlement patterns, changes in nature and number of members according to gender and age, trends in claims frequency, changes in the claims processing cycle, and variations in the nature and average cost incurred per claim.

The Fund does not discount its provision for outstanding claims on the basis that claims must be submitted within four months of the medical event.

1.7 Managed care: management services expenses

These expenses represent the amounts paid or payable for managing the utilisation, costs and quality of healthcare services to the Fund.

1.8 Interest income

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Fund.

1.9 Employer grant

Grant income is recognised on an accrual basis, based on the amount the employer has agreed to pay.

1.10 Income from collective investment schemes

Income from collective investment schemes is recognised when entitlement to receive income is established.

1.11 Reimbursements from the Road Accident Fund

The Fund grants assistance to its members in defraying expenditure incurred in connection with rendering of any relevant health service. Such expenditure may be in connection with a claim that is also made to the Road Accident Fund (the "RAF"), administered in terms of the Road Accident Fund Act No. 56 of 1996. If the member is reimbursed by the RAF, they are obliged contractually to cede that payment to the Fund to the extent that they have already been compensated.

A reimbursement from the RAF is a possible asset that arises from a claim submitted to the RAF and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Fund. The contingent assets are assessed continually to ensure that developments are appropriately reflected in the annual financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the annual financial statements in the period in which the change occurs. If an inflow of economic benefits has become probable, the Fund discloses the contingent asset. Amounts received in respect of reimbursements from the RAF are recognised as part of net claims incurred in the statement of comprehensive income.

1.12 Allocation of income and expenses to the different options

Except for contribution income, grant income and claims expenditure, other income and expenses are allocated monthly on a pro-rata basis based on the number of members in each option. Grant income is split based on calculations by NMG (actuaries). Contributions and claims are allocated based on the actual member options selected.

PRINCIPAL ACCOUNTING POLICIES (continued)

1.13 Functional and presentation currency

Items included in the annual financial statements are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Fund (the "functional currency"). The annual financial statements are presented in South African Rand (the "presentation currency"), which is the functional currency of the Fund.

1.14 Taxation

The Fund is registered under the Medical Schemes Act. It therefore falls within the definition of a benefit fund as defined in the Income Tax Act. The receipts and accruals of the Fund are exempt from taxation under Section 10(1)(d) of the Income Tax Act.

1.15 Key sources of estimation uncertainty and critical judgements

The preparation of the annual financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements, are disclosed in note 20.

Risk adjustment – liability for incurred claims (LIC)

The risk adjustment was calculated at the portfolio level as the Fund doesn't have groups due to laws that constrain the Fund's ability to set a price for different members. The confidence level method was used to derive the overall risk adjustment for non-financial risk. In the confidence level method, the risk adjustment is determined by applying a confidence level to run-off triangles used to calculate the LIC. The confidence level is set to 75%.

1.16 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes:

a) restricted activities;
b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors;
c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and
d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Fund has determined that some of its investments in collective investment schemes and market linked policies ("funds") are investments in unconsolidated structured entities. The Fund invests in these funds, whose objectives range from achieving medium- to long-term capital growth and whose investment strategy do not include the use of leverage. The funds are managed by unrelated asset managers and apply various investment strategies to accomplish their respective investment objectives. Taking into consideration the above factors, the Fund concluded that it is an unconsolidated structured entity.

The change in fair value of each fund is included in the statement of comprehensive income in realised and unrealised gains and losses on financial assets held at fair value through profit or loss.

1.17 Comparative disclosures

During the current year certain disclosure updates were made to align with industry best practice and recommendations. Where applicable the comparative disclosures were updated to allow for comparability.

2. EQUIPMENT	2025 R	2024 R
Cost		
At the beginning of the year	-	-
Additions	17 999	-
Disposals	-	-
At the end of the year	17 999	-
Accumulated depreciation		
At the beginning of the year	-	-
Depreciation charge	(213)	-
At the end of the year	(213)	-
Carrying amount at the end of the year	17 786	-

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	2025 R	2024 R
SEGREGATED PORTFOLIO		
Fair value at the beginning of the year	178 185 464	141 848 896
Purchases	13 000 000	21 000 000
Realised gain on financial assets at fair value through profit and loss	10 900 160	517 855
Unrealised gain on financial assets at fair value through profit and loss	3 970 889	2 429 168
Capitalised interest	16 680 106	13 499 228
Cost incurred in managing investments	(1 148 421)	(1 109 683)
Fair value at the end of the year	221 588 198	178 185 464
The look-through financial assets segregated portfolio comprises:		
Bonds 1 to 3 years	10 346 972	10 233 058
Bonds 3 years and above	33 150 296	46 586 385
Cash and Money market instruments	79 524 731	52 892 587
Collective investment schemes	88 138 077	59 861 869
Private Company	10 428 122	8 611 565
Fair value at the end of the year	221 588 198	178 185 464

The investment is administered by Prescient Investment Management (Pty) Ltd. It has no fixed date to maturity. The fair value of the investment is based on market values at 31 December 2025.
The financial assets has been classified as non-current as management have no intention to utilise any funds of the investment within the next 12 months.
A register of investments is available for inspection at the registered office of the Fund.

4. CASH AND CASH EQUIVALENTS	2025 R	2024 R
Call accounts	76 770 389	66 780 835
Current accounts	348 782	379 482
	77 119 171	67 160 317

The carrying amounts of cash and cash equivalents approximate their fair values due to the short-term maturities of these assets. The weighted average effective rate of the bank deposits was 5.29% (2024: 6.23%).

