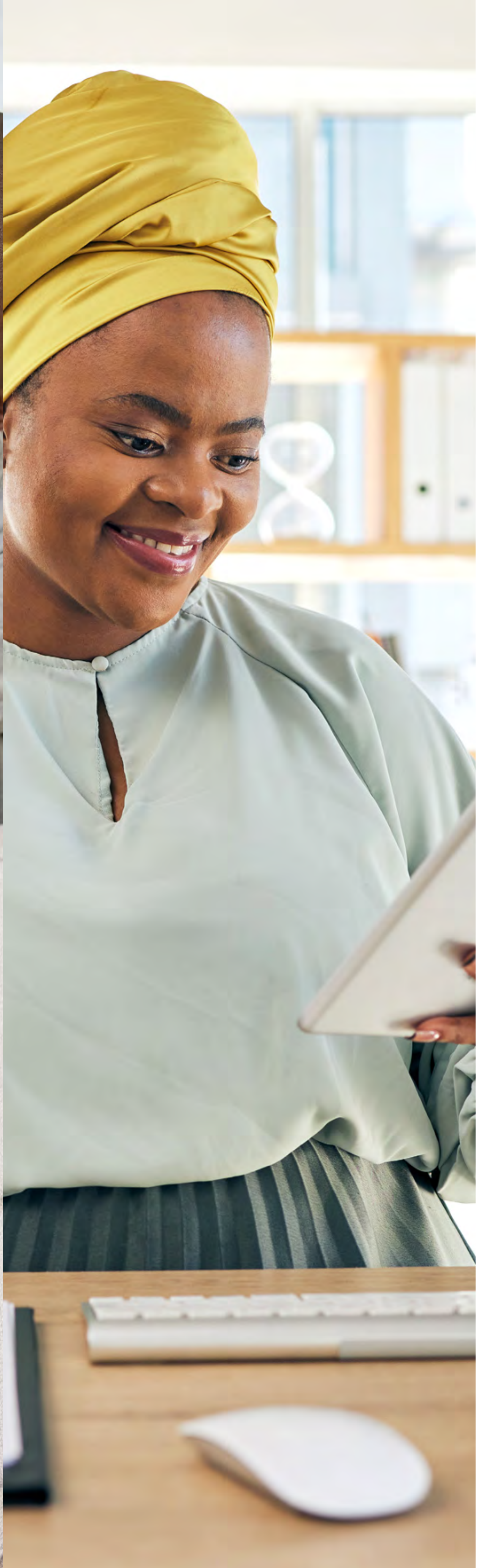
2023/24 Annual General Meeting Report



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WHO WE ARE

The Botswana Public Officers' Medical Aid Scheme (BPOMAS) came into existence through a Presidential Directive and was registered as a society (with the Registrar of Societies) in 1990. BPOMAS is a closed Scheme, which provides medical aid cover to public service employees as well as employees of parastatals (that were previously Government departments) who opt to remain members of the Scheme.

Our Vision

Your Number 1 Partner in Sustainable Healthcare.

Our Mision

To provide access to affordable, quality, innovative and efficient health solutions that meet your needs.

Our Values

To be the leader in the provision of sustainable healthcare solutions.

- Professionalism
- Innovation
- Team
- Orientation
- Accountability
- Service Excellence
- Botho

AGENDA

NOTICE IS HEREBY GIVEN THAT

The 2023/2024 Annual General Meeting (AGM) of members of the Botswana Public Officer's Medical Aid Scheme (BPOMAS) will be held in Gaborone at Fairgrounds, Boipuso Hall and Francistown at Cresta Thapama Hotel on **19th December 2025 at 09:00HRS**

1. NOTICE AND CONSTITUTION OF THE MEETING
2. CONSTITUTION OF THE MANAGEMENT COMMITTEE (MANCO)
3. ADOPTION OF AGENDA
4. APOLOGIES FOR NON - ATTENDANCE
5. CONFIRMATION OF THE MINUTES OF THE ANNUAL GENERAL MEETING (AGM) HELD ON 22 SEPTEMBER 2023
6. MATTERS ARISING FROM THE MINUTES
7. RECEIPT AND ADOPTION OF THE MANAGEMENT COMMITTEE (MANCO) REPORT FOR THE YEAR ENDED 31 MARCH 2024
8. RECEIPT AND ADOPTION OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
9. RECEIPT AND ADOPTION OF APPROVED RULE CHANGES
10. APPOINTMENT/RE-APPOINTMENT OF EXTERNAL AUDITORS
11. ANY OTHER BUSINESS FOR WHICH DUE NOTICE HAS BEEN GIVEN

*Note: Notices of motions to be placed before the meeting must reach BPOMAS at **agm@bpomas.co.bw** or the BPOMAS Registered Office, Floor3, Plot 70667 Fairscape Prencint, Fairgrounds, Gaborone or Health Risk Management Botswana (HRMB) Office, The Fields, Lot 54349, Block A, Gaborone no later than seven (7) days prior to the date of the meeting.

In terms of the Rules, a member may appoint a proxy to attend the Annual General Meeting and vote in their stead. A proxy form is attached and must be received by the Scheme not less than twenty-four (24) hours prior to the meeting. Completed proxy forms can be emailed to **agm@bpomas.co.bw**

QUESTION AND ANSWER SESSION

There shall be a question and answer session after the meeting

BY ORDER OF THE MANAGEMENT COMMITTEE

APPOINTMENT OF PROXY FORM

If you cannot attend the Annual General Meeting of the Botswana Public Officers' Medical Aid Scheme (BPOMAS) to be held on the 19th **December 2025 at 09:00 hrs, Gaborone at Boipuso Hall and Francistown at Cresta Thapama Hotel.** Members are entitled to vote at the Annual General Meeting on condition that your membership and that of your appointed proxy is active and in good standing. This proxy only applies to the Annual General Meeting, and any adjournment of that meeting.

PROXY FORM

YOUR DETAILS

FULL NAMES

MEMBERSHIP NO.

ID NO/PASSPORT NO.

WHO DO YOU WANT TO APPOINT AS YOUR PROXY

I appoint as my proxy (tick (√) one (1) box only):

☐ Chairperson of the Annual General Meeting

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

OR

☐ The following person

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

FULL NAMES

MEMBERSHIP NO.

ID NO/PASSPORT NO.

Only tick (√) the appropriate box if you want to direct your proxy how to vote. If you mark the **ABSTAIN** box, you are directing your proxy not to vote at the Annual General Meeting and your vote will not be counted when calculating whether the required majority of members have passed the resolution.

Item 1: Adoption of the report of the Management Committee to members for the year ended 31 March 2024

YES		NO		ABSTAIN	

Item 2: Adoption of the Audited Financial Statements for the year ended 31 March 2024

YES		NO		ABSTAIN	

Item 3: Appointment of external auditors.

YES		NO		ABSTAIN	

Date: ______________________ Signature: ______________________

The instrument appointing the proxy must be deposited at the office of the Administrators of the Scheme. Plot 54349, Ground Floor, West Wing, The Field Precinct, CBD P/Bag 00477, Gaborone. Tel: 3168900/8901, Fax: 3972402. MVA House, Francistown Plot 44149, CBD Third Floor

Email your completed proxy form to **agm@bpomas.co.bw.**

MINUTES OF THE ANNUAL GENERAL MEETING of Members For the Financial Year Ended 31 March 2023 Held on 22 September 2023, at Avani Hotel, Gaborone, Cresta Francistown and Maun Lodge at 09:00hrs.

1. Present

Members

Six hundred and eighty seven (687) members were personally present and One thousand and five hundred and forty-four (1,544) **by proxy.**

MANAGEMENT COMMITTEE (MANCO)

G Muzila	Ministry of Health (Chairperson)
M Mafoko	Botswana Land Boards & Local Authorities and Health Workers' Union (Alternate Member)
S Molomo	Botswana Defence Force
W Wankie	Independent Member
R Nkolonyane	Directorate of Public Service Management
O Lebotse	Botswana Public Employees Union
C Gwere	Independent Member

2. In Attendance

Po's Office

T Molebatsi	Principal Officer (PO)
T Lesejane	Finance and Administration Manager
L Mangadi	Operations Manager
T Rapaeye	Executive Assistant
L Keloneilwe	Legal Counsel & Corporate Secretary – Recording

3. Administrators-Health Risk Management Botswana

T Moumakwa	Managing Director

4. Outgoing Administrators -AFA Botswana (Pty) Ltd

T Motsie	Managing Director

5. By Invitation

External Auditors – KPMG - A Venter

6. Notice and Constitution of the Meeting

The notice of the meeting having been duly circulated was taken as read and approved following a proposal by Mr L. Mathe, seconded by Mr. K. Molefe. The legal Counsel and Corporate Secretary confirmed that the meeting was quorate.

The Chairperson welcomed all those present and introduced ManCo members (attending physically and virtually). In addition, he introduced in absentia, the Chairperson of BPOMAS Finance, Audit Risk and Compliance Sub-Committee, Ms S Molosiwa. Lastly, Management from the PO's Office, External Auditors as well as the newly appointed administrator HRMB and the outgoing administrator AFA were introduced.

7. Apologies for Non-Attendance

No apologies were received from the members.

8. Adoption of the Agenda

The agenda was adopted as presented following a proposal by L. Moatshe , seconded by K Molefe. It was highlighted and noted that the AGM was for the financial year ended 31 March 2023.

9. Chairperson's Opening Remarks

The Chairperson noted that the year marked the Scheme's 33rd anniversary and the end of its five-year strategic period. She highlighted key achievements, including reduced out-of-pocket payments, product development, membership growth, revenue diversification, and cost-containment measures. She added that introducing the hybrid AGM was a positive step, promoting inclusion and delivering cost savings for the Scheme.

10. Confirmation of the Minutes of the Annual General Meeting (AGM) Held on 09 December 2022

The minutes were considered and approved as a true record of the proceedings and would be signed by the Chairperson subject to the following corrections:

11. Matters arising from the Minutes

11.1 Minute 9, Confirmation Of The Minutes Of The Annual General Meeting (AGM) Held On 11 February 2021

The minutes were considered and **approved** as a true record of the proceedings on proposal by T Moahi, seconded by K Sebolai and would be signed by the Chairperson subject to the following corrections:

Page 11 – Minute 9.9.4, line 5, add the phrase "as a result";

Page 11 – Minute 9.9.5, correct numbering;

Page 13 – correct numbering and correct spacing;

Page 14 – remove the letter "w" and add "and adoption"

11.2 Recommendations: Review of management committee and Sub-Committees remuneration policy and sitting allowances:

It was RESOLVED that the revised policy be adopted as moved by M Magola seconded by K Phekoetsile.

It was FURTHER RESOLVED that the revised Sitting Allowance be approved as proposed by T Maboa, seconded by L Moatshe.

-Done

12. Receipt and adoption of the report of the Management Committee(Manco) for the year ended 31 March 2023

The Report which had been circulated was noted and taken as read and presented by the Chairperson who highlighted the following:

12.1 Background

The reporting year marked 33 years of the Scheme's existence, which also marked the end of the 5 year strategic period.

12.2 Reflections on the strategic achievements

12.2.1 Reducing Out of Pocket Payments

12.2.1.1 VAT Absorption: Scheme pays VAT for all in-hospital services.

12.2.1.2 Annual tariff adjustments aligned with inflationary increases as well as service provider charges.

12.2.1.3 Benefits Increase (Funeral Benefit, Premium waver)

12.2.2 Product Development

12.2.2.1 Introduction of Adult Child Dependents and Parents and Parents-in-Law Cover in the financial year 2021/22.

12.2.2.2 Grandchild Dependent Cover introduced in the financial year 2023/24. Benefits (applicable to all benefit options) included:

- An embedded 6 months Premium Waiver
- Funeral benefit (claims must be filed within a 6-month timeframe. The provision was applicable across all benefit options)

12.2.3 Membership Growth

12.2.3.1 Principal membership growth increased from **73, 711** to **85,386**

12.2.3.2 Net growth of **16%**

12.2.3.3 Total Lives Covered increased from **175,063** to **202,397**

12.2.3.4 High retention rate of around **99%** annually

12.2.4 Revenue Diversification

Expansion of bed capacity from **135** to **186** at Lenmed Health Bokamoso Private Hospital (LHBPH) through subsidiary company BPOMAS Property Holdings (BPH). This resulted in increased rental income for BPH. The management of the Chronic Medicine Dispensing Program for the Ministry of Health was also a new addition to the scheme's revenue.

12.2.5 Cost Containment

Implemented Health Risk Management interventions;

- Dental Health Risk Management
- Radiology and Pathology Management
- Hospital benefit Management
- Fraud waste and Abuse

However, healthcare costs remained a challenge with claims ratio above 100% against the target range of **80%-85%.**

12.3 BPOMAS key performance highlights - financial year 2020/21

The following key performance highlights were noted:

12.3.1 Group Financial Performance Revenue Growth: **BWP 1,059,598,385** (**13%** increase) Factors driving growth: Expanding membership base and subscriptions. Total group loss before tax: **BWP 57,230,584** in 2022/23 (versus surplus of **BWP13,000,621** in 2021/22)

12.3.2 Scheme Financial Performance Gross Contribution Income (GCI): **BWP 1,024,037,233** (**13%** increase) Health Care Costs: **BWP 1,029,993,055** (**18%** increase) Claims Ratio: **101%** in 2022/23 (exceeded the strategic target range of **80-85%)** General Administration Expenses **BWP 116,735,729** (within the strategic target of **12%** of contributions income)

12.4 Comments

12.4.1 L Sorinyane raised concern that as patients they used to receive a 6 months' supply of chronic medication, but now they only received 3 months, as it helped with travelling costs for dosages. She further enquired why they were now being prescribed generic medications.

12.4.2 K Jiro enquired how the Scheme was assisting the members to eliminate wastage considering that the service providers were overcharging them.

12.4.3 M Modimakwane highlighted that she was refused assistance by a chemist on the basis that she had medical aid cover, and enquired for clarity.

12.4.4 N Goitse proposed that the Scheme should consider those living with disabilities. She further enquired whether the funeral cover extended to independent children.

12.4.5 T Barayang commended the Scheme on the 6 months waiver and the funeral benefit. She then raised the issue of cost savings, and noted the General Practitioner visitation limits.

