



20 JUNE 2024

ANNUAL GENERAL MEETING

NOTICE OF THE MALCOR MEDICAL AID SCHEME ANNUAL GENERAL MEETING

The Board of Trustees of the Malcor Medical Aid Scheme is excited to invite you to our **virtual** Annual General Meeting via the Zoom Platform.

Meeting date: 20 June 2024
Meeting time: 09:00
Registration: Online registration is now open
Venue: Zoom, virtual meeting (you will receive the meeting link after registration and vetting has been completed)

Please register [here](#) to attend the AGM.

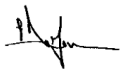
Following successful registration, you will receive an email containing a unique meeting invitation link.

Members attending the AGM will be required to provide their South African Identity Number/Passport Number, together with their membership number.

This meeting is open to all members in good standing.

We look forward to seeing you at the meeting.

Kind regards



Peter Dorfan
Principal Officer
Malcor Medical Aid Scheme

ANNUAL GENERAL MEETING MALCOR MEDICAL AID SCHEME

Date: 20 June 2024

Time: 09:00 – 10:00

Venue: Virtual AGM, via Zoom

AGENDA

1.	CONSTITUTION	CHAIRPERSON
1.1	Notice of meeting and welcome	
1.2	Present	
1.3	Apologies	
1.4	Confirmation of quorum	
1.5	Confirmation of motions submitted	
2.	MINUTES OF THE PREVIOUS MEETING	CHAIRPERSON
2.1	Approval of the minutes of the Annual General Meeting held on 21 June 2023	
3.	ANNUAL FINANCIAL STATEMENTS	PRINCIPAL OFFICER
3.1	Approval of the Annual Financial Statements for the year ending 31 December 2023	
4.	APPOINTMENT OF THE AUDITORS	PRINCIPAL OFFICER
4.1	Harris, Dowden & Fontaine	
5.	SUBMITTED MOTIONS	PRINCIPAL OFFICER
5.1	To be announced	
6.	GENERAL	PRINCIPAL OFFICER
7.	CLOSURE	CHAIRPERSON

Any member who is entitled to attend and vote at a general meeting of the Malcor Medical Aid Scheme shall have the right to appoint a proxy, who must be a main member of good standing with the Scheme, to vote in his stead. Forms of proxy must be emailed to the Principal Officer at: pdorfan@gmail.com. Proxies to be received no later than on 07 June 2024.

Notices of motions to be placed before the Annual General Meeting must reach the Principal Officer at pdorfan@gmail.com by no later than 07 June 2024.

Included:

- Proxy form
- Minutes of the Annual General Meeting held on 21 June 2023
- Annual Financial Statements for the year ending 31 December 2023



Proxy form for the Annual General Meeting Malcor Medical Aid Scheme



Contact details

Tel: 0860 100 698 • PO Box 8012, Greenstone 1616 • www.malcormedicalaid.co.za

Membership number

I (name in block letters)

Of (employer name)

Of address

Being a principal member of the Malcor Medical Aid Scheme, hereby appoint:

1. Name and surname

ID number

of employer or failing him/her

2. Name and surname

ID number

of employer or failing him/her

3. **THE CHAIRPERSON OF THE ANNUAL GENERAL MEETING, AS MY PROXY TO VOTE FOR ME ON MY BEHALF AT THE ANNUAL GENERAL MEETING OF THE SCHEME TO BE HELD ON 20 JUNE 2024 AT 09:00.**

Signed at Date

Signature

Assisted by me: (where applicable)

Important notes:

1. The person whose name is listed first on the proxy form and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow. You may only appoint a Main Member of the Malcor Medical Aid Scheme as a proxy.
2. The completion and lodging of this form of proxy will not preclude the relevant member from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such members wish to do so.
3. Forms of proxy must be emailed to the Principal Officer at: pdorfan@gmail.com. Proxies to be received no later than 12h00 on 07 June 2024.