5. ANALYSIS OF INSURANCE CONTRACT LIABILITY

5.1 Liability to members for future benefits	2025 R	2024 R
Opening balance	248 115 816	209 228 146
Transfer to liability to members for future benefits	53 572 434	38 887 670
Closing balance	301 688 250	248 115 816

5.2 Reconciliation of the liability for remaining coverage and the liability for incurred claims - 2025

	Liability for Remaining Coverage	Liability for Incurred Claims	Total
Balance as at 1 January 2025	-	388 000	388 000
Insurance revenue			
New contracts and contracts measured under the full retrospective approach at transition	(47 488 414)	-	(47 488 414)
Total insurance revenue	(47 488 414)	-	(47 488 414)
Insurance service expenses			
Incurred claims and other directly attributable expenses	-	71 606 321	71 606 321
Insurance service result	(47 488 414)	71 606 321	24 117 907
Other changes: Premium debtors	182 359	(182 359)	-
Cash flows			
Contributions received	47 306 055	-	47 306 055
Claims and other directly attributable expenses paid	-	(71 481 291)	(71 481 291)
Total cash flows	47 306 055	(71 481 291)	(24 175 236)
Balance as at 31 December 2025	-	330 671	330 671

Comprising of:

Insurance receivables		4 065 507
Risk contributions outstanding		4 084 734
Member and service provider debt		24 866
Risk transfer arrangements - share of outstanding claims provision		29 145
Less: Provision for impairment on insurance receivables		(73 238)
Insurance payables		4 396 178
Amounts owing to members		3 927
Claims reported not yet paid		2 390 204
Outstanding claims provision		2 002 047
Closing insurance contract liabilities		(330 671)

5. INSURANCE CONTRACT LIABILITY (continued)

Reconciliation of the liability for remaining coverage and the liability for incurred claims - 2024

	Liability for Remaining Coverage	Liability for Incurred Claims	Total
Balance as at 1 January 2024	-	-	-
Insurance revenue			
New contracts and contracts measured under the full retrospective approach at transition	(47 014 422)	-	(47 014 422)
Total insurance revenue	(47 014 422)	-	(47 014 422)
Insurance service expenses			
Incurred claims and other directly attributable expenses	-	69 171 484	69 171 484
Insurance service result	(47 014 422)	69 171 484	22 157 062
Other changes: Premium debtors	111 079	(111 079)	-
Cash flows			
Contributions received	46 903 343	-	46 903 343
Claims and other directly attributable expenses paid	-	(68 672 405)	(68 672 405)
Total cash flows	46 903 343	(68 672 405)	(21 769 062)
Balance as at 31 December 2024	-	388 000	388 000

Comprising of:

Insurance receivables		3 931 179
Risk contributions outstanding		3 902 375
Member and service provider debt		38 435
Risk transfer arrangements - share of outstanding claims provision		31 260
Less: Provision for impairment on insurance receivables		(40 891)
Insurance payables		4 319 179
Amounts owing to members		17 317
Claims reported not yet paid		2 119 863
Outstanding claims provision		2 181 999
Closing insurance contract assets		(388 000)

6. TRADE AND OTHER RECEIVABLES

	2025 R	2024 R
Financial receivables		
Accrued interest	3 607	2 446
Employer grant	3 592 780	3 421 696
Prepaid expenses	16 672	16 672
	3 613 059	3 440 814

The carrying amounts of accounts receivable approximate their fair values due to the short-term maturities of these assets.

7. TRADE AND OTHER PAYABLES

	2025 R	2024 R
Financial liabilities		
Sundry accounts and accrued expenses	319 293	282 779

The carrying amounts of accounts payable approximate their fair values due to the short-term maturities of these assets.

8. LIABILITY FOR INCURRED CLAIMS

	2025	2024
Not covered by risk transfer arrangements	**R**	**R**
Provision for outstanding risk claims - incurred but not reported	1 863 761	2 057 082
Analysis of movements in outstanding risk claims		
Balance at the beginning of the year	2 057 082	1 859 990
Payments in respect of the prior year	(1 664 119)	(1 274 429)
Over provision in respect of the prior year	392 963	585 561
Reversal of prior year provision	(392 963)	(585 561)
Adjustment for the current year	1 863 761	2 057 082
Balance at the end of the year	1 863 761	2 057 082
Risk adjustment on claims		
Balance at the beginning of the year	93 657	151 056
Reversal of prior year provision	(93 657)	(151 056)
Adjustment for the current year	109 141	93 657
Balance at the end of the year	109 141	93 657
Covered by risk transfer arrangements		
Provision for outstanding risk claims - incurred but not reported	29 145	31 260
Analysis of movements in outstanding risk claims		
Balance at the beginning of the year	31 260	26 933
Reversal of prior year provision	(31 260)	(26 933)
Adjustment for the current year	29 145	31 260
Balance at the end of the year	29 145	31 260
Total outstanding claims provision	2 002 047	2 181 999

Process used to determine the assumptions

The process used to determine the assumptions is intended to result in neutral estimates of the most likely or expected outcome. The source of data used as inputs for the assumptions are internal, using detailed studies that are carried out monthly. There is more emphasis on current trends, and where in early years there is insufficient information to make a reliable best estimate of claims development, prudent assumptions are used.

Each notified claim is assessed on a separate, case-by-case basis with due regard to the claim circumstances, information available from managed care, management services and historical evidence of the size of similar claims. The provisions are based on information currently available. However, the ultimate liabilities may vary as a result of subsequent developments. The impact of many of the items affecting the ultimate costs of the loss is difficult to estimate. The provision estimation difficulties also differ by category of claims due to differences in the underlying insurance contract, claim complexity, the volume of claims, the individual severity of claims, determining the occurrence date of a claim, and reporting lags.

8. LIABILITY FOR INCURRED CLAIMS (continued)

Process used to determine the assumptions (continued)
The cost of outstanding claims is estimated using statistical methods. Such methods extrapolate the development of paid and incurred claims, average cost per claim, and ultimate claim numbers for each benefit year based upon observed developments of earlier years and expected loss ratios. Run-off triangles are used in situations where it takes time after the treatment date until the full extent of the claims to be paid is known. It is assumed that payments will emerge in a similar way in each service month. The proportional increase in the known cumulative payments from one development month to the next can then be used to calculate payments for future development months.

The actual method used is consistent with prior year categories of claims and observed historical claims developments. To the extent that these methods use historical claims development information, they assume that the historical claims development pattern will occur again in the future. There are reasons why this may not be the case, which, insofar as they can be identified, have been allowed for by modifying the methods. Such reasons include:

- changes in processes that affect the development/recording of claims paid and incurred (such as changes in claim reserving procedures);
- economic, legal, political and social trends (resulting in different than expected levels of inflation and/or minimum medical benefits to be provided);
- changes in composition of members and their dependents; and
- random fluctuations, including the impact of large losses.

Assumptions
The assumptions that have the greatest effect on the measurement of the outstanding claims provision are the expected percentages of claims settled after each of the first four months of the claims run-off period, before the claims turn stale.