12.4.6 T Baranyane noted the increase in sitting allowances and proposed the reduction of the sitting allowances towards cost saving. She raised concern that the medical aid cover did not extend to supplements which are crucial such as menopause medications.

12.4.7 Management responded and noted the outlook of the Scheme, highlighted that Scheme should be able to pay claims as its main mandate. The focus is on the claims cost, i.e. the utilization and claims attributed to the loss. Management noted the disability comment.

12.4.8 Management emphasized that the GP consultations had gone up from **7%** annually to **38%** and highlighted that the spike was not sustainable and there was need to tackle it.

12.4.9 Regarding the chronic medication supply, it was highlighted as a control to allow other members to access medications and avoid stock - pilling as well as to control demand and supply.

12.4.10 With regards to generic medications, it was clarified that they contained the same active ingredients, only branding determined the price difference, as some brands were more expensive.

12.4.11 T Moahi stated that some members were not aware of exemptions available to them and only found out at the service providers.

12.4.12 C Dingalo raised concern over the state of the health system and the anticipated changes in operational expenses. He urged management to map a way forward to address operational costs for the benefit of the members.

12.4.13 T Monageng expressed concern about the challenges they have as members based in Maun and requested the Scheme to set up an office in Maun. He further added that some service providers charged members despite having exemption letters.

12.4.14 D Matinja noted the importance of KYC and emphasized the technological challenges they have as elders and enquired how else the Scheme could assist them to comply.

12.4.15 Management noted the challenges and comments raised by the members. An office in Maun was in the plans as per agreement with the new administrator.

12.4.16 Management emphasized that doctors were paid in advance and were not expected to refuse to assist members due to unpaid claims. Members not being assisted were advised to reach out to the Scheme.

12.4.17 Management further clarified that sitting allowances were approved through a resolution by the members at 09 December 2022 AGM.

12.4.18 The members further advised that pensioners should be represented in the Management Committee.

Resolution

It was RESOLVED that the Report of the Management Committee (ManCo) for the years ended 31 March 2023 be and are hereby adopted, following proposal by O Baile and seconded by R Letsake.

13 Corporate Governance Report

The report was taken as read and the following were highlighted by L Keloneilwe:

13.1 BPOMAS continued to comply with good governance practice as stipulated by the adopted King Code.

13.2 Resolved to adopt the King Code equivalent, being the PULA Code of Corporate Governance. As a Public Interest Entitie the scheme will ensure compliance to the code once it comes into effect.

13.3 Assurance Services – Internal Auditors and External Auditors assess and enable adequacy and effectiveness of the Scheme compliance management/control environment. The Finance Audit and Risk Committee (FARC) oversees these services.

13.4 The Scheme kept abreast with developments in the corporate governance arena and resolved to formally adopt any Code of Corporate Governance as shall be established by BAOA for use by Public Interest Entities, in line with the Financial Reporting Regulations, 2021.

13.5 Compliance with local statutory requirements of the regulator, Non-Bank Financial Institutions Regulatory Authority (NBFIRA) and the Registrar of Societies at group level and the Companies and Intellectual Property Authority (CIPA) at subsidiary level therefore remained a priority. To ensure compliance to good governance, the Scheme continuously engaged with governing bodies concerning good governance and relevant legislative changes.

13.6 In line with the Scheme Rules, ManCo has delegated some of its powers and duties to Sub-Committees to ensure that all aspects of the Scheme operations are properly managed. Currently the following Sub-Committees are in place:

- Finance, Audit, Risk and Compliance Sub-Committee (FARC),
- Investment Sub-Committee (ISC),
- Nominations, Remuneration and Human Resource Sub-Committee (NRHR), and
- Procurement Sub-Committee.
- Envisaged Sub-Committees (as recommended by King IV):
    - Social and Ethics
    - Benefits and Service Quality

13.7 Remuneration

King Code – the Organisation should remunerate fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcome in the short, medium and long term.

ManCo and its Sub-Committee remuneration is benchmarked against appropriate and relevant remuneration scales.

- Members resolved to review remuneration of members at their meeting held on 09 December 2023.
- Remuneration was in line with the Remuneration Policy as approved by members on 12 December 2019.
- Remuneration was disclosed in the AGM Report and/or AFS.

13.8 Regulatory Compliance

- **NBFIRA** – regulates the Scheme; vetting of controllers, filing of annual returns
- **FIA** – AML/CFT Framework & Risk Management Systems Compliance Programme adopted; Compliance Function and AML Compliance Officer in place.
- **KYC** – the Scheme is obliged not to engage with non-compliant members (S16 – requirement to conduct due diligence before establishing a business relationship with a customer).
- **KYC** – conduct customer due diligence on an ongoing basis (S19) in relation to existing business relationship. The fine for non-compliance with (S19) is P1.5million. Total KYC statistics as at 31 March 2023 were 60,968 out of a possible 83,000.
- **BAOA** – Scheme registered as a PIE (Public Interest Entity)
- **Societies Act** – The legislation regulates the filing of annual returns.
- **Data Protection Act** – Sets out Data Protection Framework and obligations. Appointment of a Data Protection Officer was in progress.
- **CIPA** – Regulates notices and annual returns of BPOMAS Property Holdings, 100% subsidiary of BPOMAS.

13.9 Rules (Rules Review)

As per Rule 40.1, there were no proposed Rule changes for the reporting period.

This was to allow settling in of the new Administrator and include in the next rules review. All previously suggested changes by members are noted and would be considered for review during the next financial year.

13.10 Information and Technology Governance

- King Code-ManCo to govern technology and information in a way that supports the organization setting in achieving its strategic objectives; and to set direction of how technology and information should be approached and addressed.
- The Scheme's Strategic Objective was to leverage on technology - the ICT Strategy was approved on the 31 August 2021 and review planned for Q3 2023-24 to ensure alignment with Corporate Strategy 2023-28. A review of the ICT strategy planned for Q3 of 2023/24 to ensure alignment with corporate strategy 2023/28. Implementation and monitoring of the strategy and policies to be carried out by FARC.
- Although not in reporting period, the Scheme had approved Cyber Security Framework.
- The ICT strategy and policies - approved by ManCo and monitored for implementation and compliance by the FARC

14 Receipt and adoption of Audited Financial Statements for the Year Ended 31 March 2023

T Lesejane presented the Audited Financial Statements and highlighted the following;

14.1 Statement of Comprehensive Income

14.1.1 Group Financial Performance:

14.1.1.1 The group experienced a positive trend in revenue over the two-year period. In the financial year 2021/22, the group's revenue was reported as **BWP 934,876,809.00** and it increased to **BWP 1,059,598,385.00** in 2022/23, representing a substantial growth of 13%. This growth was primarily driven by an expanding membership base and subscriptions increase.

However, the positive revenue growth was offset by a significant increase in claims costs leading to a loss for the reporting period. Total group loss before tax amounted to **P57,230,584** in 2022/23, decreasing from a surplus of **P13,000,621** reported in 2021/22. The group loss is mainly attributable to an increase in claims costs.

14.1.1.2 The scheme Financial Performance also witnessed growth in Gross Contributions Income (GCI) over the year. In 2021/22, the GCI was recorded as **BWP 905,449,520,** which increased to **BWP 1,024,037,233** in 2022/23, representing a 13% rise. This increase was primarily due to the growth of the scheme's membership base. On the cost side, Health Care Cost (HCC) increased significantly in the 2022/23 financial year.

The HCC for the year was reported as **BWP 1,029,993,055,** reflecting an 18% increase compared to **BWP 871,735,466** reported in 2021/22. This increase was attributed to higher utilization of benefits by members, as medical procedures postponed during COVID were conducted in 2022/23. The overall claims ratio for 2022/23 was 101%, which was higher than the 96% reported in 2021/22, exceeding the strategic target range of 80-85%.

14.1.1.3 The scheme also experienced an increase in Gross Administrative Expenses (GAE). In the 2022/23 financial year, the GAE amounted to **BWP 116,735,729**, a rise from B**WP102, 381,565** reported in 2021/22. However, the increase in GAE remained within the strategic target of 12% as a percentage of contributions income. The primary driver for the rise in GAE was attributed to Scheme administrator fees, which were linked to the growth of the membership base.

14.1.1.4 In terms of overall financial position, the scheme recorded a loss of **BWP 58,194,216** in the 2022/23 financial year, in contrast to the profit of **BWP 25,546,192** reported in 2021/22. This indicated a regressive decline in the scheme's surplus compared to the previous year. Nevertheless, there was a fair value gain in the net assets investment in BPOMAS Property Holdings (Pty) Ltd and a share in profit/loss by the associate, Lenmed Health Bokamoso Private Hospital (LHBPH)., which contributed to the overall financial position.

14.1.1.5 Comments

14.1.1.5.1 I Seleboge raised concern over the quality of service received from the new administrator HRMB. He further raised concern over the service providers and emphasized that they should be monitored closely and their regulation be tightened.

14.1.1.5.2 T Mothusi noted the report and the financials of the Scheme moving towards the negative whilst highlighting that the initiatives to revive the Scheme were not clear. She further added and urged members to partner with the Scheme to prevent some diseases.

14.1.1.5.1 Management noted the concerns and comments.

14.1.1.5.1 Management advised members that any motions proposed should be submitted beforehand in order to be included in the AGM agenda items.

Resolution

It was RESOLVED that the Audited Financial Statements for the Year Ended 31 March 2023 be and are hereby adopted on proposal by I Batsalelwang, seconded by G Ramothwa.

15 Re-Appointment of External Auditors

T Lesejane reported that at the last AGM, KPMG was appointed the Scheme External Auditors for a period of three (3) years effective January 2021, renewable annually at each AGM subject to performance, to audit the following financial years: 2020/21, 2021/22 and 2022/23.

The Management Committee **recommended that** KPMG be reappointed to audit the 2023/24 financial year.

It was RESOLVED that the external auditors be re-appointed for the financial year 2023/2024 (i.e. to audit the financial year ended 31 March 2024) through proposal by M Madikadi, seconded by S Rebecca.

16 Any other business for which due notice was given

L Keloneilwe took the report as read and highlighted the following:

16.1 Overview

A total of four (4) motions were received and Submission of the motions met the requirements of the Scheme Rules. The received motions and the proposed resolutions were as outlined below.

16.2 Motion #1: Scheme to Increase Clinical Psychology Benefits Effective 01 January 2024

Mental health was an integral aspect of overall well-being, and access to quality clinical psychology services was essential in ensuring that members receive comprehensive healthcare. It was proposed for increase to encompass:

16.2.1 Expansion of coverage by increasing the number of covered sessions per year and extending coverage to a wider range of mental health conditions and disorders.

16.2.2 Reduction or elimination of out-of-pocket payments made by members at the point of service.

16.2.3 Expansion of the provider network of mental health professionals, including clinical psychologists and therapists, to offer members a wider choice of qualified providers.

16.2.4 Inclusion of telehealth services (e.g., virtual appointments) to increase access and to make it more convenient for members who may face geographical or mobility barriers.

16.2.5 Essential to invest in member education about the importance of mental health and the availability of clinical psychology services. This included providing information on how to access the services and reducing stigma surrounding mental health issues.

16.2.6 Monitoring and feedback to be performed regularly to evaluate the effectiveness of these increased benefits and gather feedback from members to make necessary adjustments and improvements.

16.2.7 Principal Officer's Response:

Clinical psychology benefits were within the Allied Health category of benefits which also included audiology and speech therapy; clinical dietetics and occupational therapy. Any one or a combination of the four benefits covered to a total of **P7,200.00** for Premium Benefit Option; **P6,300.00** for High Benefit Option and **P1,400.00** for Standard Benefit Option, per family. As shown through the 2022/23 Benefit Usage Analysis, approximately **10%** (127) of members who utilized the benefit reached the benefit limit. This was above the desired threshold of 5% and therefore demonstrated that the benefit warranted review.

Resolution

It was RESOLVED that in line with the member's motion and the results of the benefit usage analysis, the Clinical Psychology be included in the Benefit Review Exercise that was planned to take place between 01 October and 31 December 2023 and that the Clinical Psychology benefit be improved effective 01 April 2024 in line with the Scheme's financial year and subject to Actuarial input and affordability by the Scheme. Through proposal by L Zule, seconded by S Ramothwa.

16.3 Motion #2: Scheme to tailor make parent Dependant Cover to Include age related Diagnostic Tests Effective 01 January 2024

The motion sought to request the Scheme to enhance the parent dependent cover by including specific diagnostics that become increasingly necessary with age. The proposed customization of the parent dependent cover would reflect the Scheme's commitment to providing comprehensive and personalized support for members and their aging parents. By addressing the unique healthcare needs of elderly individuals, the Scheme improve the overall well-being of members' and families and enhance their satisfaction with the medical aid service. It was proposed for the increase to encompass:

- Incorporation of age-related diagnostic tests into the parent dependant cover option: where the parent dependent cover would be modified to include diagnostics and screenings that were particularly relevant for older individuals, such as but not limited to, regular bone density scans, mammograms, colonoscopies, prostate exams, and cognitive assessments. This highlighted the importance of preventive care for aging parents, aiming to detect and manage age-related conditions early to improve their overall quality of life.

- Specialized provider network where the Scheme would ensure that the network of healthcare providers included specialists with expertise in geriatric medicine and age-related diagnostics to offer the highest quality care.

- Flexible coverage by scheduling age-related diagnostics to accommodate the unique needs and schedules of aging parents.

- Member education initiatives to inform members about the importance of age-related diagnostics, encouraging proactive healthcare engagement for their parents.

16.4 Principal Officer's Response:

The current schedule of benefits did not not take into account the unique needs of an aged member. The proposed motion was therefore worth looking into.

Resolution

It was RESOLVED that at the upcoming review of benefits slated to take place between 01 October and 31 December 2023, the Parent Dependant Cover be reviewed and redesigned with the aim of customising it to the unique needs of aged members. The enhancements to the Parent Dependant Cover would be subjected to Actuarial review and affordability by the Scheme and be implemented effective 01 April 2024 in line with the Scheme's financial year cycle. Through proposal by S Kanyenvu, seconded by Y Morapedi.