ITEMS MINUTED

1.	CONSTITUTION	ACTION
1.1	<p>Notice of meeting and welcome</p> <p>The Chairperson of the Scheme, Mr Marais, opened the meeting and welcomed all attendees to the 28th Annual General Meeting of the Scheme.</p> <p>The Chairperson confirmed that the Notice of the Annual General Meeting had been sent to all Members of the Scheme in accordance with the Rules of the Scheme. The Chairperson thanked all the members in attendance for making time to attend the meeting. The Chairperson extended a special welcome to the external auditors from Harris Dowden and Fontaine and the representatives of the administrator.</p> <p>Ms Wilkinson presented the meeting etiquette and explained how the voting and approval of items will be conducted during this virtual meeting. Ms Wilkinson further demonstrated basic functions of the Zoom platform, such as how to raise a hand or comment in the notes section. Ms Wilkinson highlighted that all general questions from the attendees would be taken as this was an open meeting.</p>	
1.2	<p>Present</p> <p>The Chairperson confirmed the attendance.</p>	
1.3	<p>Apologies</p> <p>The Chairperson confirmed there were no apologies tendered.</p>	
1.4	<p>Confirmation of quorum</p> <p>In terms of Rule 27 of the Scheme Rules, at least 30 members are required to constitute a quorum of the meeting. As this requirement was met, the Chairperson declared the meeting to be duly constituted, noting the meeting was virtual in nature and more than 30 members were present on the Zoom meeting.</p> <p>The Chairperson confirmed that there were no proxy forms received.</p>	
1.5	<p>Confirmation of motions received</p> <p>The Chairperson advised that no motions had been brought before the Principal Officer to be added to the Agenda of the meeting.</p>	
2.	MINUTES OF THE PREVIOUS MEETING	ACTION
2.1	<p>Annual general meeting held on 22 June 2022</p> <p>The minutes of the 27th Annual General Meeting of the Scheme held on 22 June 2022 were proposed for approval by the Chairperson. Ms Ivanova supported it, and the Principal Officer seconded the proposal. The Chairperson confirmed that the minutes will be signed confirming it as an accurate recording of the proceedings of that meeting.</p>	
3.	ANNUAL FINANCIAL STATEMENTS	ACTION
3.1	<p>Annual Financial Statements for the year ending 31 December 2022</p> <p>The Principal Officer advised that the Annual Financial Statements of the Scheme for the year ended 31 December 2022, including the report of the Trustees, had been distributed with the Notice to the members and made available for inspection via the Scheme's website.</p> <p>The Principal Officer requested Ms Visser to present an overview of the Annual Financial Statements to the meeting.</p> <p>Ms Visser reported that the preparation of the AFS was in accordance with International Financial Reporting Standards (IFRS) and the disclosure required by the Council for Medical Schemes (CMS). The Scheme received an unmodified audit opinion issued by the external auditors, Harris Dowden and Fontaine. The Trustees commit to a culture of social corporate responsibility and commit to the long-term sustainability of the Scheme.</p>	

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR AS AT 31 DECEMBER 2022

	2022 R'000	2021 R'000
Risk contribution income	307,699	297,072
Healthcare expenditure	(305,268)	(281,310)
Underwriting surplus/(deficit)	2,431	15,762
Admin and other expenses	(16,616)	(15,813)
Operating surplus/(deficit)	(14,185)	(51)
Investment and other income	14,707	21,361
Total comprehensive income	522	21,310

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STATEMENT OF FINANCIAL POSITION FOR THE YEAR AS AT 31 DECEMBER 2022

	Notes	2022 R'000	2021 R'000
ASSETS			
Non-current assets			
Investments held at fair value through profit or loss	2	113,872	109,975
Current assets			
Trade and other receivables	3	1,187	633
Cash and cash equivalents	4	63,984	62,338
Total assets		179,043	172,946
FUNDS AND LIABILITIES			
Members' Funds			
		146,946	146,424
Current liabilities			
Outstanding risk claims provision	5	6,471	5,750
Trade and other payables	6	25,626	20,772
Total funds and liabilities		179,043	172,946
Accumulated Funds (per Regulation 29)		132,756	136,271
Solvency		43.14%	45.87%

FOUR-YEAR SUMMARY

	2022 R'000	2021 R'000	2020 R'000	2019 R'000
Investments held at fair value through profit or loss	113,872	109,975	46,491	47,413
Members' funds	146,946	146,424	125,114	86,892
Comprehensive surplus	522	21,310	38,222	4,330
Solvency %	43.1%	45.9%	41.7%	30.0%
Claims Ratio	99.2%	94.7%	86.1%	97.9%

TRUSTEE EXPENDITURE

	2022 R'000	2021 R'000
Trustee remuneration	97	96
Total trustee expenditure	97	96

Ms Visser presented the areas of non-compliance with medical scheme legislation for the year under review. It was noted that although these may not be material in amount or effect, the Trustees are required by the Council for Medical Schemes to report on all matters of non-compliance.

Comparative figures

- Decrease of 39 members
- Average age 33.6 years (2021: 33.1 years)
- Pensioner ratio 6.9% (2021: .2%)
- Claims ratio 99.2% (2021: 94.7%)
- NHE ratio 5.4% (2021: 5.3%)
- Solvency ratio 43.14% (2020: 45.87%)

The Independent Audit Report for the year ended 31 December 2022 was included in the distributed Annual Financial Statements. In the opinion of the Auditors, the financial statements have been fairly presented, and there are no material instances of non-compliance with the requirements of the Medical Schemes Act.

No questions were raised, and the Chairperson proposed that the 2022 Annual Financial Statements be adopted. This was supported by Ms Ivanova, Ms Lowes and seconded by Mr Gates, Mr Thayer, Mr Van Zitters and Mr Oosthuizen.