Other assumptions
- The actual demographics of the Fund were used including all membership movements for the year;
- The effect of ageing of the population on the utilisation of health services are incorporated.
- Utilisation escalation has been provided for the impact of HIV/AIDS.

Where variables are considered to be immaterial, no impact has been assessed for significant changes to these variables. Particular variables may not be considered material at present. However, should the materiality level of an individual variable change, assessment of changes to that variable in future may be required.

An analysis of sensitivity around various scenarios for the general medical insurance business provides an indication of the adequacy of the Fund's estimation process.

The impact of the sensitivity of the assumptions are set out below:	Change in liability 2025 R	2024 R
Effect of a 1% point increase in the provision	18 638	20 571
Effect of a 2% point increase in the provision	37 275	41 142
Effect of a 3% point increase in the provision	55 913	61 712

The Fund believes that the liability for claims presented in the statement of financial position is adequate. However, it recognises that the process of estimation is based upon certain variables and assumptions which could differ when claims arise.

9. RISK TRANSFER ARRANGEMENTS

Reconciliation of risk transfer arrangements - 2025

	Assets for Remaining Coverage	Assets for Incurred Claims	Total R
Net balance as at 1 January 2025	-	-	-
Net income/(expense) from risk transfer contracts held			
Risk transfer expenses	(625 810)	-	(625 810)
Claims recovered	-	427 078	427 078
Net income/(expense) from risk transfer contracts held	(625 810)	427 078	(198 732)
Total amounts recognised in comprehensive income	(625 810)	427 078	(198 732)
Cash flows			
Premiums paid	625 810	-	625 810
Recoveries received		(427 078)	(427 078)
Total cash flows	625 810	(427 078)	198 732
Net balance as at 31 December 2025	-	-	-

Reconciliation of risk transfer arrangements - 2024

	Assets for Remaining Coverage	Assets for Incurred Claims	Total R
Net balance as at 1 January 2024	-	-	-
Net income/(expense) from risk transfer contracts held			
Risk transfer expenses	(607 841)	-	(607 841)
Claims recovered	-	605 736	605 736
Net income/(expense) from risk transfer contracts held	(607 841)	605 736	(2 105)
Total amounts recognised in comprehensive income	(607 841)	605 736	(2 105)
Cash flows			
Premiums paid	607 841	-	607 841
Recoveries received	-	(605 736)	(605 736)
Total cash flows	607 841	(605 736)	2 105
Net balance as at 31 December 2024	-	-	-

10. INSURANCE REVENUE	2025 R	2024 R
Gross insurance revenue	47 528 851	47 014 422
Contribution impairment loss on healthcare receivables*	(40 437)	(2 908)
Insurance revenue	47 488 414	47 011 514

* The Insurance revenue for 2024 has been reclassified to include the contribution impairment on healthcare receivables. This would align the Insurance revenue disclosure to be reported as per IFRS17 guidelines.

11. INSURANCE SERVICE CLAIMS INCURRED	2025 R	2024 R
Claims incurred excluding claims incurred in respect of risk transfer arrangements		
Current year claims	60 335 643	58 289 293
Movement in outstanding risk claims provision	1 470 798	1 471 521
Over provision in respect of the prior year (note 8)	(392 963)	(585 561)
Adjustment for the current year (note 8)	1 863 761	2 057 082
	61 806 441	59 760 814
Risk adjustment on claims		
Current year risk adjustment movement on claims	15 484	(57 399)
Claims incurred in respect of risk transfer arrangements		
Current year claims	397 933	574 476
Outstanding risk claims provision (note 8)	29 145	31 260
	427 078	605 736
Impairment (gain)/loss on healthcare receivables*	(8 090)	4 969
Caims incurred	62 240 913	60 314 120

* The claims incurred for 2024 has been reclassified to include the impairment on healthcare receivables. This would align the claims incurred disclosure to be reported as per IFRS17 guidelines.

12. ACCREDITED MANAGED HEALTHCARE SERVICES	2025 R	2024 R
Active disease risk management services	766 622	744 475
Dental benefit management services	115 201	111 960
Hospital benefit management services	1 134 300	1 102 263
Managed care network management services and risk management	224 464	218 140
Pharmacy benefit management services	660 922	641 946
	2 901 509	2 818 784

13. ADMINISTRATION AND OTHER EXPENSES

	2025	2024
Accredited Administration Services	**R**	**R**
Member record management	210 978	205 027
Contribution management	172 401	167 591
Claims management	1 315 713	1 278 097
Financial management	933 699	906 879
Information management and data control	1 255 288	1 219 318
Customer services	1 730 842	1 681 504
Total accredited administration services	5 618 921	5 458 416
Other Administration Services		
Benefit management services	69 643	67 526
Internal audit services	82 958	80 471
Third party claim recovery services	42 674	41 635
Forensic investigations and recoveries	118 121	114 759
Governance and compliance services rendered	548 612	532 861
Total other administration services provided by accredited administrators	862 008	837 252
Directly attributable insurance expenses		
Actuarial fees - Pricing and benefit design	499 467	489 176
Administrator's fees		
- Administration fees paid in respect of accredited services	5 618 921	5 458 416
- Administration expenditure: benefit management services	69 643	67 526
- Third party claims recovery administration fees	42 674	41 635
	6 230 705	6 056 753
Not directly attributable insurance expenses		
Administration fees	749 691	728 091
Audit fees	293 526	282 780
Association fees	7 308	7 150
Bank charges	28 153	29 839
Council for Medical Schemes	134 258	127 277
Depreciation	213	-
Fidelity cover	14 015	13 793
Legal fees	77 552	-
Office equipment	7 768	-
Principal officer remuneration	55 000	-
Printing, postage, and communication services	18 089	31 185
	1 385 573	1 220 115

14. NET IMPAIRMENT LOSS ON HEALTHCARE RECEIVABLES	2025 R	2024 R
Accounts receivable		
Risk contributions that are not collectable	(40 437)	(2 908)
Movement in provision	(40 437)	(2 908)
Members' and service providers' portions that are not recoverable	8 090	(4 969)
Movement in provision	8 090	412
Written off	-	(5 381)
	(32 347)	(7 877)

15. GRANT		
Employer grant income	43 113 360	41 060 352

16. INVESTMENT INCOME		
Interest on financial assets at fair value through profit and loss	16 680 106	13 499 228
Interest on cash and cash equivalents	5 442 885	5 908 611
	22 122 991	19 407 839

17. RELATED PARTY TRANSACTIONS

Each medical scheme needs to assess individually who its related parties are, taking into account its individual circumstances. "A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity' in IAS 24).