16.5 Motion #3: Scheme to take deliberate actions to Include and promote preventative Health Care measures effective 01 April 2024

As the Scheme continued to strive for comprehensive healthcare solutions for members, it was essential that the Scheme emphasized and supported preventive healthcare to improve overall well-being and reduce long-term healthcare costs. By adopting preventative health care measures, the Scheme would demonstrate its commitment to the health and well-being of members. Preventative care not only enhanced individual health but also reduced the burden on healthcare resources and overall healthcare costs in the long term. Proposed increase to encompass:

- Education and awareness including educational campaigns to inform members about the importance of preventative health care, including promoting regular check-ups, screenings, vaccinations, and lifestyle modifications to reduce the risk of chronic diseases and improve overall health.

- Preventative services with introduction or expansion of coverage for preventative services such as annual wellness check-ups, vaccinations, screenings for conditions like cancer and heart disease, and preventive counselling for lifestyle management (e.g., smoking cessation, weight management and nutrition).

- Member incentives such as programs that rewarded members for participating in preventative health care measures, encouraging proactive health management.

- Telehealth options where the Scheme should consider offering telehealth options for preventative care consultations and follow-ups, making it convenient for members to access preventive healthcare services.

Resolution:

It was resolved that the AGM approved in principle that the Scheme implements Preventative Health (Wellness) Benefits in the next financial year i.e., effective 01 April 2024. **It was further resolved** that the package of Preventative Health Benefits be implemented subject to Actuarial review and affordability by the Scheme and be implemented in phases during the strategy period in line with affordability by the Scheme. Through proposal by K Molefe, seconded by N Hansman.

16.6 Motion 4: Scheme to Increase number of General medical reviews by six (6) additional Consultations Effective 01 January 2024

Regular medical check-ups essential for early detection and prevention of health issues, and increasing the number of consultations likely to significantly improve the overall health and well-being of members.

The proposed increase in general medical reviews would reflect the Scheme's commitment to promoting the health and well-being of members. By providing more opportunities for preventive care and early detection of health issues, the Scheme would enhance the quality of life for members and reduce healthcare costs in the long run. Member proposed that the increase encompass:

- Increase in frequency/number of allowable consultation visits by (6) additional visits in addition to the current allocation.
- Preventive focus with emphasis on the importance of preventive care during consultations, including screenings, vaccinations, and lifestyle counselling to promote healthier living.
- Member education to raise awareness about the benefits of regular medical reviews and encourage proactive healthcare engagement.

16.6.1 Principal Officer's Response:

The Scheme provided General Practitioner (GP) consultations as follows;

- 6 consultations per beneficiary for Standard Benefit Option
- 8 consultations per beneficiary for High Benefit Option
- 10 consultations per beneficiary for Premium Benefit Option

The above stated allocation excluded the following;

- Follow up visits e.g., where a member was to return to the GP for results of investigations ordered during the initial visit etc.
- Consultations for members enrolled in chronic disease management programs.

16.6.2 Limiting GP consultations was a critical tool for managing member benefits as well as for combating Fraud, Waste and Abuse (FWA) of the benefits. The practice was widely accepted by medical aid schemes in Botswana for the same reasons. However, application of the limits would not curtail necessary access to care. Primarily the limitation sought to redirect members to higher levels of care when needed, ie. to specialist care.

16.6.3 As shown through the 2022/23 Benefit Usage Analysis, on average members accessed General Practitioners (3) times a year, and that was noted to be in line with regional industry experience. Management's view was that the provided number of consultation visits was adequate, especially that they excluded follow up consultations and members on chronic disease management programs.

16.6.4 Comments

16.6.4.1 The members deliberated on the matter and inquired about the process once the six visits have been exhausted or where the illness required numerous follow-ups.

16.6.4.2 Management responded and clarified that specialist consultations was not part of the limitations. Management further clarified that follow-ups dont constitute a new consultation and ought not to be treated separately, as well as chronic illness consultations.

Resolution

It was Resolved that there would be no limits on GP Consultations effective 1st April 2024. Through proposal by R Babusi, seconded by T Basupi.

17 Date of next Meeting

The date of the next meeting would be communicated as soon as possible in line with the Scheme Rules.

18. Closure

In the absence of further business, the meeting ended at 14:03hrs.

Action Sheet 23 September 2023				
#	Action Item	Action By	Due Date	UPDATE
1	**Minute 9, CONFIRMATION OF THE MINUTES OF THE ANNUAL GENERAL MEETING (AGM) HELD ON 11 FEBRUARY 2021** The minutes were considered and approved as a true record of the proceedings on proposal by T Moahi, seconded by K Sebolai and would be signed by the Chairperson subject to the following corrections: Page 10 – correct for consistency to read "Ms" Lebanna"; Page 13 – correction to be made "Government initiated omang database that would be availed under restricted access , BPOMAS should visit Government to benchmark" Page 23 – through missing "r"	Chairperson	Next AGM	Done
2	**RECOMMENDATION: RECEIPT AND ADOPTION OF THE REPORT OF THE MANAGEMENT COMMITTEE(MANCO) FOR THE YEARS ENDED 31 MARCH 2023** **It was RESOLVED that** the Report of the Management Committee (ManCo) for the years ended 31 March 2023 be and are hereby adopted, following proposal by O Baile and seconded by R Letsake.	PO	Next AGM	Done
	RECOMMENDATIONS: RECEIPT AND ADOPTION OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 **It was RESOLVED that** the Audited Financial Statements for the Year Ended 31 March 2023 be and are hereby adopted on proposal by I Batsalelwang, seconded by G Ramothwa.	PO	Next AGM	Done
	RECOMMENDATIONS: RE-APPOINTMENT OF EXTERNAL AUDITORS **IT WAS RESOLVED that** the external auditors be re-appointed for the financial year 2023/2024 (i.e. to audit the financial year ended 31 March 2024) through proposal by M Madikadi, seconded by S Rebecca.	PO	31 March 2024	Done
3	**Motion 1: Scheme to Increase Clinical Psychology Benefits Effective 01 January 2024** **Resolution** **It is Resolved that** in line with the member's motion and the results of the benefit usage analyses, the Clinical Psychology be included in the Benefit Review Exercise that is planned to take place between 01 October and 31 December 2023 and that the Clinical Psychology benefit be improved effective 01 April 2024 in line with the Scheme's financial year and subject to Actuarial input and affordability by the Scheme. Through proposal by L Zule, seconded by S Ramothwa.	ManCo	Next AGM	Done

Action Sheet 23 September 2023				
#	**Action Item**	**Action By**	**Due Date**	
	Motion 2: Scheme To Tailor Make Parent Dependant Cover To Include Age Related Diagnostic Tests Effective 01 January 2024 **Resolution** It was Resolved that at the upcoming review of benefits which will take place between 01 October and 31 December 2023, the Parent Dependant Cover be reviewed and redesigned with the aim of customising it to the unique needs of aged members. It is further proposed that enhancements to the Parent Dependant Cover be subject to Actuarial review and affordability by the Scheme and be implemented effective 01 April 2024 in line with the Scheme's financial year cycle. Through proposal by S Kanyenvu, seconded by Y Morapedi.	PO	1st April 2024	Partially addressed under the embedded wellness benefits which are reviewed annually
	Motion 3: Scheme To Take Deliberate Actions To Include And Promote Preventative Health Care Measures Effective 01 April 2024 **Resolution** It was Resolved that at the upcoming review of benefits which will take place between 01 October and 31 December 2023, the Parent Dependant Cover be reviewed and redesigned with the aim of customising it to the unique needs of aged members. It is further proposed that enhancements to the Parent Dependant Cover be subject to Actuarial review and affordability by the Scheme and be implemented effective 01 April 2024 in line with the Scheme's financial year cycle. Through proposal by K Molefe, seconded by N Hansman.	PO	1st April 2024	Done
	16.5. Motion 4: Scheme To Increase Number Of General Medical Reviews By Six (6) Additional Consultations Effective 01 January 2024 **Resolution** It was Resolved that there will be no limits on GP Consultations effective 1st April 2024. Through proposal by R Babusi, seconded by T Basupi.	PO	1st April 2024	Done

CHAIRPERSON FOREWORD

In order to ensure the long-term sustainability of the Scheme and reduce over-reliance on traditional funding sources, a Corporate Strategy was developed, introducing several initiatives aimed at cost containment and revenue diversification.

1. Value Proposition & Cost Containment

1.1 Cost Containment

As previously reported, BPOMAS has continued to experience high claims costs, consistently exceeding the target range of 80%–85% (as detailed in the Member's Report). In response, the following initiatives were implemented:

1.1.1 Introduction of Fraud, Waste and Abuse (FWA)

During the period under review, ManCo approved the introduction of the Fraud, Waste and Abuse (FWA) Health Risk Management Services. This initiative aims to strengthen claims integrity and reduce opportunities for fraud, waste and abuse through both proactive and retrospective controls. It is designed to minimise leakages and ensure appropriate utilisation of member benefits. The initiative is expected to generate significant savings while enhancing overall accountability and efficiency across the healthcare value chain.

1.1.2 Dental Risk Management

The Dental Health Risk Management Programme continued to deliver substantial value to the Scheme. By applying dental billing rules and clinical protocols, the intervention has curbed inappropriate billing and enhanced benefit utilisation patterns. This reflects the effectiveness of proactive clinical governance in managing healthcare costs.

1.1.3 Hospital Benefit Management

The Hospital Benefit Management intervention, implemented on 1 July 2023, remained instrumental in managing hospital-related claims. The initiative focuses on pre-authorisation, case management, clinical audits, specialised procedure controls, and tariff negotiations. For the period under review, the Scheme realised savings of P6.7 million, demonstrating the impact of strengthened clinical oversight and improved provider compliance. The intervention continues to promote better care coordination and contributes meaningfully to cost containment efforts.

1.1.4 Chronic Medicines Programme

The Chronic Medicines Programme, delivered in partnership with the Ministry of Health, continued to support members living with chronic conditions. Despite a 7.2% decline in revenue due to pricing model adjustments and delays in contract finalisation, the programme registered a net profit of P1.2 million. Membership uptake increased by 20.2% year-on-year, reaffirming the programme's value in improving long-term disease management and medication access.

1.2 Reduction of Out-of-Pocket Costs

The Scheme remained committed to reducing out-of-pocket expenses for members.

Through negotiations with service providers, tariff optimisation, and the application of health risk management protocols, BPOMAS continued to narrow the gap between service charges and Scheme reimbursements. Tariff increases have been maintained at 3%–5% annually, with the higher rate applied primarily to hospitals.

1.3 Membership Growth

The 2023/24 financial year marked a strong performance for BPOMAS. The Scheme closed the year with 88,487 principal members and more than 200,000 total lives covered, reflecting year-on-year growth of 3.15%. Member confidence remained strong, with a retention rate of 99%. Additionally, the Scheme welcomed 5,051 new members—the highest annual increase recorded to date.

The new Grandchild Benefit, introduced following approval at the 2022 AGM, gained traction in its first year and closed with 344 registered beneficiaries. BPOMAS also made progress in expanding into the parastatal segment, successfully enrolling one parastatal and continuing engagements with others. These developments highlight the Scheme's stable growth trajectory and commitment to meeting evolving member needs.

1.4 Product Development

To continue enhancing its value proposition, BPOMAS introduced a Wellness Programme focused on comprehensive preventative healthcare, including screenings and preventative benefits for Non-Communicable Diseases (NCDs).

During the reporting period, enrolment in NCD programmes increased from 18,212 to 20,435 beneficiaries, reflecting the Scheme's commitment to proactive, long-term health management.

2.0 Revenue Diversification

Through its subsidiary, BPH, and in partnership with other stakeholders, BPOMAS is in the process of acquiring the BCL Mine Hospital, awarded through a competitive bidding process under the BCL liquidation framework. The transaction has been approved by the Competition and Consumer Authority (CCA). The facility currently has 25 beds, with plans to increase capacity to 40–50 beds to optimise profitability. This acquisition broadens Scheme's healthcare investment footprint.

In addition, BPOMAS is exploring the opportunity to expand the bed capacity of Lenmed Health Bokamoso Private Hospital, further supporting the Scheme's revenue diversification agenda and strategic growth objectives.

3.0 Key Performance Highlights

3.1 Group Financial Performance

In the 2023/24 financial year, Group revenue increased to **BWP 1,169,938,348,** up from **BWP 1,008,616,453** reported in 2022/23, representing a strong **16%** growth. This performance was primarily driven by an expanding membership base and subscription increases.

The Group recorded a Profit Before Tax of **BWP 30,256,709** in 2023/24, a significant improvement from the loss of **BWP 68,691,493** reported in the prior year. The return to profitability was largely attributable to an increase in fair value gains from the Lenmed Bokamoso Private Hospital investment.

3.2 Scheme Financial Performance

The Scheme also reported solid revenue (GCI) growth during the year. Revenue for 2023/24 amounted to **BWP 1,169,938,348,** an increase from **BWP 1,008,616,453** in 2022/23—reflecting a **16%** rise, driven mainly by membership growth.

On the cost side, insurance service expenses increased modestly to **BWP 1,150,923,627** in 2023/24, compared with **BWP 1,100,657,387** in 2022/23, representing a **5%** increase. This was due to higher benefit utilisation by members. The overall claims ratio for the year was **98%,** an improvement from **109%** in 2022/23, though it remained above the strategic target range of **80–85%.**

Administrative expenses grew to **BWP 68,317,445** in 2023/24, up from **BWP 42,674,556** recorded in 2022/23. Despite the increase, administrative costs remained within the strategic target of **12%** of revenue. The rise was mainly driven by administrator fees, which increased in line with the growth in membership numbers.

Overall, the Scheme recorded a profit of **BWP 22,315,047** in 2023/24, compared to a loss of **BWP 68,530,652** in the prior year. Additional contributions to the improved financial position included fair value gains from the Scheme's investment in BPOMAS Property Holdings (Pty) Ltd and its share of profit/loss from the associate, Lenmed Health Bokamoso Private Hospital (LHBPH).

4.0 Conclusion

In our ongoing effort to strengthen the Scheme's value proposition, BPOMAS continues to review and enhance its product offerings annually. Furthermore, the Scheme will continue exploring additional revenue sources to ensure long-term sustainability and safeguard its going concern.