4.	APPOINTMENT OF AUDITORS	ACTION
4.1	<p>Harris, Dowden and Fontaine</p> <p>The Principal Officer advised that in terms of Section 36 of the Medical Schemes Act and Rule 25.1, auditors must be appointed at each Annual General Meeting to hold office from the conclusion of that meeting to the conclusion of the next Annual General Meeting.</p> <p>The Principal Officer advised that the Trustees propose the reappointment of Harris Dowden and Fontaine, to perform the 2023 audit. This recommendation has the support of the Audit and Risk Committee of the Scheme.</p> <p>The reappointment of Harris Dowden and Fontaine was supported by Mr Van Zitters and seconded by Ms Ivanova.</p>	

5.	APPOINTEES TO THE BOARD OF TRUSTEES	ACTION
5.1	<p>Notification of appointees to the Malcor Board of Trustees</p> <p>In terms of rule 19.1, the affairs of the Scheme must be managed by a Board consisting of at least five (5) persons who are fit and proper. Rule 19.2 further requires that at least half of such Trustees must be elected by members to serve terms of office of three (3) years each. The remaining Trustees must be appointed by the Employer and shall serve for three (3) years as well. Retiring embers of the Board are eligible for re-election.</p> <p>At present the Board of Trustees consists of eight (8) Trustees comprising six (6) member-elected Trustees and two (2) employer-appointed Trustees.</p> <p>It was noted that members of the Board are not entitled to any remuneration, honorarium, or consulting fees in respect of their duties as trustees or any other fee in respect of services rendered in their capacity as members of the Board.</p> <p>The Principal Officer reported that a mid-term member Trustee vacancy arose in January 2023 following the sudden and unexpected passing of Mr Riaan Verster and in line with rule 19.5, the vacancy was filled by the Board of Trustees on 23 February 2023 with the appointment of Mr Hymie Shapiro who was the first runner up in the 2022-member trustee elections.</p> <p>The Principal Officer added that Rule 19.5 requires a person appointed mid-term to retire at the first ensuing annual general meeting, and for the meeting to fill the vacancy for the unexpired period of office of the vacating member of the Board. The Principal Officer further highlighted that it should be noted that Mr Verster's term of office would have concluded at the 2025 AGM.</p> <p>The Board would like to propose to the meeting that Mr Hymie Shapiro, as the first runner up in the 2022-member elections be appointed for the unexpired period of office left by Mr Verster.</p> <p>There were no objections received and the Principal Officer declared the appointment of Mr Hymie Shapiro as a member Trustee on the Board of Malcor Medical Aid Scheme until the 2025 Annual General Meeting.</p> <p>The Principal Officer advised that Ms Scott, an Employer-appointed Trustee would be retiring from Aspen in June 2023 leaving a vacancy for an Employer-appointed trustee. The Scheme awaits a replacement appointment from the Employer and will communicate the composition of the Board of Trustees with its members following the conclusion of this process.</p> <p>The composition of the Board of Trustees of the Malcor Medical Scheme with effect 21 June 2023 is then noted as follows:</p>	

MEMBER ELECTED TRUSTEES:

Name	COMPANY	Occupation	Original Appointment	Term Ending
Albertus Marais	Retired	Senior Exec Finance, SA Operations	30 Jun 2010	June 2025
Lynette James	Retired	HR Manager	Prior to 2000	June 2025
Hymie Shapiro	Retired	Company Secretary	23 Feb 2023	June 2025
Clinton van Zitters	Aspen	National Manager Health	30 Jun 2010	June 2025
Alison Jayne Lowes	CFAO	Financial Manager	15 May 2012	June 2025
Juandr� Els	CFAO	Divisional Financial Exec VW division	01 May 2015	June 2025

EMPLOYER APPOINTED TRUSTEES:

Name	COMPANY	Occupation	Original Appointment	Term Ending
Ravi Govender	Defy	Human Resources – Remuneration & Benefits Manager	01 May 2017	May 2023
Wendy Scott	Aspen	Group Rewards Specialist	01 Nov 2021	*Nov 2024

* Trustee will be retiring on 30 June 2023 and the position will become vacant

EMPLOYER ALTERNATE TRUSTEE:

Name	COMPANY	Occupation	Original Appointment	Term Ending
Rominisha Govender	Aspen	Group Finance Manager	01 Feb 2022	Feb 2025

6.	SUBMITTED MOTIONS	ACTION
6.1	<p>Motions Submitted</p> <p>The Principal Officer reported that no formal notices or motions have been received to be placed before this meeting by the cut-off time of 7 June 2023 or thereafter.</p>	
7.	GENERAL	ACTION
7.1	<p>General matters for discussion</p> <p>The Principal Officer opened the floor for any comments or questions. It was noted that individual claims queries should be raised using the available channels such as the call centre; the contact number was noted to be on the membership cards.</p>	
8.	CLOSURE	ACTION
8.1	<p>There being no further business, the Chairperson thanked all present for their attendance and declared the meeting closed at 09:36.</p>	

Signed as a true record of proceedings.