Parties with significant influence over the Fund

Golden Arrow Bus Services (Pty) Ltd has significant influence over the Fund, as they participate in the Fund's financial and operating policy decisions, but do not control the Fund.

Momentum Health (Pty) Ltd (MH) has significant influence over the Fund, as they provide financial and operational information on which policy decisions are based, but do not control the Fund. MH provides administration services.

Managed care organisation, MH, has significant influence over the Fund as managed care provider, but do not control the Fund.

NMG Actuaries and Consultants have significant influence over the Fund, as they consult and advise on various strategic issues which guide the Fund's operations, but do not control the Fund.

Key management personnel and their close family members

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Fund. Key management personnel include the Board of Trustees, the Principal Officer and members of sub-committees.

Close family members includes family members of the Board of Trustees, Principal Officer and members of the sub-committees.

Transactions with related parties **Key management personnel**	**2025** **R**	**2024** **R**
Statement of comprehensive income		
Insurance revenue received	169 537	169 083
Claims paid	(178 293)	(333 231)
Principal Officer remuneration	(55 000)	-

The trustees and committee members did not receive any fees from the Fund for the years ended 31 December 2025 and 2024.

The terms and conditions of the related party transactions were as follows:

Insurance revenue received

This constitutes the insurance revenue paid by the related party as a member of the Fund, in their individual capacity. All insurance revenue received were at the same terms as applicable to all members.

Claims incurred

This constitutes amounts claimed by the related parties, in their individual capacity as members of the Fund. All claims were paid out in terms of the rules of the Fund, as applicable to all members.

Principal Officer remuneration

This constitutes remuneration received by the Principal Officer of the Fund for duties performed as per contractual agreement with the Fund.

17. RELATED PARTY TRANSACTIONS (continued)

Transactions with entities that have significant influence over the Fund

	2025	2024
Statement of comprehensive income	**R**	**R**
Actuarial fees (NMG)	(499 467)	(489 176)
Administration fees (MH)	(6 480 929)	(6 295 668)
Employer grant (Golden Arrow Bus Services (Pty) Ltd)	43 113 360	41 060 352
Managed care (MH)	(2 901 509)	(2 818 784)
Printing and postage (MH)	(18 089)	(31 185)
Statement of financial position		
Employer grant receivable (Golden Arrow Bus Services (Pty) Ltd)	3 592 780	3 421 696
Office equipment (Refund to Principal Officer)	(25 767)	-

Reimbursement of printing and postage costs
This constitutes amounts incurred by the Fund that was paid by the Administrator which is refundable to the Administrator by the Fund

Reimbursement of office equipment.
This constitutes amounts incurred by the Fund that was paid by the Principal Officer which is refundable by the Fund.

Terms and conditions of the administration agreement
The administration agreement is in terms of the rules of the Fund and in accordance with instructions given by the Board of Trustees. The duration of the agreement is indefinite but subject to the right of either party to terminate the agreement by giving not less than three months notice.

Terms and conditions of the managed care agreement
The managed care agreement is in terms of the rules of the Fund and in accordance with instructions given by the Board of Trustees. The duration of the agreement is indefinite but subject to the right of either party to terminate the agreement by giving not less than three months notice.

Terms and conditions of employer grants received
Grants received from the employer are not subject to any conditions.

18. GUARANTEES AND COMMITMENTS

The Fund does not have any guarantees. Golden Arrow Bus Services (Pty) Ltd has no obligation to make any fixed contributions to the Fund or to guarantee the benefits provided by the Fund, but the company has committed to make monthly contributions for the year ending 31 December 2025, amounting to R43,113,360 (2024: R41,060,352) in order to support the Fund for the foreseeable future.

19. CONTINGENT ASSET

As at 31 December 2025, the Fund had pending motor vehicle recoveries submitted to the Road Accident Fund (the "RAF") for assessment. This will only be accounted for when an amount is virtually certain to be received from the RAF. The value at year ending 31 December 2025 amounted to R926,273 (2024: R824,967).

20. INSURANCE RISK MANAGEMENT

Nature and extent of risks arising from insurance contracts

The Fund issues contracts that transfer insurance risk. This section summarises these risks and the way the Fund manages them.

Description of benefit options

Primary option

This option provides in-hospital treatment only at state facilities. A network of doctors and dentists are available to the beneficiaries of this option. All benefits are subject to an annual limit, which is reviewed by the Board of Trustees on an annual basis.

Standard option

This option provides in-hospital treatment at state facilities, as well as contracted private hospitals. A network of doctors and dentists are available to the beneficiaries of this option. All benefits are subject to an annual limit, which is reviewed by the Board of Trustees on an annual basis.

Advanced option

This option provides in-hospital treatment at state facilities, as well as contracted private hospitals. A network of doctors and dentists are available to the beneficiaries of this option. All benefits are subject to an annual limit, which is reviewed by the Board of Trustees on an annual basis. The overall annual limit on this option is substantially more than in the other options.

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

The Board of Trustees has developed and approved a documented policy for the acceptance and management of insurance risk to which the Fund is exposed. Reference has also been made to the requirements of the Medical Schemes Act in compiling the insurance risk management policy. This policy is reviewed annually and the benefit options provided to members are structured to fall within the acceptable insurance risk levels specified. The Board of Trustees also determines the policy for entering into alternative risk transfer arrangements and/or commercial reinsurance contracts, where appropriate. The annual business plan is structured around the insurance risk management policy. The Fund manages its insurance risk through benefit limits and sub-limits, approval procedures for transactions that involve pricing guidelines, pre-authorisation, case management and service provider profiling.

The Fund uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims is greater than expected.

20. INSURANCE RISK MANAGEMENT (continued)

Insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

Source of uncertainty in the estimation of future claims payments

The Fund frequently re-rates these products and assesses the extent of the underwriting loss and affordability for the members.

The Fund's strategy seeks diversity to ensure a balanced portfolio and is based on a large portfolio of similar risks over a number of years and, as such, it is believed that this reduces the variability of the outcome.

The strategy is set out in the annual business plan, which specifies the benefits to be provided by each option.