REPORT TO THE MEMBERS' ANNUAL GENERAL MEETING FOR THE 2023/24 FINANCIAL YEAR

Financial Performance

The Group

Group revenue for the year was **P1,169,938,348.** Group revenue grew by **16%** from prior year figure of **P1,008,616,453.** This was mainly due to growth in membership base. The total group profit before tax amounted to **P30,256,709** in 2023/24, increasing from a loss of **P68,691,493** reported in prior year 2022/23. The group profit is mainly attributable to cost containment measures during the year.

Investment income, which is inclusive of the share of profits from the investment in Lenmed Hospital Bokamoso Private Hospital, increased from prior year. The increase was from **P7,999,649** in 2022/23 to **P8,301,999** in 2023/24 financial year. This was due to positive returns from the scheme's market portfolios.

The Scheme

The insurance revenue which is Gross Contributions Income (GCI) for the year stood at **P1,169,938,348.** This represents **16%** increase in GCI from 2022/23 and as mentioned above, is mainly attributable to the growth in membership base.

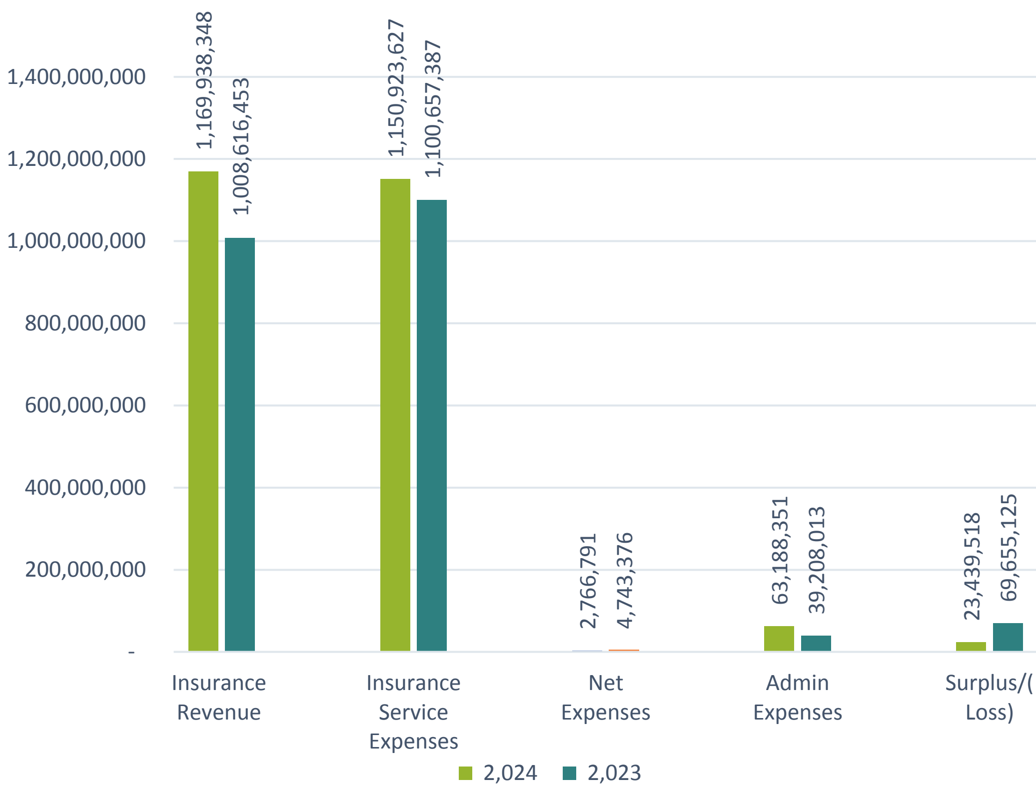
Health Care Cost (HCC) closed the year 2023/24 at **P1,150,923,627** reflecting a **5%** increase from **P1,100,657,387** reported in 2022/23. The increase was largely due to increased utilisation of benefits by members during the year. Overall, HCC for 2023/24 were high with a claims ratio of **98%,** a decrease of from **109%** reported in the 2022/23 financial year with the restated financials for 2022/2023. It is to be noted that these ratios are above the strategic target range of **80-85%.**

Gross Administrative Expenses (GAE) amounted to **P63,188,351** in the 2023/24 financial year, from **P39,208,013** reported in the 2022/23 financial year. GAE as percentage of revenue was **3.9%** and **5.4%** for the years 2022/23 and 2023/24 respectively, this being within the strategic target of **12%** for both years. The major driver of the increase in GAE is the Scheme administrator fees which proportionally increase with membership growth.

The Scheme's surplus for the 2023/24 was **P23,439,518** while there was a loss in the 2022/23 of **P69,655,125.** This reflects an increase in surplus compared to prior year where a loss was recorded. There is however a fair value gain in the net assets investment in BPOMAS Property Holdings (Pty) Ltd and share in profit/loss by the associate being Lenmed Health Bokamoso Private Hospital (LHBPH).

Figure 1: A graph showing financial performance for the reporting period

Scheme Financial Performance



Key Membership Highlights

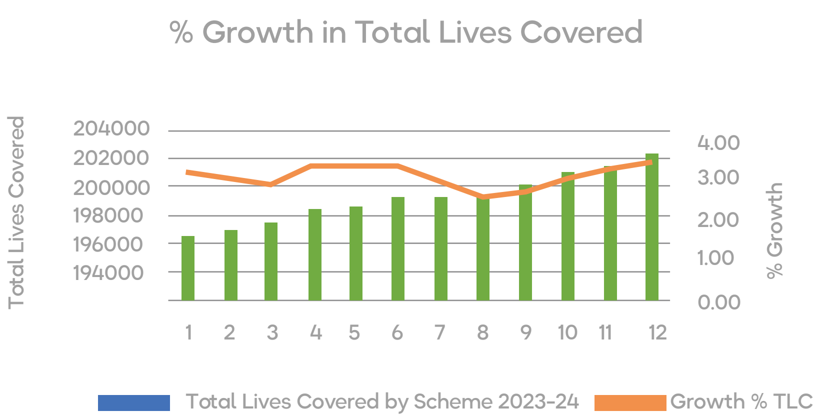
- The Scheme closed 2023/24 Financial year with a groundbreaking record of **88, 487** Principal Members.
- The Scheme hit the **200, 000** total lives covered in December 2023, closing the financial year at **202, 397** members. This represents a growth of **3.15%** from the 2022/2023 Financial Year.
- The Scheme continues to grow while also retaining its members, this is shown by the **99%** retention rate achieved for the reporting year.
- BPOMAS registered the highest number of new members for 2023/24 financial year of **5, 051** new members.
- Introduction of Grandchild Benefit: Following approval of the grandchild benefit at the AGM in 2022, the benefit was introduced in 2023/24 financial year. The benefit has done well in this first of inception, closing the financial year with **344** members.
- Penetration into the Parastatal Market: BPOMAS is intentional about penetrating the parastatal market, during the reporting period, The Scheme enrolled one parastatal while it continues to engage with the other parastatals.

2. Membership Value Highlight

- **Roadshow:** The change of Administrator project presented an opportunity for a roadshow across the country to educate and raise awareness to the members about the Change of Admin from Associated Fund Administrators (AFA) to Health Risk Management Botswana (HRMB). The roadshow also provided an opportunity for the Scheme to engage with the members and bringing services closer to the members. The areas covered by the roadshow are Francistown, Selibe-Phikwe, Serowe, Mahalapye, Palapye, Letlhakane, Maun, Gantsi, Tsabong, Kanye and Gaborone. The member attendance was high and positive feedback received from the members.

Figure 2: Principal Membership Performance

Figure 3: Total Lives Covered Performance



Membership Growth And Scheme Profile

The Scheme registered 5 051 new members to close the 2023/24 Financial Year with **88, 487** principal members which represents a growth of **3.65%** against the 2022/23 financial year where the Scheme closed the financial year with **85, 368** principal members.

As at the 31st March 2024, total lives covered stood at **202, 397,** a growth of **3.27%** from the same period in the last financial year where total lives covered stood at **195, 997.**

Individual Membership

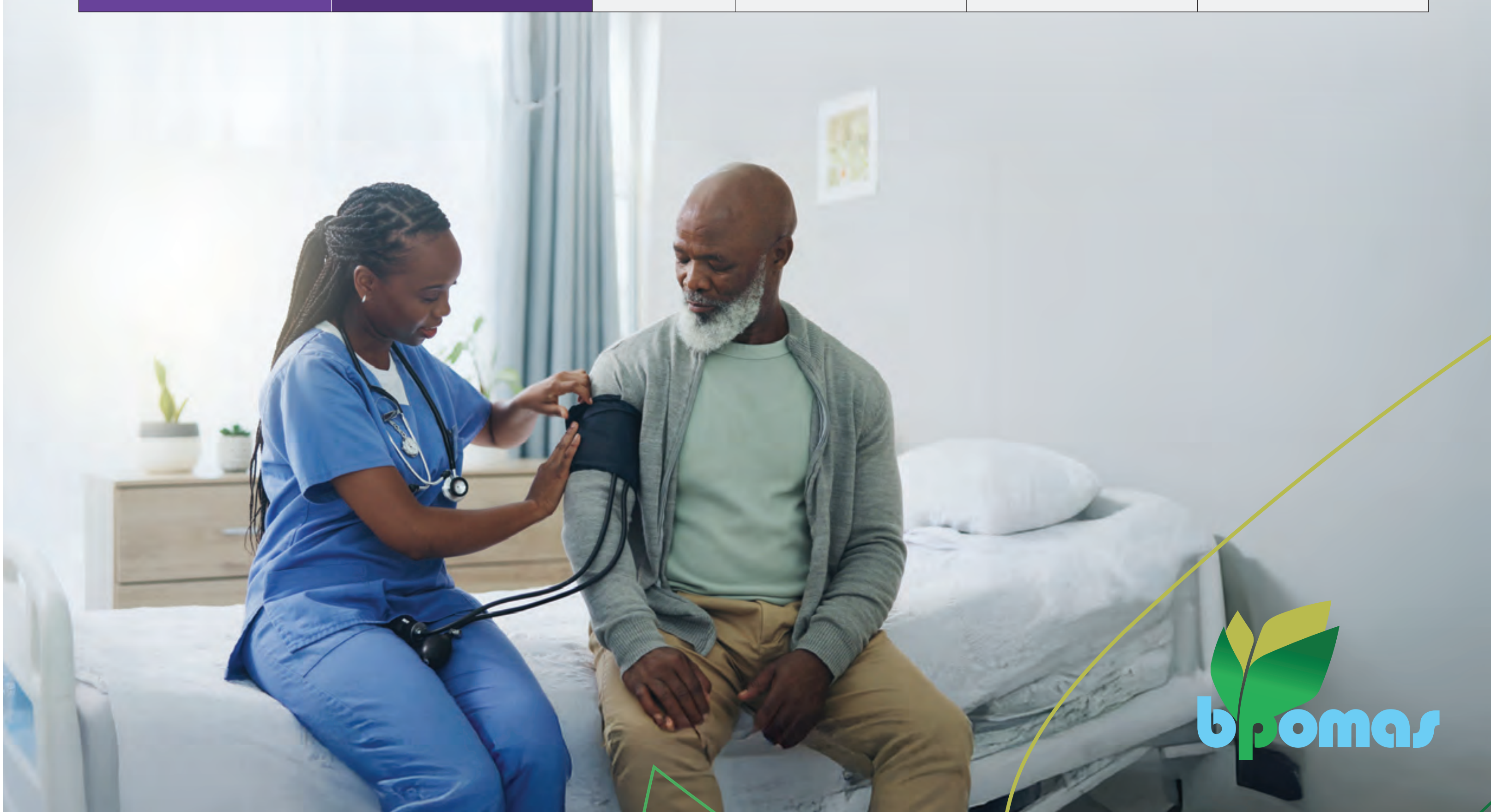
Individual membership continues to grow, closing the financial year with **4, 028** total membership. Adult Child closed the financial year on **3, 540** members, as compared to the 2022/23 financial year where it closed the year on **3,155** members, this represents a growth of **12.20%.** Parents membership closed the 2023/24 at **144** members, a slight growth from the 130 members in the 2022/23 financial year. This represents a growth of **10.77%.** The recently introduced Grandchild Benefit, has been warmly accepted by the members, closing the financial year at **344** members.

Other Health Indicators

Item	Indicator	2023/2024	2022/23	Percentage Movement	Comment
1	Average age of principal members	47 years	45 years	4.4%	Slight increase due to older population joining the scheme
2	Average age of all beneficiaries	33 years	31 years	6.5%	Slight increase due to older population joining the scheme
3	Percentage of pensioners	13%	11%	18.18%	Slight increase due to older population joining the scheme
4	Beneficiaries registered on NCD benefit management program	40 000	20 435	97.7%	Improved screening efforts and early detection driven by routine health checks and growing burden of lifestyle-related conditions among members, improved reporting and data capture
5	Beneficiaries on the HIV/AIDS disease management program	11 766	11 236	4.72%	Movement of members from Government HIV program into the Scheme's care & increase driven by newly diagnosed HIV cases being enrolled.
6	Number of GP visits	303 720	608 280	50%	
7	Number of Hospital Admissions	7 132	105 633	93.3%	A normalisation of hospital admissions post covid
8	Admission rate per 1000 lives covered	35.2	35	935%	Driven by an increase in high cost conditions that requires longer inpatient care.
9	Hospital average length of stay (LOS)	2.9	2.6 days	11.5%	Driven by high prevalence of high value complex cases such as cancers
10	Number of maternity cases	1 222	907	34.7%	Decrease compared to the previous year
11	C-Sections as percent of births	78%	66%	18.2%	C section rates remain elevated, Largely due to rising preference for the procedure from both members and healthcare members.
12	Number of emergency medical cases (evacuation/ responses)	1 179	1 065	10%	Increase driven by rising chronic disease complications, improved member awareness of emergency benefits, and seasonal spikes in acute illnesses (e.g., flu-related emergencies).
13	Funeral benefit usage (BWP)	4 513 150	4 358 300	3.6%	Increase due to membership growth.