Chairperson signature

Date

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THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023



1. IFRS 17 ACCOUNTING STANDARD EXPLAINED

BACKGROUND

IFRS, or International Financial Reporting Standards, are a set of accounting rules for how information should be gathered and presented in financial reports. The Standards ensure that information is consistent, comparable, and credible worldwide, using a common accounting language. IFRS 17 aims to improve the consistent application of these principles, enabling users of financial statements to meaningfully compare financial results of insurers and specifically sets out the principles of recognition, measurement, presentation, and disclosure of insurance contracts.

IFRS 17 is mandatory for annual reporting periods beginning on or after 1 January 2023, with re-statement of comparatives for the previous reporting period (that is, from 1 January 2022 for calendar year-ends). Implementation is to be done as if IFRS 17 always existed, thus opening balances for 2023 and comparative 2022 needs to be recalculated and reported in the 2023 Annual Financial Statements (AFS).

IFRS 17 applies to all insurance contracts (in a medical scheme each active membership is a contract), and reinsurance contracts (risk transfer arrangements) issued.

IFRS 17 requires a scheme to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. This requirement aims to provide transparent reporting about a scheme's financial position and risk.

Under IFRS 17, Insurance Contracts are measured as the expected fulfilment cash flows – representing the present value of current estimates of amounts the scheme/insurer expects to collect from contributions/premiums net of pay out for claims, benefits, and directly-attributable expenses, including an adjustment for the risk of those cash flows.

This means that under IFRS 17, no profits are recognised when the member joins/at policy inception (contract is taken out). Instead, the contractual service margin (CSM) sets out the expected future profits for the contract, which are released, recognised, and reported over its lifetime.

IFRS 17 requires the scheme to disclose information in the Notes to the Annual Financial Statements at a level of detail that, together with the primary financial statements, give members/investors a basis to assess the effects that insurance contracts have on a scheme's position, performance, and cash flows.

IFRS 17 CHANGES THE DISCLOSURES IN THE ANNUAL FINANCIAL STATEMENTS

The implementation of IFRS 17 brings about changes to the Annual Financial Statements (AFS). The following outlines some of the changes and highlights the impacts to the AFS. Please note that a comprehensive note can be found in the full set of AFS that is available on the scheme website.

A. CASH FLOWS

The cash flows to fulfil an insurance contract include contributions, claims, acquisition cash flows, membership administration and maintenance cost, recoveries from past claims and any other costs specifically chargeable to the member under the terms of the contract.

Cash flows that are not incurred to fulfil insurance contracts include investment returns, cash flows that arise from reinsurance contracts and cash flows not directly attributable to portfolio of insurance contracts.

B. REPORTING STRUCTURE

Schemes are required to make the following changes to their reporting structure.

- As a result of complying with IFRS 17, medical schemes are considered mutual entities. They are not for profit organisations, and the reserves are non-distributable and kept for future claims.
- Under IFRS 17 losses on onerous contracts, where claims are higher than contributions, are immediately recognised in profits or losses. It's important to understand that onerous contracts are not necessarily unprofitable throughout their lifespan; most of them are expected to be profitable but may not fully cover the conservative risk adjustment at initial recognition.
- The cost of fulfilling an insurance contract includes certain directly attributable administration expenses. Other administration expenses are reported separately.
- The *Liability for Incurred Claims (LIC)*, previously referred to as *Incurred but Not Received claims (IBNR)*, now includes a risk adjustment for non-financial risk that is applied to the present value of the estimated future cash flows. It reflects the compensation the scheme requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the scheme fulfils insurance contracts.
- Insurance receivables are reported with the Insurance Contract Liability to form one net Insurance Contract Liability.
- *Accumulated Funds*, now referred to as the *Liability for Future Members* are reported as part of the scheme's liabilities and not reserves.

C. TERMINOLOGY CHANGES

OLD TERMINOLOGY	NEW TERMINOLOGY
Risk contribution income	Insurance revenue
Relevant healthcare expenditure	Insurance service expense
Incurred But Not Reported (IBNR) (claims) <i>Outstanding claims provision</i>	Liability for Incurred Claims (LIC)
Accumulated Funds	Insurance Liability for Future Members
Medical Savings Accounts liabilities	Insurance contract liability
Net healthcare result	Insurance service result

D. IMPACT

IFRS is a reporting standard and does not affect the actual business of a scheme. The value in the scheme stays largely the same after the implementation of the Standard.

2. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

To access the full Annual Financial Statements for the year ended 31 December 2023 [click here](#).