All the contracts are annual in nature and the Fund has the right to change the terms and conditions of the contract at renewal. Management information including contribution income and claims ratios by option, target market and demographic split, is reviewed monthly.

Risk transfer arrangements

The Fund transfers a portion of the risk it underwrites, via capitation agreements, in order to control its exposures to losses and protect capital resources. The capitation agreements are in-substance the same as non-proportional reinsurance treaties.

Concentration of insurance risk

The following table summarises the concentration of insurance risk, with reference to the number of the beneficiaries per option, by age group.

2025

Age grouping (in years)	Primary	Standard	Advanced	Total
0 - 24	-	1 144	98	1 242
25 - 34	-	511	16	527
35 - 49	-	1 281	69	1 350
50 - 64	-	814	144	958
65+	18	114	79	211
Total	18	3 864	406	4 288

2024

Age grouping (in years)	Primary	Standard	Advanced	Total
0 - 24	-	1 172	110	1 282
25 - 34	-	503	17	520
35 - 49	-	1 317	94	1 411
50 - 64	-	822	158	980
65+	21	119	91	231
Total	21	3 933	470	4 424

20. INSURANCE RISK MANAGEMENT (continued)

The following table summarises the concentration of insurance risk, with reference to the carrying amount of the insurance claims incurred (excluding risk transfer arrangements), by age group and in relation to the type of risk covered/benefits provided.

2025 (Rands)

Age grouping (in years)	General Practitioners	Specialist	Dentist	Medicine	Optical	Hospitals	Supp Health Services	Total
0 - 25	1 875 249	1 438 963	569 977	532 124	696 959	2 383 647	291 967	7 788 886
26 - 35	1 535 258	1 123 917	365 728	632 606	534 964	1 491 638	165 952	5 850 062
36 - 50	3 842 451	3 985 903	924 832	2 335 455	1 553 545	5 401 675	801 728	18 845 587
51 - 64	2 543 546	4 871 851	742 477	2 436 494	1 293 284	5 811 941	533 853	18 233 447
65+	630 103	2 872 925	169 891	1 492 473	246 347	3 891 399	314 524	9 617 661
Total	10 426 606	14 293 560	2 772 905	7 429 152	4 325 098	18 980 299	2 108 024	60 335 643

2024 (Rands)

Age grouping (in years)	General Practitioners	Specialist	Dentist	Medicine	Optical	Hospitals	Supp Health Services	Total
0 - 25	1 737 601	1 348 526	479 607	547 655	594 369	2 139 811	230 654	7 078 223
26 - 35	1 502 596	1 477 955	390 144	639 364	368 286	2 062 014	209 135	6 649 494
36 - 50	3 687 163	3 876 096	985 476	2 251 830	1 095 857	5 465 599	815 242	18 177 263
51 - 64	2 384 227	4 563 928	775 341	2 280 000	728 488	6 407 419	509 116	17 648 519
65+	619 175	2 759 174	121 496	1 346 874	128 955	3 455 104	305 016	8 735 794
Total	9 930 762	14 025 679	2 752 064	7 065 723	2 915 955	19 529 947	2 069 163	58 289 293

Risk adjustment sensitivity analysis

Below is a summary of the impact on the risk adjustment on the liability for incurred claims (LIC) if higher confidence levels were used. Any change in the risk adjustment will impact the incurred claims service expenses with an equal and opposite impact on profit or loss and ultimately the amounts attributable to future members.

2025

Risk adjustment on the LIC % adjustment	75%	80%	85%
Risk adjustment Rand amount	109 141	138 940	176 432

2024

Risk adjustment on the LIC % adjustment	75%	80%	85%
Risk adjustment Rand amount	93 657	126 426	173 557

21. CRITICAL ACCOUNTING JUDGEMENTS

In the process of applying the Fund's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the annual financial statements:

Outstanding claims provision
The assumption was made that the claims incurred but not reported (outstanding claims provision) as at year-end will follow the same trend as the previous years. The prior year's experience was built into the program to calculate this provision.

Although the assumption is considered critical, the post reporting date settlements against the provision have been monitored to ensure reasonability of the original provision.

Provision for impairment of trade receivables
Provision is made for impairment of debt according to historical trends in the recoverability based on the ageing. The following amounts are provided for:
- Arrear contributions older than 120 days;
- Any amounts due from pensioners, resigned members and deceased members; and
- Supplier debt over 120 days.

These estimates are subjective in nature and involve uncertainties and matters of significant judgement (e.g. interest rate, volatility, estimated cash flows etc.) and therefore cannot be determined with precision.

22. FIDELITY COVER

In accordance with the rules, the Fund has insurance with Camargue (policy no. 2016/6928), to cover these risks. On 31 December 2025, the total cover was R8,000,000 (2024: R8,000,000).

23. FINANCIAL RISK MANAGEMENT

The Fund is exposed to a range of financial risks through its financial assets, financial liabilities and insurance liabilities. In particular, the key financial risk is that the Fund's investment performance is not sufficient to maintain the current reserve ratio, or that the Fund should increase member insurance revenue due to insufficient investment performance. The most important components of this financial risks is interest rate risk.

This risk arises from open positions in interest rate risk products, which is exposed to general and specific market movements. The risk that the Fund primarily faces due to the nature of its investments and liabilities is interest rate risk.

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potentially adverse effects on the financial performance of the investments that the Fund holds to meet its obligations to its members.

The Fund appointed a professional asset management company with a solid track record to manage the Fund's investment portfolio. The asset manager aims to protect capital over rolling twelve month periods, while maximising the upside should market conditions be positive.

The following summary represents the major asset classifications held by the Fund which are exposed to the financial risks as discussed:

Asset allocation summary	**2025**	**2024**
	R	**R**
Financial assets at fair value through profit and loss (note 3)	221 588 198	178 185 464
Cash and cash equivalents (note 4)	77 119 171	67 160 317
Trade and other receivables (note 6)	3 613 059	3 440 814
	302 320 428	248 786 595

23.1 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The availability of funding through holding liquid cash positions with various financial institutions, ensures that the Fund has the ability to fund its day-to-day operations. In the event that a liquidity gap arises, the Fund has access to liquidity in the financial assets at fair value through profit and loss. Funds are available within 48 hours.

At year-end 52.44% (2024: 48.93%) of the Fund's assets was invested in cash products to ensure that the Fund can meet its short-term commitments.