Screening and Preventative Benefits

Benefit Description	Procedure(s)/Tests	Member Eligibility			Frequency
		Gender	Health Plan	Age	
Annual Health Check - First & Follow Up Appointment	• First consultation & follow up consultation • Physical examination • Ordering of tests • Review of results • Reporting to the Scheme	All	High, Premium	40 years and above	Once a year
Breast Cancer Screening	• Mammogram	Female	High, Premium	40-70 years	Once in 2 years
Cervical Cancer Screening	• Pap Smear • HPV Test	Female	High, Premium	• 25-55 years • 25-55 years	• Once in 2 years • Once in 2 years
Diabetes & Cardiovascular Disease Screening	• Blood Glucose Test (Point of Care Test) • Full Blood Count • Cholesterol (Point of Care Test)	All	High, Premium	40 years and above	Once a year
HIV/AIDS Screening	• HIV Rapid Test (Point of Care Test)	All	High, Premium	16 years and above	Once a year
Prostate Cancer Screening	• Prostate Specific Antigen (PSA)	Male	High, Premium	40 years and above	Once in 2 years
Flu vaccine	• Flu vaccination	All	Standard, High, Premium	Children aged 6 months-10 years, elderly members aged 65 and above, members under the chronic care programme	Once a year



Corporate Governance

Overview

The Scheme having adopted the King Code, continues to be compliant with best practise corporate governance. In keeping abreast with developments in the corporate governance arena as well as relevant laws, the Scheme had resolved to formally adopt PULA Code of Corporate Governance as established by BAOA for use by Public Interest Entities, in line with the Financial Reporting Regulations, 2021. ManCo as the governing body conducts its affairs according to ethical values and within a governance framework consisting of Scheme Rules, ManCo Charter and Policies.

Scheme Commitment to Corporate Governance

The operations of the Scheme are conducted in accordance with internationally accepted principles of good governance and best practice. Compliance with local statutory requirements of the regulator, Non-Bank Financial Institutions Regulatory Authority (NBFIRA) and the Registrar of Societies at group level and the Companies and Intellectual Property Authority (CIPA) at subsidiary level therefore remain a priority. To ensure compliance to good governance, the Scheme continuously engages with governing bodies concerning good governance and relevant legislative changes.

In support of Botswana's efforts and commitment to work with the Financial Action Task Force (FATF) and Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) to strengthen the effectiveness of its Anti-Money Laundering (AML)/Combating the Financing of Terrorism and Proliferation (CFT) (AML/CFT) regime and addressing any related technical deficiencies; the Scheme has made a commitment to combat money laundering, financing of terrorism and proliferation in line with the Financial Intelligence Act (FI Act) and Financial Intelligence Regulations and will to this end continue to keep abreast with and comply with relevant regulations and laws.

ManCo Composition and Effectiveness

The Management Committee (ManCo) is responsible for governance, providing strategic direction and leadership of the BPOMAS Group. ManCo is composed of Government Officials, Trade Union representatives and independent members and members are appointed by the Minister of Health. In line with the Scheme Rules, the Chairperson of ManCo is the Permanent Secretary to the Ministry of Health (MoH). The ManCo was constituted as per

Table 1 below for the financial year 2023/24:

Table 1: ManCo Composition

Member	Representing
Oatlhokwa Nkomazana	Chairperson
Onalethata Lebotse	Vice Chairperson
Christopher Gwere	Member
Rose Nkolonyane	Member
Thatayaone Kesebonye	Member
Seabo Keorapetse	Member
Motsekedi Motloutse	Member
Alternates	
Motshidisi Mafoko	Member, Alternate to T Kesebonye
Sidney B Molomo	Member, Alternate to M Motloutse
Grace Ntereke	Member, Alternate to S Keorapetse

Sub-Committees

In line with the Scheme Rules, ManCo has delegated some of its powers and duties to Sub-Committees to ensure that all aspects of the Scheme operations are properly managed. Currently the following Sub-Committees are in place:

- Finance, Audit, Risk and Compliance Sub-Committee (FARC),
- Investment Sub-Committee (ISC),
- Nominations, Remuneration and Human Resource Sub-Committee (NRHR), and
- Procurement Sub-Committee.

Meetings

ManCo Meetings

In line with the ManCo Charter, ManCo meets on a quarterly basis to consider quarterly reports and strategic issues of the Group. However, the Chairperson may convene a special meeting or upon requisition by a majority of the ManCo members, should the need arise, provided the matters to be discussed are clearly stated in the request. The ManCo held twenty-two (22) meetings during the financial year. The meetings included quarterly meetings and special meetings, strategy retreats and trainings. The increase was due to the Change of Administrator which required constant monitoring and reporting for a seamless transition. All meetings were attended exceptionally well with an average of one (1) apology per meeting throughout the year.

Remuneration for ManCo and Sub-Committees

ManCo

Following the review of sitting allowances resolution dated 09 December 2022 AGM, all ManCo members are paid sitting allowance at a rate of **P7,500** (Seven Thousand Five Hundred Pula) and **P5,000** (Five Thousand Pula) for the Chairperson and Members respectively. The total remuneration for ManCo as at March 2024 was **P1,023,500** compared to **P897,806.80** in March 2023.

Investment Sub-Committee (ISC)

The Investment Sub-Committee consists of five (5) members as shown on Table 2 below, one of which is an ex-officio member and is not entitled to a sitting allowance. One of the mandates of the ISC is to develop and implement investment objectives, policies, strategies and procedures. The ISC meets on a quarterly basis to execute its mandate.

The ISC members eligible for remuneration were paid sitting allowance at a rate of **P6, 500** (Six Thousand Five Hundred Pula) and **P5,000** (Five Thousand Pula) for the Chairperson and members respectively. The total remuneration for quarterly meetings of the ISC as at March 2024 was **P92,900** compared to **P39,300** in March 2023.

Table 2: Investment Sub-Committee members

Member	Representing
Mr Reuben Morapedi	Chairperson (Independent)
Ms Seabo Keorapetse	ManCo
Ms Peo Pillar	Independent
Mr Kumbulani Munamati	Independent
Mr Thulaganyo Molebatsi	Ex-Officio

Finance, Audit, Risk & Compliance Sub-Committee (FARC)

The Finance, Audit, Risk and Compliance Sub-Committee is among others responsible for monitoring the financial performance of the Scheme as a whole and its major business lines against approved budgets, long term trends and industry benchmarks. The FARC also oversees the Actuarial Services, Internal and External Auditors as well as Risk and Compliance management.

The FARC members on Table 3 below were paid a sitting allowance at a rate of **P6, 500** (Six Thousand Five Hundred Pula) and **P5,000** (Five Thousand Pula) for the Chairperson and members respectively. The total remuneration for quarterly meetings and special meetings was **P184,950** for the 2023/24 financial year, compared to **P131,000** in 2022/23.

Table 3: Finance, Audit, Risk and Compliance Sub-Committee members

Member	Representing
Ms Sethunya Molosiwa	Chairperson (independent)
Mr Moore Gondo	Independent
Ms Agnes Motlhanka	Independent
Mr Motsekedi Motloutse	ManCo
Ms Grace Ntereke	ManCo

Nominations, Remuneration & Human Resource (HR) Sub-Committee

The NRHR Sub-Committee has been delegated the responsibility to lead the process for identifying suitable candidates for ManCo appointments and to ensure that the ManCo and its Sub-Committees have an appropriate balance of skills, experience, availability, independence and knowledge of the Scheme to enable them to discharge their respective responsibilities effectively. The NRHR members on Table 4 below, were paid a sitting allowance at a rate of **P6, 500** (Six Thousand Five Hundred Pula) and **P5,000** (Five Thousand Pula) for the Chairperson and members respectively. The total remuneration for the meetings held as at March 2024 was **P108,450** compared to **P55,500** in 2022/23.

Table 4: Nominations, Remuneration & HR Sub-Committee members

Member	Representing
Ms Rose Nkolonyane	Chairperson
Mr Christopher Gwere	Independent
Brigadier Sydney Molomo	Manco

Procurement Sub-Committee

The Procurement Sub-Committee oversees the procurement and asset disposal process of the Scheme. The Procurement Sub-Committee members as shown below, were paid a sitting allowance at a rate of **P6, 500** (Six Thousand Five Hundred Pula) and **P5,000** (Five Thousand Pula) for the Chairperson and members respectively. The total remuneration for the members of the Sub-Committee on Table 5 below was **P365,350** as at March 2024, compared to **P477,600** as at March 2023. The Procurement Sub-Committee was required to meet more often than other Sub-Committees due to the change of Administrator and impacted services.

Table 5: Procurement Sub-Committee members

Member	Representing
Ms Rose Nkolonyane	Chairperson – Manco
Mr Thatayaone Kesebonye	Manco
Mr Morebodi Jamba (Independent)	Manco

Administration Services Project Steering Committee Change of Administrator

During the reporting period the Scheme transitioned the outsourced administration services to Health Risk Management Botswana (HRMB) and Professional Provident Society Health Care Administrators (PPSHA) (Pty) Ltd Joint Venture (PPSHA being the technical partner) during the reporting period.

A Project Steering Committee was established to oversee the change of Administrator process, and three (3) members were appointed to ensure smooth handover. The members were paid a sitting allowance at a rate of **P6, 500** (Six Thousand Five Hundred Pula) and **P5,000** (Five Thousand Pula) for the Chairperson and members respectively. The total remuneration for the three (3) member Sub-Committee was **P188,000** as at March 2024.

Compliance

The Scheme is committed to complying with regulatory requirements as these contribute to the Scheme being an ethical, sustainable and a good corporate citizen. Following approval of the CRMP on 17 August 2023, legislation continues to be loaded/listed into the CRMP and monitored. It is to be noted that the CRMP is a working document and lists legislation the Scheme that are to be taken into account regarding operations (including AML/CFT related legislation) and monitors such compliance on a continuous basis. The adequacy and effectiveness of the Scheme's compliance management function is assessed periodically by the Scheme's internal audit function with the most recent review conducted during Q4 2023.

The Scheme also embarked on efforts to prepare for compliance with the Data Protection Act. A Data Protection Officer was appointed and continues to ensure compliance with the Data Protection Act.

Enterprise Risk Management

Effective risk management and a sound internal control environment are necessary for long term success of any organization. BPOMAS Management Committee (ManCo) and Executive Management (ExCo) recognize that risk management is an integral part of sound management practice and good corporate governance as it improves decision making, enhances outcomes, and strengthens Management accountability.

BPOMAS is committed to implementing the process by which strategic, operational and project risks are identified, communicated, monitored, and regularly reported, as appropriate. To facilitate this, An Enterprise Risk management (ERM) framework has been developed for BPOMAS to systematically identify, monitor, and manage risks.

The ERM framework aligns with among others, the BOS ISO 31000:2018, Risk Management – Principle and Guidelines, Committee of Sponsoring Organizations (COSO) Risk Management Framework, 2004, the King IV Report on Governance, the Botswana Financial Reporting Act – Amendment 2020 and other best risk management standards of practice. The BPOMAS Enterprise Risk Management (ERM) framework reinforces the importance of a risk culture embedded in strategy formulation, execution, performance measurement and reporting.

The BPOMAS Finance, Audit and Risk Committee (FARC) oversees implementation of the Risk Management Framework through quarterly risk reporting. FARC appraises the Management Committee through elements of the ERM Framework such as the Risk Register, Top 10 Risk, Risk Profile as well the Key Risk Indicators report for monitoring the level of strategic risk taking across BPOMAS.

The BPOMAS Risk Management Culture and responsibilities

The BPOMAS Enterprise Risk Management Framework requires a risk management culture and awareness that permeates throughout BPOMAS. The management of risks is the responsibility of management. Risk owners use this framework to assist in identifying, measuring, analysing, monitoring, and reporting on risk.

Roles and Responsibilities

ERM is most effective when performance expectations are clearly defined, communicated, and integrated into performance agreements (scorecards). To ensure that accountability and responsibility is built into the ERM framework; it is important that all BPOMAS personnel understand their roles and responsibilities towards risk management.

The Risk Management Framework automatically allows accountability and responsibility to implement risk management. Monitoring within the reporting framework allows continuous accountability for those risks identified. The alignment of Risk management process to strategic planning, business plans and budgets should be affected.

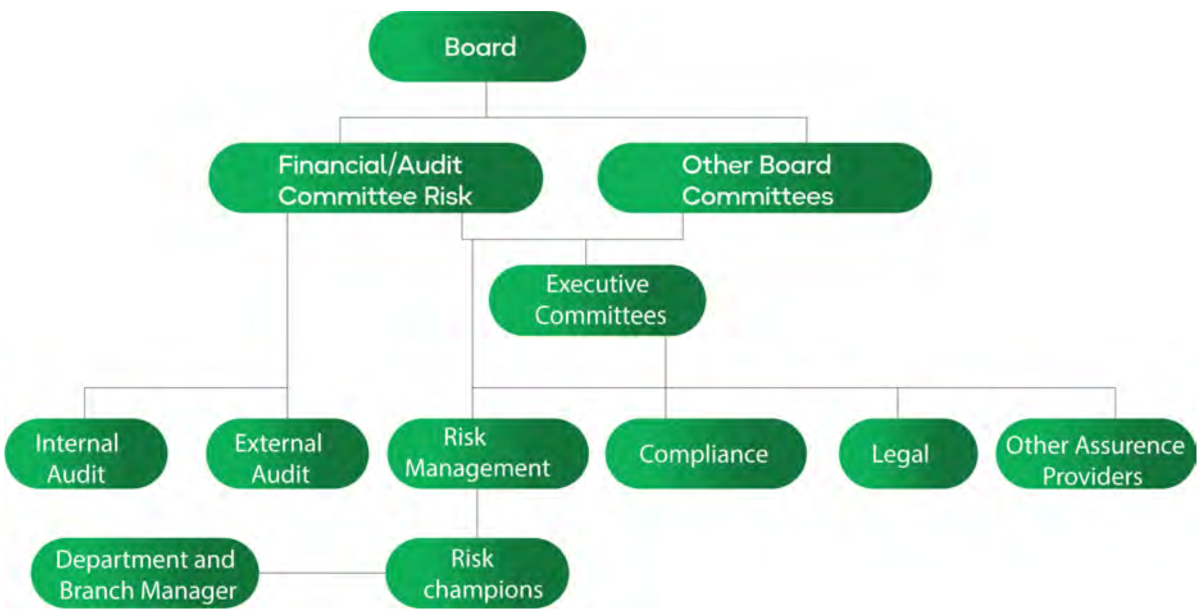
BPOMAS ensures that there is risk management across the business, and this extends to third parties.

Internal Audit

The Scheme's Internal Audit function provides, independent, objective assurance to the ManCo ensuring that the internal controls system, policies, governance and risk management are adequate and effective in mitigating the most significant impacting the Scheme's ability to achieve its objectives.

The Scheme's Internal Audit function reports administratively and functionally to the ManCo through the Finance Audit Risk Compliance Committee.

Risk Management Organogram



Data Protection

During the reporting period, the Scheme continued to strengthen its data protection practices in line with the Data Protection Act (DPA), industry best practices, and internal governance frameworks. Our focus remained on ensuring the confidentiality, integrity, and availability of all personal information entrusted to us by members, employees, service providers, and other stakeholders.

The organisation continued to uphold data subject rights, including access, correction, deletion, and objection requests. All requests were processed according to internal procedures and statutory requirements. The organisation recorded minor data breach incidents, all of which were contained, investigated, and resolved without adverse impact to data subjects. Improvement actions were implemented to address root causes.

Existing third-party operators were reviewed for DPA compliance using updated due-diligence checklists. Contracts with service providers were updated to include DPA-aligned data processing clauses, especially for healthcare-related partners.

Governance of Information and Technology

In terms of King IV Principle 12, the governing body should govern technology and information in a way that supports the organization setting and achieving its strategic objectives. The governing body should assume responsibility for the governance of technology and information by setting the direction of how technology and information should be approached and addressed in the organization. BPOMAS has an approved ICT Strategy, a Cyber-Security Roadmap and supporting policies to support the use of technology.

Regulatory Compliance

Non-Bank Financial Institutions Regulatory Authority (NBFIRA)

Vetting of Controllers

ManCo members are vetted against the fit and proper requirements by NBFIRA prior to appointment as members of ManCo (controllers). Members whose terms expired and were re-appointed did not need to be vetted provided they remained fit and proper. All members of ManCo remain fit and proper to serve as members of the Management Committee.

Following the departure of the Chairperson, Ms Grace Muzila at the end of September 2023, Dr. Oathoka Nkomazana was appointed as the Permanent Secretary for the Ministry of Health (MOH) and would in line with the Scheme Rules, be appointed as the succeeding Chairperson. Four (4) other ManCo Members term expired and/or resigned during the financial period.

Financial Intelligence Authority (FIA) Anti-Money Laundering (AML) Combating the Financing of Terrorism (CFT) and Counter Proliferation Financing CPF)

As per the governing Financial Intelligence Act, 2022 (FI Act 2022), BPOMAS is an Accountable Institution (AI) and has to meet the legislative obligations in relation to AML, CFT & CPF and as set out for all Accountable Institutions in the Republic of Botswana. The Scheme has adopted an AML/CFT Policy and Framework as well as a Risk Management Compliance Programme which aids the Scheme in ensuring alignment with the FI Act 2022 and related financial crime laws. The Scheme is committed to combating AML, CFT & CPF and will to this end continue to keep abreast with and comply with relevant regulations and laws.

Know Your Customer (KYC)

Following a regulatory AML/CFT inspection by the NBFIRA which highlighted Due Diligence/KYC deficiency, a KYC drive was initiated by the Scheme to expedite and ensure uptake by members and service providers. KYC compliance has significantly decreased within the reporting period, posing a significant regulatory compliance risk to the Scheme. The Scheme continues to engage the Administrator to strategize on ensuring satisfactory compliance with the KYC exercise.

Transactions Reporting & Monitoring

BPOMAS is expected to conduct ongoing due diligence to monitor and understand business relationships and guard against dealings with sanctioned persons/ countries, suspicious or uncharacteristic transactions and activities. The Scheme regularly performs screening of its member base against sanctioned individuals as shared by NBFIRA. Reports of a match or non-match are submitted to FIA within the required reporting timeline of 24 hours.

Botswana Accountancy Oversight Authority (BAOA) Financial Reporting Act

In terms of Section 27 of the Financial Reporting Act 2010, the Scheme is registered as a Public Interest Entity (PIE) and is required to renew the certificate annually with BAOA. The Annual Financial Statements were filed with BAOA as part of the renewal process, consequently renewal certificates were issued for both BPOMAS and its subsidiary, BPH during the reporting period.

Registrar Of Societies

Annual Returns

The Scheme is registered as a society under the Societies Act. In terms of the Societies Act Regulations, every registered society shall submit a request for re-registration by furnishing the Registrar with an annual return not later than 31st March of each reporting year. The Scheme was successfully re-registered in the reporting period.

Rules (Rules Review)

Per Rule 40.1 the approved Scheme Rules shall be reviewed on an annual basis without further approval by the employer or the member,

provided that the review and/or amendments to the Rules do not increase or decrease the rates of contributions and the extent of benefits by more than 25%. Given that the proposed Rules changes are compliant with the abovementioned proviso, the proposed review and/or amendments to the Rules have been tabulated for noting by the members and simultaneously submitted to NBFIRA. All previously suggested changes by members were noted and considered during review of the Rules.

Conclusion

In general, the Scheme continues to perform its duties in line with good corporate governance standards and is for the most part, compliant to Regulatory and/or Statutory Requirements.

Executive Management Team

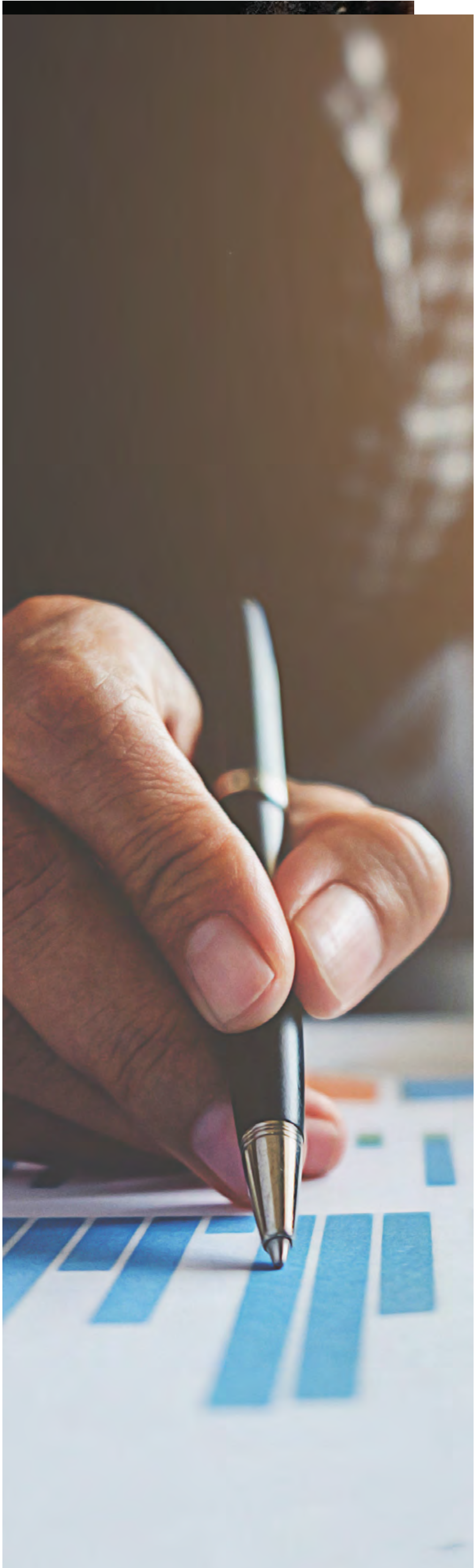
Thulaganyo Molebatsi	Chief Executive Officer
Dr Lorato Mangadi	Operations Manager
Linda Keloneilwe	Legal Counsel & Corporate Secretary
Thato Lesejane	Finance & Admin Manager

BPOMAS Management Committee

Member	Representing
Oatlhokwa Nkomazana	Chairperson
Onalethata Lebotse	Vice Chairperson
Christopher Gwere	Member
Rose Nkolonyane	Member
Thatayaone Kesebonye	Member
Seabo Keorapetse	Member
Motsekedi Motloutse	Member
Alternates	
Motshidisi Mafoko	Member, Alternate to T Kesebonye
Sidney B Molomo	Member, Alternate to M Motloutse
Grace Ntereke	Member, Alternate to S keorapetse

GENERAL INFORMATION

Country of incorporation and domicile	Botswana	
Nature of business and principal activities	Providing health care services and letting of property	
Management committee	Oatlhokwa Nkomazana	Chairperson
	Onalethata Lebotse	
	Rose Nkolonyane	
	Christopher Gwere	
	Seabo Keorapetse	
	Thatayaone Kesebonye	
	Motsekedi Motloutse	
	Motshidisi Mafoko	Alternate to Mr Thatayaone Kesebonye
	Grace Ntereke	Alternate to Mr Olesitse Masimega
	Motshidise Mafoko	Alternate to Mr Motsekedi Motloutse
Principal officer	Mr Thulaganyo Molebatsi	
Registered office	Plot 70667 Fairscape Princinct The Tower Third Floor Fairgrounds Gaborone	
Postal address	Private Bag 00477 Gaborone Botswana	
Bankers	First National Bank Botswana ABSA Bank Botswana Limited Access Bank Botswana Limited Bank Gaborone Limited	
Auditors	KPMG Botswana Chartered Accountants Plot 67977 Fairgrounds Gaborone	
Legal advisors	Laurence Khupe Attorneys	
Asset manager	African Alliance Botswana Management Company Proprietary Limited Botswana Insurance Fund Management Limited Morula Capital Partners Proprietary Limited	
Administrators	Associated Fund Administrators Botswana Proprietary Limited (contract ended 30 June 2023) Health Risk Management Botswana Proprietary Limited (effective 01 July 2023)	
Functional and presentation currency	Botswana Pula (BWP)	



Consolidate and Separate Financial Statement

For The Year Ended 31 March 2024

The following supplementary information does not form part of the Consolidated and separate finacial statement and is unaudited.

Management Committee's Responsibility and Approval of The Consolidated and Separate Financial Statements

Management Committee's Responsibility and Approval of the Consolidated and Separate Financial Statements The Management Committee is responsible for the preparation and fair presentation of the consolidated and separate financial statements ("financial statements") of Botswana Public Officers' Medical Aid Scheme, comprising the consolidated and separate statements of financial position as at 31 March 2024, the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

The Management Committee is required by the Scheme's Rules, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the group and Scheme as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The consolidated and separate financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Management Committee responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Management Committee responsibility also includes maintaining adequate accounting judgements and an effective system of risk management as well as the preparation of the supplementary schedules included in these consolidated and separate financial statements.

The Management Committee acknowledge that they are ultimately responsible for the system of internal financial control established by the Scheme and place considerable importance on maintaining a strong control environment. To enable the Management Committee to meet these responsibilities, the Management Committee sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the Scheme's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Management Committee has made an assessment of the ability of the group to continue as going concerns and have no reason to believe the businesses will not be going concerns in the year ahead.

Management Committee's Responsibility and Approval of The Consolidated and Separate Financial Statements

The independent auditors are responsible for independently auditing and reporting on the group's consolidated and separate financial statements. The consolidated and separate financial statements have been audited by the group's independent auditors and their report is presented on pages 5 to 12.

Approval of the consolidated and separate financial statements of the Scheme

The consolidated and separate financial statements set out on pages 13 to 83, with supplementary information on pages 83, which have been prepared on the going concern basis, were approved and authorised for issue on 15 August 2025 by the Management Committee and were signed on its behalf by:

Mjamba	
_______________________	_______________________
Committee member	**Committee member.**

KPMG, Chartered Accountants
Audit
Plot 67977, Off Tlokweng Road,
Fairgrounds Office Park
PO Box 1519, Gaborone, Botswana
Telephone +267 391 2400
Fax +267 397 5281
Web http://www.kpmg.com/

Independent Auditor's Report

To the members of Botswana Public Officers' Medical Aid Scheme

Opinion

We have audited the consolidated and separate financial statements of Botswana Public Officers' Medical Aid Scheme (the Group and Scheme), which comprise the statements of financial position as at 31 March 2024, and the statements of profit or loss, statements of changes in equity and statements of cash flows for the year then ended, material accounting policies and notes to the consolidated and separate financial statements, as set out on pages 13 to 72.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Botswana Public Officers' Medical Aid Scheme as at 31 March 2024, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 consolidated and separate financial statements section of our report. We are independent of the Group and Scheme in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Botswana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Transition to IFRS 17, Insurance Contracts Refer to the following: Material accounting policies - significant judgements and sources of estimation uncertainty note 1.5 and IFRS 17 - Insurance contracts note 1.22. Notes to the financial statements - Insurance contract liabilities and assets note 20 Applicable to the consolidated and separate financial statements	
Key audit matter	How the matter was addressed in our audit
IFRS 17, Insurance Contracts (IFRS 17), sets out the principles for the recognition, measurement, presentation, and disclosure of insurance contracts and replaces IFRS 4, Insurance Contracts (IFRS 4). IFRS 17 was adopted for the first time for the year ended 31 March 2024. On 31 March 2024, the Group and Scheme held insurance contract assets and insurance contract liabilities as a result of its insurance operations. In applying IFRS 17, the Group and Scheme restated its insurance assets and liabilities to reflect the requirements of the new standard and in doing so, has made certain key judgments and assumptions to develop its accounting policies. The key judgements and assumptions include: • considerations of whether the Scheme falls within the definition of a mutual entity (mutual entity considerations); • estimate of fulfilment cash flows (revenue and other insurance related expenses); and • risk adjustment for non-financial risk.	Our audit procedures included the following: • We evaluated the Scheme's design and implementation of controls relating to the initial application of IFRS 17. • Evaluated the professional competence and capabilities, independence and objectivity of the expert engaged by the Management Committee, through inspection of their curriculum vitae and service level agreement. • Assessed the overall governance structure in place to ensure effective initial application of IFRS 17 by performing inquiries with management and inspecting management's signatures on policy papers prepared by their specialist. • Evaluated the appropriateness of the IFRS 17 position papers prepared by management against the requirements of IFRS 17. For a sample of contracts, we reviewed the terms and conditions of the various contracts issued by the Scheme and whether these support the conclusions reached by management in the position papers. • Involved actuarial and IFRS 17 accounting specialists to evaluate the appropriateness of the judgements and assumptions in the implementation of the standard by reviewing the liability model, IFRS 17 policy papers, review of contracts and financial statement disclosures against the requirements of IFRS 17.