23. FINANCIAL RISK MANAGEMENT (continued)

23.1 Liquidity risk (continued)

The table below illustrates the liquidity position of the Fund:

2025	Up to 1 Month R	2 - 3 Months R	4 - 12 Months R	Over 1 year R	Total R
Outstanding claims provision*	(1 839 783)	(23 978)	-	-	(1 863 761)
Insurance payables	(2 394 131)	-	-	-	(2 394 131)
Trade and other payables	(157 854)	(132 087)	(29 353)	-	(319 293)
Total	(4 391 768)	(156 064)	(29 353)	-	(4 577 185)
Cash and cash equivalents	77 119 171	-	-	-	77 119 171
Liquidity surplus					72 541 986

** Outstanding claims provision not covered by risk transfer arrangements.*

2024	Up to 1 Month R	2 - 3 Months R	4 - 12 Months R	Over 1 year R	Total R
Outstanding claims provision*	(1 057 008)	(258 667)	(741 407)	-	(2 057 082)
Insurance payables	(2 137 180)	-	-	-	(2 137 180)
Trade and other payables	(127 251)	(127 251)	(28 277)	-	(282 779)
Total	(3 321 439)	(385 918)	(769 684)	-	(4 477 041)
Cash and cash equivalents	67 160 317	-	-	-	67 160 317
Liquidity surplus					62 683 276

** Outstanding claims provision not covered by risk transfer arrangements.*

23.2 Credit risk

The Fund's principle financial assets are cash and cash equivalents, financial assets at fair value through profit and loss and accounts receivables. The Fund's credit risk is primarily attributable to its accounts receivable and cash and cash equivalents.

Trade receivables

The amounts presented in the statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience is evidence of a reduction in the recoverability of the cash flows. The Fund has a policy of limiting the amount of credit exposure to any one financial institution. An identified loss event comprises a receivable being outstanding for more than 120 days.

Cash and cash equivalents

The credit risk on liquid funds is limited because the counterparties are financial institutions with high credit ratings. The table below illustrates the majority of the exposure.

Financial institution	2025 R	2024 R	Credit rating (Moody's National Long-Term Rating) 2025	 2024
ABSA Bank Ltd	15 484 972	14 088 583	Aaa	Ba2
First National Bank Ltd	15 488 009	-	A1	Ba2
HSBC	-	5 032 066	Ba2	Aa3
Investec	15 483 665	15 097 923	Aaa	Ba2
Nedbank	14 830 079	16 464 948	Aa1	Ba2
Standard Bank	15 483 665	16 097 315	AA+	Ba2
	76 770 390	66 780 835		

23. FINANCIAL RISK MANAGEMENT (continued)

23.2 Credit risk (continued)

The table below illustrates the quality of the Fund's receivables in order to assess the credit risk.

2025	Fully performing	Past due not impaired	Impaired	Total
	R	R	R	R
Insurance receivables				
- Insurance revenue outstanding	3 933 605	95 952	55 177	4 084 734
- Member and provider debt	1 818	4 987	18 061	24 866
- Risk transfer arrangements	29 145	-	-	29 145
Trade and other receivables	3 613 059	-	-	3 613 059

2024	Fully performing	Past due not impaired	Impaired	Total
	R	R	R	R
Insurance receivables				
- Insurance revenue outstanding	3 827 010	60 625	14 740	3 902 375
- Member and provider debt	5 588	6 696	26 151	38 435
- Risk transfer arrangements	31 260	-	-	31 260
Trade and other receivables	3 440 814	-	-	3 440 814

The table below provides an age analysis of the credit that is past due, but not impaired.

2025	30 Days	60 days	90 days	Total
	R	R	R	R
Insurance revenue outstanding	42 776	29 982	23 194	95 952
Member and provider debt	68	1 032	3 887	4 987

2024	30 Days	60 days	90 days	Total
	R	R	R	R
Insurance revenue outstanding	26 896	21 148	12 581	60 625
Member and provider debt	6 696	-	-	6 696

23.3 Market risk

The Fund is exposed to market risk, which is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices. Market price risk comprises three types of risks: interest rate risk, currency risk and equity price risk.

Any changes in the value of the investment due to changes in the market risk variables will be recognised in the statement of comprehensive income as unrealised gains or losses on financial assets. The gain or loss will be subsequently recognised in the net surplus or deficit in the statement of comprehensive income on disposal of the financial asset.

Currency risk

The Fund operates in South Africa and therefore its cash flows are denominated in South African Rand (ZAR). The Fund has no currency risk.

Interest rate risk

The Fund is exposed to interest rate risk as it places funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate placements within market expectations.

23. FINANCIAL RISK MANAGEMENT (continued)

23.3 Market risk (continued)

Interest rate risk (continued)

The table below summarises the Fund's exposure to interest rate risk. Included in the table are the Fund's investments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

2025	1 - 3 Months	3 - 6 Months	6 - 12 Months	1 Year and Over	Total
	R	R	R	R	R
Financial assets at fair value through profit and loss	-	-	36 641 835	50 520 221	87 162 056
Cash and cash equivalents	77 119 171	-	-	-	77 119 171
Total interest-bearing assets	77 119 171	-	36 641 835	50 520 221	164 281 227

2024	1 - 3 Months	3 - 6 Months	6 - 12 Months	1 Year and Over	Total
	R	R	R	R	R
Financial assets at fair value through profit and loss	-	22 442 832	16 809 304	56 819 443	96 071 579
Cash and cash equivalents	67 160 317	-	-	-	67 160 317
Total interest-bearing assets	67 160 317	22 442 832	16 809 304	56 819 443	163 231 896

Sensitivity analysis - interest rate risk

The sensitivity analysis for interest rate risk illustrates how changes in the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date.

An increase/decrease in 100 basis points in interest rates would result in an increase/(decrease) of members' funds of R1,642,812 (2024: R1,621,741).

This sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. Management monitors the reported interest rate movements on a monthly basis.

Equity price risk

The Fund is exposed to equity price risk as it invested funds in South African equities through its financial assets at fair value investment portfolio. The Fund's equity portfolio is a long-term investment, and the funds invested in this portfolio are not needed in the short or medium term. This mitigates the risk for short-term fluctuations in the equity market. The Fund appointed a reputable investment manager with a good track record in terms of performance. There was no equity exposure in the portfolio at year end in 2025 and 2024.