Transition to IFRS 17, Insurance Contracts	
Refer to the following:	
Material accounting policies – significant judgements and sources of estimation uncertainty note 1.5 and IFRS 17 – Insurance contracts note 1.22.	
Notes to the financial statements – Insurance contract liabilities and assets note 20	
Applicable to the consolidated and separate financial statements	
Key audit matter	How the matter was addressed in our audit
We considered the impact on transition from IFRS 4 to IFRS 17 to be a key audit matter in our audit of the consolidated and separate financial statements because of the significant judgements and assumptions involved.	• Evaluated the supporting calculations related to the material transition adjustments at year end, by comparing them against the requirements of IFRS 17, with the standard applied retrospectively. Considered the impact of such changes on the financial statements. • Reviewed management's assessment of the mutual entity considerations against the requirement of the IFRS 17 principles, the Group and Scheme's policy, Societies Act of Botswana, and general industry practice of the country. • Reviewed management's assessment of the estimated fulfillment cash flow by performing a recalculation and comparing it to management's assessment. • Evaluated the presentation and disclosure in the financial statements to assess against the requirements of IFRS 17, specifically the appropriateness and adequacy of the: -Restatement of the comparative information. -Disclosure of the key new accounting policies and critical accounting estimates and areas of judgement.

Valuation of insurance contract liability, specifically the provision for outstanding claims and risk adjustment included within the liability for incurred claims	
Refer to the following: Material accounting policies - the significant judgements and sources of estimation uncertainty note 1.5 and IFRS 17 - Insurance contracts note 1.22. Notes to the financial statements - Insurance contract liabilities and assets note 20 Applicable to the consolidated and separate financial statements	
Key audit matter	How the matter was addressed in our audit
As at 31 March 2024, the Group and Scheme had provision for outstanding claims amounting to BWP 80 million and BWP 10m relating to non-financial risk adjustment respectively, included within the liability for incurred claims (LIC). Management Committee engaged an independent actuarial expert (DMG Consulting) to assess the adequacy of the valuation of the liability due to complexity of the valuation models. Management applies significant judgements and assumptions in the determination of the provision for outstanding claims and the non-financial risk adjustment, including within the LIC 'The key assumptions made in the valuation of the provision for outstanding claims and the non-financial risk adjustment, included within the LIC relate to: - Estimate of fulfillment cashflows including the effect of financial risks; and - uncertainty about the amount and timing of the cash flows that arises from non-financial risk, such as being exposed to the insurance risks (catastrophe and expense risks).	Our procedures included the following: • Assessing the design and implementation of the controls related to the recognition, measurement, and recording of claims within the operational systems. • Evaluating the professional competence and capabilities, independence and objectivity of the actuarial expert engaged by the Management Committee to compute the liability estimate through inspection of their professional membership and curriculum vitae. • Engaging our own actuarial specialist to perform the review of the estimate by assessing the appropriateness of the methodology and key assumptions used. In addition, the actuarial specialist tested the principles and the integrity of the models used by the Management Committee's` actuarial expert, based on industry knowledge and experience whilst assessing whether these were also in line with the requirements of IFRS 17. • Assessing the risk adjustment for non-financial risk for compliance against IFRS 17 requirements.

KPMG

<table>
<tr><td colspan="2">Valuation of insurance contract liability, specifically the provision for outstanding claims and risk adjustment included within the liability for incurred claims

Refer to the following:

Material accounting policies – the significant judgements and sources of estimation uncertainty

note 1.5 and IFRS 17 – Insurance contracts note 1.22.

Notes to the financial statements – Insurance contract liabilities and assets note 20

Applicable to the consolidated and separate financial statements</td></tr>
<tr><td>Key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>Given the complexities and the significant judgements and estimation uncertainties in the determination of the provision for outstanding claims and the non-financial risk adjustment, included within the LIC, we considered these to be a key audit matter.</td><td>• Testing the completeness and accuracy of the claims data used to estimate the provision for outstanding claims for the entire population through the use of data and analytics which included the following:

-extracted the data from the administrator's IT system and compared it to the amount recorded in the accounting records of the Scheme.

-compared the claims paid against the claim invoices received and whether the claim amounts actually approved, is in line with the Scheme's Benefit Guide.

• Assessing the disclosures in the financial statements, in respect of the assumptions used and the judgements applied in respect of the liability against the requirements of IFRS 17.</td></tr>
</table>

Other information

The management committee is responsible for the other information. The other information comprises the General Information, Management Committee's Responsibility and Approval of the Consolidated and Separate Financial Statements, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 management committee for the consolidated and separate financial statements

The management committee is responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), and for such internal control as the management committee determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the management committee is responsible for assessing the group and 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 management committee either intends to liquidate the Group and Scheme or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated and separate 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 consolidated and separate 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 group and scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee.
- Conclude on the appropriateness of the management committee's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and 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 consolidated and separate 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 Group and Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the group, as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the management committee 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 management committee, we determine those matters that were of most significance in the audit of the consolidated and separate 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.

KPMG
Firm of Certified Auditors
Practicing member: [Adele Venter and CAP number 0040 2025]
Certified Auditor of Public Interest Entity
Gaborone
15 August 2025

Statement of Financial Position as at 31 March 2024

		Group			Scheme		
Figures in Pula	Note(s)	2024	2023 Restated *	1 April 2022 Restated *	2024	2023 Restated *	1 April 2022 Restated *
Assets							
Property, plant and equipment	6	626,449	703,889	964,294	626,449	703,889	964,294
Right-of-use assets	7	4,442,474	5,199,282	402,968	4,442,474	5,199,282	402,968
Investment property	8	348,130,000	330,800,000	326,000,000	-	-	-
Investment in linked units	9	-	-	-	411,639,544	375,145,922	354,794,461
Investment in associate	10	69,304,756	61,978,312	49,334,445	69,304,756	61,978,312	49,334,445
Investments at fair value	11	78,653,649	182,927,152	227,044,660	78,653,649	182,927,152	227,044,660
Trade and other receivables*	13	36,381,718	24,243,923	24,338,414	23,509,362	16,052,381	5,753,165
Prepayments	12	14,694,665	-	-	-	-	-
Current tax receivable	32	-	1,757,618	2,006,749	-	-	-
Insurance contract assets*	20	-	-	40,172,573	-	-	40,172,573
Reinsurance contract assets*	21	735,446	-	232,355	735,446	-	232,355
Cash and cash equivalents	14	256,091,820	111,154,868	80,532,490	184,969,615	43,988,220	37,609,517
Total Assets		**809,060,977**	**718,765,044**	**751,028,948**	**773,881,295**	**685,995,158**	**716,308,438**
Liabilities							
Deferred taxation	17	31,112,548	28,197,084	30,936,023	-	-	-
Liability to future members*	15	621,057,497	598,742,450	667,273,102	621,057,497	597,617,979	667,273,104
Borrowings**	16	17,738,881	25,617,720	32,902,154	17,738,881	25,617,720	32,902,154
Lease liabilities**	7	4,822,808	5,307,463	700,854	4,822,808	5,307,463	700,854
Trade and other payables*	18	14,939,941	9,923,109	19,051,200	12,092,958	6,474,778	15,432,326
Retention liabilities		-	-	165,615	-	-	-
Current tax payable		1,220,151	-	-	-	-	-
Insurance contract liabilities*	20	118,169,151	50,571,249	-	118,169,151	50,571,249	-
Re-insurance contract liabilities*	21	-	405,969	-	-	405,969	-
Total Liabilities		**809,060,977**	**718,765,044**	**751,028,948**	**773,881,295**	**685,995,158**	**716,308,438**

* Comparative amounts in these financial statements have been restated as a result of changes in material accounting policies due to the adoption of IFRS 17 - Insurance contracts accounting standard. Refer to Note 3 on new standards effective 2024 note for detailed changes in significant accounting policies.

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

Statement of Profit or Loss

		Group		Scheme	
Figures in Pula	Note(s)	2024	2023 Restated *	2024	2023 Restated *
Insurance revenue*	22	1,169,938,348	1,008,616,453	1,169,938,348	1,008,616,453
Insurance service expenses*	23	(1,150,923,627)	(1,100,657,387)	(1,150,923,627)	(1,100,657,387)
Net expense from the reinsurance contracts held*	24	(2,766,791)	(4,743,376)	(2,766,791)	(4,743,376)
Insurance service result*		**16,247,930**	**(96,784,310)**	**16,247,930**	**(96,784,310)**
Rental income	25	31,753,913	29,148,985	-	-
Fair value gains	27	27,778,201	11,739,120	46,941,823	37,614,343
Other operating income	26	5,736,999	6,476,492	6,871,530	7,523,248
Administrative expenses*	23..2	(68,317,445)	(42,674,556)	(63,188,351)	(39,208,013)
Operating loss before investment income*		**13,199,598**	**(92,094,269)**	**6,872,932**	**(90,854,732)**
Interest revenue calculated using the effective interest method	28	490,525	2,203,169	-	-
Investment income	28	8,301,999	7,999,649	8,301,999	7,999,649
Finance costs	29	(2,061,857)	(2,443,909)	(2,061,857)	(2,443,909)
Income from equity accounted investments	10	10,326,444	15,643,867	10,326,444	15,643,867
Profit/(loss) before taxation*		**30,256,709**	**(68,691,493)**	**23,439,518**	**(69,655,125)**
Taxation	30	(7,941,662)	160,841	-	-
Profit/(loss) for the year*		**22,315,047**	**(68,530,652)**	**23,439,518**	**(69,655,125)**
Transfer to liability to future members		(22,315,047)	68,530,652	(23,439,518)	69,655,125
Total comprehensive income for the year		**-**	**-**	**-**	**-**

The accounting policies on pages 17 to 43 and the notes on pages 44 to 83 form an integral part of the consolidated and separate annual financial statements. The Group does not report other comprehensive income because it does not have any items that qualify for inclusion in other comprehensive income.

Statement of Changes In Equity

Figures in Pula	Fair value reserve	Retirement reserve	Accumulated profit	Total equity
Group - Restated				
previously reported balance at 31 March 2022	8,373,816	299,022,272	369,218,632	676,614,720
Initial impact of application of IFRS 17	-	-	(9,341,618)	(9,341,618)
Reclassification of reserves to liability to future members	(8,373,816)	(299,022,272)	(359,877,014)	(667,273,102)
Restated equity balances at 01 April 2022	-	-	-	-
Balance at 31 March 2023	-	-	-	-
Balance at 31 March 2024	-	-	-	-
Scheme - Restated				
previously reported balance at 31 March 2022	8,373,816	299,022,272	369,218,634	676,614,722
Initial impact of application of IFRS 17	-	-	(9,341,618)	(9,341,618)
Transfer of reserves to liability to future members	(8,373,816)	(299,022,272)	(359,877,01	(667,273,104)
Restated equity balances at 01 April 2022	**-**	**-**	**-**	**-**
Balance at 31 March 2023	**-**	**-**	**-**	**-**
Balance at 31 March 2024	**-**	**-**	**-**	**-**

* Comparative amounts in these financial statements have been restated as a result of changes in material accounting policies due to the adoption of IFRS 17 - Insurance contracts accounting standard. Refer to Note 3 on new standards effective 2023 note for detailed changes in significant accounting policies.

Statement Of Cash Flows

		Group		Scheme	
Figures in Pula	Note(s)	2024	2023 Restated *	2024	2023 Restated *
Cash flows from operating activities					
Cash generated from/(used in) operations	31	46,142,042	(20,350,857)	25,933,916	(55,044,092)
Tax paid	32	(2,048,429)	(2,328,967)	-	-
Net cash from/(to) operating activities		**44,093,613**	**(22,679,824)**	**25,933,916**	**(55,044,092)**
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(153,846)	(264,851)	(153,846)	(264,851)
Purchases of investments at fair value	11	(91,135,989)	(6,943,372)	(91,135,989)	(6,943,372)
Proceeds from sale of investments	11	205,857,693	58,000,000	205,857,693	58,000,000
Interest received	28	8,792,524	10,202,818	8,301,999	18,323,411
Capital prepayment	12	(14,694,665)	-	-	-
Dividend received from associate	10	3,000,000	3,000,000	3,000,000	3,000,000
Net cash from investing activities		**111,665,717**	**63,994,595**	**125,869,857**	**72,115,188**
Cash flows from financing activities					
Borrowings repayment	16	(7,724,352)	(7,141,602)	(7,724,352)	(7,141,602)
Repayment of leases	7	(881,682)	(964,050)	(881,682)	(964,050)
Interest paid	29	(2,216,344)	(2,586,741)	(2,216,344)	(2,586,741)
Net cashflow to financing activities		**(10,822,378)**	**(10,692,393)**	**(10,822,378)**	**(10,692,393)**
Total cash movement for the year		**144,936,952**	**30,622,378**	**140,981,395**	**6,378,703**
Cash and cash equivalents at the beginning of the year		111,154,868	80,532,490	43,988,220	37,609,517
Cash and cash equivalents at the end of the year	**14**	**256,091,820**	**111,154,868**	**184,969,615**	**43,988,220**

* Comparative amounts in these financial statements have been restated as a result of changes in material accounting policies due to the adoption of IFRS 17 – Insurance contracts accounting standard. Refer to Note 3 on new standards effective 2023 note for detailed changes in significant accounting policies. 16

Reporting Entity

Botswana Public Officers' Medical Aid Scheme (the "Scheme") was registered on 31 July 1990 under the Societies Act No 18:01 of 1972 to assist members of the Scheme and their dependents in defraying expenditure incurred in connection with medical and related services. The Scheme is domiciled in Botswana. The Scheme has a 100% stake in BPOMAS Property Holdings Proprietary Limited, a limited liability company incorporated in Botswana, which is in the business of letting out of properties and a 30% stake in Lenmed Health Bokamoso Private Hospital Proprietary Limited, a limited liability company incorporated in Botswana, which provides private healthcare services. The annual consolidated financial statements comprise the consolidated financial position and results of the Scheme, the subsidiary and associate company (together referred as to as the "group"). The Scheme's registered office address and principal place of business is Plot 70667, The FairScape, Fair Grounds

1. Material accounting policies

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

1.1 Basis of preparation and statement of compliance

The consolidated and separate financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and effective at the time of preparing these consolidated and separate financial statements.