23. FINANCIAL RISK MANAGEMENT (continued)

23.3 Market risk (continued)

Fair value estimation

In assessing the fair value of non-traded derivatives and other financial instruments, the Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Other techniques, such as option pricing models and estimated discounted value of future cash flows, are used to determine the fair value for the remaining financial instruments.

The face values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Fund for similar financial instruments.

Analysis of carrying amounts of financial assets and financial liabilities per category:

	2025	2024
Financial assets	**R**	**R**
Equipment	17 786	-
Financial assets at fair value through profit and loss	221 588 198	178 185 464
Trade and other receivables	3 613 059	3 440 814
Cash and cash equivalents	77 119 171	67 160 317
Financial liabilities		
Insurance contract liabilities to future members	301 688 250	248 115 816
Insurance contract liabilities	330 671	388 000
Trade and other payables	319 293	282 779

Fair value of financial assets by hierarchy level:

The fair value of financial assets through profit and loss is based on quoted market prices at the reporting date. The table below illustrates the fair values of financial assets by hierarchy level:

	Level 1	Level 2	Level 3	Total
2025	**R**	**R**	**R**	**R**
Bonds	-	43 497 268	-	43 497 268
Money market instruments and cash	79 524 731	98 566 199	-	178 090 930
Total	79 524 731	142 063 467	-	221 588 198

	Level 1	Level 2	Level 3	Total
2024	**R**	**R**	**R**	**R**
Bonds	-	56 819 443	-	56 819 443
Money market instruments and cash	52 892 587	68 473 434	-	121 366 021
Total	52 892 587	125 292 877	-	178 185 464

There were no reclassifications during the year between hierarchy levels.

23. FINANCIAL RISK MANAGEMENT (continued)

23.3 Market risk (continued)

Fair value of financial assets by hierarchy level: (continued)

The significance of the financial instrument determines the classification of the instrument in the fair value hierarchy:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. These are readily available in the market and are normally obtainable from multiple sources.
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:
- Quoted market prices or dealer quotes for similar instruments; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Trade and other receivables and payables were not carried at fair value in the statement of financial position but their carrying value approximates fair value due to their short-term nature.

Investment structures

The Fund's investment in a segregated portfolio is subject to the terms and conditions of the respective investment fund's offering documentation and are susceptible to market price risk arising from uncertainties about future values of this fund. The investment manager makes investment decisions after extensive due diligence of the underlying fund, its strategy and the overall quality of the underlying fund's manager. The funds in the investment portfolio is managed by portfolio managers who are compensated by the respective fund for their services. Such compensation generally consists of an asset-based fee and is reflected in the valuation of the scheme's investment in the fund.

The exposure the Fund has to this investment is listed in the table below in terms of Regulation 30 to the Act. The Fund's maximum exposure to loss from its interests in the fund is limited to the total fair value of its investment in the fund.

	As at 31 December 2025		As at 31 December 2024	
Fund	**Fair value**	**% exposure in terms of Regulation 30**	**Fair value**	**% exposure in terms of Regulation 30**
Prescient Investment Management	221 588 198	74.18%	178 185 464	72.63%

23. FINANCIAL RISK MANAGEMENT (continued)

23.3 Market risk (continued)

Investment structures (continued)

Investment in unconsolidated structures

The asset managers invest the Fund's monies in reputable funds which promise returns to the Fund The Fund views these funds as unconsolidated structured entities. The Fund monitors the performance of the funds closely to ensure the Fund earns high returns without unnecessary exposure to risk.

The Fund has investments in certain collective investment schemes (the Funds) as listed in the table below. The Fund's maximum exposure to loss from its interests in the funds is limited to the total fair value of its investments in the funds.

Fund name	2025 Fair value	2024 Fair value
	R	R
Prescient Enhanced Yield Fund B3	44 523 380	59 861 869
Prescient Specialist Income Fund	43 614 697	8 611 565
	88 138 077	68 473 434

23.4 Derivatives

Derivative instruments are used by the investment manager for the purpose of reducing investment risk, enabling diversification of asset allocations and interest rate exposures without having to divest from the instruments in the portfolio.
Derivatives used can generally be classified as futures and options.

Futures

Futures are contracts giving the holder or issuer the obligation to either purchase or sell a designated financial instrument, currency, commodity or an index at a specified future date for a specified price and may be settled in cash or another financial asset. Futures are standardised exchange-traded contracts. Futures trading may also be illiquid. Certain futures exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day’s trading beyond certain set limits. If prices fluctuate during a single day’s trading beyond those limits, the Fund could be prevented from promptly liquidating unfavourable positions and thus could be subject to substantial losses.

Options

Options are derivative financial instruments that give the buyer, in exchange for a premium payment, the right, but not the obligation, to either purchase from (call option) or sell to (put option) the writer a specified underlying instrument at a specified price on or before a specified date. The Fund enters into exchange-traded option contracts to meet the requirements of their risk management and trading activities.

The risk in buying an option is that the Fund pays a premium whether or not the option is exercised. The Fund also has the additional risk of not being able to enter into a closing transaction if a liquid secondary market does not exist. Call options that are “in-the-money” have credit risk in that the counterparty might not be able to settle the trade if closed out.

24. CAPITAL ADEQUACY RISK

The risk that there may be insufficient reserves to provide for adverse variations on actual and future experience.

The Fund's objective is to manage its capital in such a way that the annual contribution increase to members is as low as possible, or at least in line with the participating employer's salary increases. The Fund therefore decided to use some of its investment income to fund any possible deficit that might occur as a result of operational losses.
The solvency ratio was 618.75% at 31 December 2025 (2024: 520.01%). The ratio compares favourably to a prescribed solvency ratio of 25%. This measure of capital is consistent with the prior year, and there have been no changes in the Fund's objectives, policies and procedures for managing capital from that of the prior year.
The Fund's current favourable solvency position has been achieved as a consequence of a monthly grant received from the employer, Golden Arrow Bus Services (Pty) Ltd. It is noted that the long-term financial viability of the Fund is dependent upon the continuation of the employer grant.

25. GOING CONCERN

The going concern basis has been adopted in preparing the annual financial statements. The trustees have no reason to believe that the Fund will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These annual financial statements support the viability of the Fund. The continued long-term financial viability of the Fund is dependent upon the employer continuing to make grants to the Fund. The trustees do not currently have any basis to assume that the grant, although at the employer's discretion, will not continue into the future. Refer to note 24 of the notes to the annual financial statements for additional disclosure on events after reporting date.

26. EVENTS AFTER REPORTING DATE

At the date of finalisation of the Annual Financial Statements there were no material events that occurred subsequent to the reporting date that required adjustments to the amounts recognised in the Annual Financial Statements.

27. NON-COMPLIANCE MATTERS

The following areas of non-compliance with the Act were identified during the year:

27.1 Contravention of section 26(7) of the Medical Schemes Act

Nature and impact
In terms of section 26(7) of the Medical Schemes Act it is a requirement that contributions be received within 3 days of becoming due. This is an industry wide problem and is not confined to Golden Arrow Employees' Medical Benefit Fund.

Causes for the failure
The non-compliance relates to instances during the year when contributions were received more than 3 days after the due date.

Corrective action
Continuous communication to employer groups to emphasize the importance of prompt payment.

27. NON-COMPLIANCE MATTERS (continued)

27.2 Contravention of section 33(2) of the Medical Schemes Act

Nature and impact

Section 33(2) of the Act indicates that the Registrar shall not approve any benefit option under this section unless the Council is satisfied that such benefit options shall be self-supporting in terms of membership and financial performance; and are financially sound. The Registrar may withdraw benefit options directly affecting the members on these options.

At 31 December 2025, the following options reported an operational deficit for the year:

Options	Insurance service result
	R
Primary	(78 102)
Standard	(17 429 229)
Advanced	(6 453 865)

Causes for the failure

The Fund was specifically costed to incur net healthcare deficits on the options as the increase necessary to achieve a net healthcare surplus would have been too onerous for members of the options.

Corrective action

As the solvency ratio at reporting date was 618.75%, the Board of Trustees were comfortable that the Fund would remain compliant with the minimum solvency ratios prescribed by the Medical Schemes Act.

28. Prior Period Reclassification

A reclassification was done in the Statement of Comprehensive Income in the prior year to reclassify impairments on healthcare receivables previously disclosed under Other expenses to Insurance revenue and under Insurance service expenses in claims incurred. This would align the disclosure to be reported as per IFRS17 guidelines.

Below is the 2024 insurance revenue and insurance service expenses as currently reclassified compared to previously presented.

2024 Reclassified		2024 As previously presented	
Insurance revenue	47 014 422	Insurance revenue	47 014 422
Adjustment: Impairment loss	(2 908)		
	47 011 514		47 014 422
Insurance claims incurred	60 309 151	Insurance claims incurred	60 309 151
Adjustment: Impairment loss	4 969		
	60 314 120		60 309 151

29. BREAKDOWN PER BENEFIT OPTION

2025	Primary	Standard	Advanced	Total
	R	R	R	R
Insurance revenue	133 054	40 585 015	6 770 344	47 488 414
Insurance service expense	(209 456)	(57 837 078)	(13 204 345)	(71 250 879)
Claims incurred	(146 496)	(49 675 853)	(12 418 564)	(62 240 913)
Third party claim recoveries	937	109 888	11 423	122 248
Accredited managed healthcare services (no risk transfer)	(21 392)	(2 617 973)	(262 144)	(2 901 509)
Directly attributable expenditure	(42 505)	(5 653 140)	(535 061)	(6 230 705)
Net expense from risk transfer arrangement	(1 701)	(177 167)	(19 865)	(198 732)
Premiums paid for risk transfer arrangement	(4 614)	(564 656)	(56 540)	(625 810)
Recoveries from risk transfer arrangement	2 913	387 489	36 675	427 078
Insurance service result	(78 102)	(17 429 229)	(6 453 865)	(23 961 197)
Other income	474 128	65 725 617	13 907 655	80 107 400
Employer Grant	201 264	32 342 076	10 570 020	43 113 360
Investment income	165 238	19 938 777	2 018 976	22 122 991
Realised gain on financial assets at fair value through profit and loss	81 073	9 828 642	990 445	10 900 160
Unrealised gain on financial assets at fair value through profit and loss	26 553	3 616 122	328 214	3 970 889
Other expenditure	(18 189)	(2 329 493)	(226 087)	(2 573 769)
Other administration expenditure	(9 452)	(1 257 135)	(118 986)	(1 385 573)
Investment management fees	(8 737)	(1 072 358)	(107 101)	(1 188 196)
Profit for the year	377 836	45 966 895	7 227 703	53 572 434
Number of members at the end of the accounting period	17	2 261	214	2 492

2024	Primary	Standard	Advanced	Total
	R	R	R	R
Insurance revenue	138 901	39 733 783	7 138 830	47 011 514
Insurance service expense	(210 572)	(55 083 237)	(13 875 571)	(69 169 379)
Claims incurred	(143 083)	(47 163 264)	(13 007 773)	(60 314 120)
Third party claim recoveries	159	18 176	1 943	20 278
Accredited managed healthcare services (no risk transfer)	(21 982)	(2 523 123)	(273 679)	(2 818 784)
Directly attributable expenditure	(45 666)	(5 415 026)	(596 061)	(6 056 753)
Net expense from risk transfer arrangement	(173)	(2 528)	596	(2 105)
Premiums paid for risk transfer arrangement	(4 740)	(544 085)	(59 016)	(607 841)
Recoveries from risk transfer arrangement	4 567	541 557	59 612	605 736
Insurance service result	(71 843)	(15 351 982)	(6 736 145)	(22 159 970)
Other income	366 802	54 433 385	8 615 027	63 415 214
Employer Grant	193 488	34 413 876	6 452 988	41 060 352
Investment income	151 501	17 373 296	1 883 042	19 407 839
Realised loss on financial assets at fair value through profit and loss	3 481	471 108	43 266	517 855
Unrealised gain on financial assets at fair value through profit and loss	18 332	2 175 105	235 731	2 429 168
Other expenditure	(18 216)	(2 117 417)	(231 941)	(2 367 574)
Other administration expenditure	(9 199)	(1 090 841)	(120 075)	(1 220 115)
Investment management fees	(9 017)	(1 026 576)	(111 866)	(1 147 459)
Profit for the year	276 742	36 963 986	1 646 942	38 887 670
Number of members at the end of the accounting period	19	2253	248	2 520

Basis of allocation

Except for contribution income, claims and the employer grant, all other income and expenses are allocated according to membership.