1.2 Basis of measurement

The financial statements are prepared on the historical cost basis except for certain financial instruments and leasehold land and buildings which are stated at fair value. All the other accounting policies have been consistently applied by the group and are consistent with those used in the previous year except for the adoption of IFRS 17 as fully explained in note 1.22.

1.3 Functional and presentation currency

These consolidated and separate financial statements are presented in and rounded to the nearest Pula, which is the Scheme's functional currency.

1.4 Consolidation

Basis of consolidation

Interest in subsidiaries

The consolidated and separate financial statements incorporate the consolidated and separate financial statements of the Scheme and all its subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

1.4 Consolidation *(continued)*

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated and separate financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to liability to future members). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Interest in equity-accounted Investees

Associates are all entities over which the group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting where investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

1.5 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate financial statements in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board, requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

1.5 Significant judgements and sources of estimation uncertainty *(continued)*

These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Key sources of estimation uncertainty

Valuation of investment property

The fair value of investment property is determined by an independent valuer.

Use of the most appropriate method: the valuer considers outputs from a range of methods, including income capitalization and depreciated replacement cost and comparable market values to determine the fair value of the investment property.

Unobservable inputs:

- Future rental cash inflows: based on the actual location, type and quality of the property and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties.
- Capitalisation rates: based on actual location, size and quality of the property and taking into account market data at the valuation date;
- Cost per Sqm: the current market cost of reproduction or replacement of an asset specific to the nature of the property, components and structure of the property; and
- Depreciation factor: based on the age of the property and conditions of the property.
- The adjustment of recently transacted prices of similar properties to reflect the uniqueness of the company's properties.

Impairment testing of assets

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations.

1.5 Significant judgements and sources of estimation uncertainty *(continued)*

These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

The group determines the estimated useful lives and related depreciation charges for its plant and equipment. This estimate is based on projections about the continued existence of a market for its products and the ability of the group to penetrate a sufficient portion of that market in order to operate profitably. The group increases the depreciation charge where the useful lives are less than previously estimated, or it will appropriately impair technically obsolete or non-strategic assets that have been abandoned or identified for sale.

Residual values are based on current estimates of the value of these assets at the end of their useful lives. The final determined figures for property, plant and equipment are disclosed in note 6.

IFRIS 17 - Insurance contracts

(a) Classification

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

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

(b) Level of aggregation (unit of account)

Judgement is applied to determine IFRS 17 insurance contracts. These groups are divided into: (i) onerous contracts; (ii) contracts that do not have a significant possibility of becoming onerous; and (iii) remaining contracts. Contracts measured applying the PAA are assumed not to be onerous unless facts and circumstances indicating otherwise have been identified. The Scheme determined that it meets the definition of a mutual entity (refer to note 1.5) and concluded that there are adequate reserves available to offset the losses should there be any loss-making contracts, and therefore, during the year, no contracts were deemed to be onerous.

1.5 Significant judgements and sources of estimation uncertainty *(continued)*

Judgement is applied in determining whether the contracts have similar risks and are managed together for identification of portfolios. The Scheme concluded that the insurance contracts benefit options transfer the same risks and are monitored for profitability and performance together on a Scheme level; therefore, contracts issued will form part of the same portfolio at a Scheme level. The Scheme concluded that reinsurance contracts held do not transfer similar risks and are managed individually; therefore, each reinsurance contract held forms a portfolio on its own.

(c) Recognition, modification and derecognition

During the year, there were no contracts identified to have been significantly modified.

(d) Measurement

Other directly attributable expenses:

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

Contract boundaries:

The concept of a contract boundary is used to determine which future cash flows should be considered in the measurement of a contract in the scope of IFRS 17. The Scheme applied judgement to assess if the Scheme has the practical ability to reprice the entire contract to reflect the reassessed risks. In making this assessment, the Scheme evaluated all contractual substantive rights and obligations. The Scheme has determined that contract boundaries are ranging from one year to more than one year.

Initial and subsequent measurement:

The Scheme determined that the premium waiver benefit imbedded within the contracts extends the contract boundaries and coverage period to more than 12 months. The Scheme concluded that the LRC measured applying GMM principles would not materially differ from the one produced applying the PAA principles; and therefore measures the insurance contracts issued and reinsurance contracts held applying the PAA.

Critical accounting estimates for IFRS 17 - insurance contracts

(a) Discount rates

The Scheme concluded that cashflows related to the premium waiver benefit are not significant and significant cashflows are expected to be resolved within 12 months. The Scheme elected not to discount insurance contracts and reinsurance contracts measured applying the PAA, as the time between the date the services are provided and the premiums are received (or paid) and the date that the claims are incurred and the cash flows are expected to be paid (or received) is less than a year.

Material Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty *(continued)*

(b) Estimate of fulfilment cashflows

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

Expenses directly attributable to insurance contracts are identified and allocated to groups of insurance contracts. The Scheme has adopted a method to identify directly attributable expenses by the nature of these expenses. The Scheme expenses insurance acquisition cash flows as incurred for contracts with a coverage period of one year or less. For contracts with a coverage period exceeding one year, including premium waiver products, insurance acquisition cash flows are allocated to the respective group of insurance contracts and amortised over the coverage period.

(c) Risk adjustment for non-financial risk

The insurance liability (asset) carrying amount includes an explicit component called the risk adjustment for non-financial risk that allows for the compensation required for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk, such as being exposed to the insurance risks (catastrophe and expense risks) , contained within the Scheme's insurance contracts. The Scheme determines the risk adjustment for non-financial risk using the Value-at-Risk (VaR) method for LIC. The confidence level has been set at the 75th percentile.

(d) Mutual entity considerations

The Scheme has determined that it provides economic benefits directly to its members. Profits generated by the Scheme are reserved for servicing insurance contract obligations, including claims, any other expenses relating to insurance contracts, and future insurance contracts.

The Scheme has concluded that it meets the definition of a mutual entity (as defined in IFRS 3) based on the following:

- Profits and surpluses are not distributed to members or other external stakeholders but are retained within the Scheme to benefit current and future members.
- Upon liquidation, residual assets, after settling all liabilities, are not attributable to the government, current, or former members. Instead, these assets are distributed to a tax-exempt organisation with a similar mutual purpose, as governed by the Scheme's constitution.
- The Botswana Government may on six (6) month's written notice given to the Management Committee, terminate the Scheme, provided that if two-thirds of the members present at a duly constituted meeting of members called by the Management Committee for the purpose in terms of Rule 39 elect to continue the Scheme without the employer's contributions, the Rules shall be amended and the Scheme shall be continued.

1.5 Significant judgements and sources of estimation uncertainty *(continued)*

Where facts and circumstances indicate that a group of insurance contracts may be onerous, losses identified are offset against the liability to future members. This approach aligns with the mutual nature of the Scheme, ensuring that current and future members are not unduly disadvantaged by deficits arising from onerous contracts.

1.6 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Scheme, is classified as investment property.

Investment property comprises leasehold land and buildings. Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in profit or loss in the year in which they arise.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Scheme and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit or loss during the financial period in which they are incurred.

The final determined figures for investment property are disclosed in note 8.

Reclassification

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the value of this item at the date of transfer is recognised in other comprehensive income.

1.6 Investment property *(continued)*

Derecognition

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

1.7 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 years
Computer equipment	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

1.7 Property, plant and equipment *(continued)*

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.8 Investments in associates

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. It generally accompanies a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method, except when the investment is classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the Statement of Financial Position at cost adjusted for post-acquisition changes in the group's share of net assets of the associate, less any impairment losses.

The group's share of post-acquisition profit or loss is recognised in profit or loss and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in an associate in excess of the group's interest in that associate, including any other unsecured receivables, are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the group.

When the group reduces its level of significant influence or loses significant influence, the group proportionately reclassifies the related items which were previously accumulated in liability to future members through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss.

1.9 Investments in linked units

Investments in linked units are classified as financial assets measured at fair value through profit or loss. These investments are considered debt instruments and are carried at fair value, with changes in fair value recognised in profit or loss under other operating gains.

Fair value gains and losses include adjustments arising from changes in the estimation of interest income cash flows.

1.10 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the group, as applicable, are as follows:

Financial assets

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or

These financial assets measurements fair value hierarchy is as disclosed in note 11.

The Group's investment strategy is primarily aimed at long-term capital growth, while maintaining a balanced risk profile. The Group holds a portfolio of financial assets including equities, balanced portfolios, and unit trusts, with the objective of generating returns through both capital appreciation and income generation. The business model is to hold these investments with the intention to sell when necessary to fund operations or capitalise on favourable market conditions. Specifically, the Group does not have the business model of holding financial assets to collect solely principal and interest (SPPI) cash flows.

1.10 Financial instruments *(continued)*

The classification of financial assets is determined based on both the business model and the contractual cash flow characteristics of the assets. The financial assets in the Group's portfolio, such as equities and unit trusts, do not meet the criteria for SPPI. These assets are not solely designed to generate cash flows consisting of principal and interest payments. Instead, they are designed to generate returns from market price changes and other capital appreciation, which indicates that their cash flows are not solely principal and interest. Therefore, the Group concludes that the investments do not pass the SPPI test. Based on the Group's business model of holding these investments with the intention of generating capital appreciation, interest and dividends and income through market fluctuations, and given that the contractual cash flows do not solely consist of principal and interest, these financial assets are classified as Fair Value Through Profit or Loss (FVTPL). All changes in the fair value of these investments, including both unrealised gains and losses and realised gains and losses on disposal, are recognised directly in the profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or

Note 4 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market-place.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 13).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

1.10 Financial instruments *(continued)*

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 28).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment of financial assets

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

The group measures the loss allowance for trade and other receivables which do not contain a significant financing component at an amount equal to lifetime expected credit losses (lifetime ECL). The loss allowance for all other trade and other receivables is measured at lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on these receivables has not increased significantly since initial recognition, then the loss allowance for those receivables is measured at 12 month expected credit losses (12 month ECL).

1.10 Financial instruments *(continued)*

The group recognises expected credit losses on its rental income from the hospital tenant based on a forward-looking approach, considering the probability of default and loss given default.

Due to the hospital's excellent credit history and no history of default, the group has assessed the probability of default as low and therefore does not recognize an expected credit loss on its rental income.

Write off policy

The group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the profit or loss.

Investments in debt instruments at fair value through profit or loss

Classification

Certain investments in debt instruments are classified as mandatorily at fair value through profit or loss. These investments do not qualify for classification at amortised cost or at fair value through other comprehensive income because either the contractual terms of these instruments do not give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, or the objectives of the group business model are met by selling the instruments rather than holding them to collect the contractual cash flows.

Recognition and measurement

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

Fair value gains or losses are recognised in other operating gains/(losses) (note 27).

Investments denominated in foreign currencies

When an investment in a debt instrument at fair value through profit or loss is denominated in a foreign currency, the fair value of the investment is determined in the foreign currency. The fair value is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised as part of the fair value adjustment in profit or loss.

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 4).

1.10 Financial instruments *(continued)*

Impairment

Investments in debt instruments at fair value through profit or loss are not subject to impairment provisions.

Derecognition

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

Investments in debt instruments at fair value through profit or loss are derecognised when the Scheme's rights to receive cash flows from the instrument have expired or when the instrument has been transferred and the Scheme has transferred substantially all risks and rewards of ownership.

Trade and other payables

Classification

Trade and other payables (note 18), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Trade and other payables are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 29).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 4 for details of risk exposure and management thereof.

Derecognition

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

1.10 Financial instruments *(continued)*

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are measured at amortised cost which approximates fair value.

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.
The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.11 Tax

Current tax assets and liabilities

All Group entities are subject to taxation except for the Scheme which is exempt from income taxation in terms of the second schedule of the Botswana Income Tax Act (Chapter 52:01).

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities

1.11 Tax *(continued)*

Tax expenses

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items recognised in other comprehensive income, in which case the tax is also recognised in other comprehensive income, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

Current tax and deferred taxes are charged or credited directly to liability to future liabilities if the tax relates to items that are credited or charged, in the same or a different period, directly in liability to future liabilities.

1.12 Leases

The Scheme assesses whether a contract is, or contains a lease, at the inception of the contract following the IFRS 16 guidance.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Scheme has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term.

Scheme as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Scheme is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Scheme recognises the lease payments as an operating expense (note 23) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

1.12 Leases *(continued)*

However as an exception to the preceding paragraph, the Scheme has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the Scheme is a lessee are presented in note 7 (Leases).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Scheme uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the group under residual value guarantees;
- the exercise price of purchase options, if the group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 23).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 29).

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

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

1.12 Leases *(continued)*

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of- use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Group as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

1.13 Finance costs

The group's finance costs are recognised in profit or loss using the effective interest rate method.

1.14 Impairment of non-financial assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss.

1.15 Short-term employee benefits

The Scheme has defined contribution pension schemes which are funded through payments to a pension scheme. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate fund and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods. Contributions to an approved defined contribution pension plan are recognised in profit or loss in the year to which these costs relate. Employees who are not members of these approved pension funds and are not entitled to gratuities per their employment contracts, are entitled to severance benefits as regulated by the Employment Act Chapter 47:01 (2003) of Botswana. Employee entitlements to annual leave, bonuses, medical aid, pension contributions and housing benefits are recognised when they accrue to employees and an accrual is recognised for the estimated liability as a result of services rendered by employees up to the reporting date.

1.16 Revenue from contracts with customers

The group recognises revenue from the following sources:

Insurance revenue

Insurance revenue comprises premiums earned from members applying the premium allocation approach (PAA).

1.16 Revenue from contracts with customers *(continued)*

Premiums are recognised as revenue in the period in which the insurance coverage is provided, reflecting the period over which the associated insurance services are rendered. The Scheme determines the contract boundary for insurance contracts, ensuring that revenue is recognised only for coverage that extends to the reporting date, while any premiums received for future periods are deferred and recognised as part of the liability for remaining coverage (insurance contract liability) on the statement of financial position.

Rental income

Rental income from operating leases is recognised in income on a straight line basis over the lease term.
Interest income

Interest income is recognised on a time-proportion basis using effective interest rate method.

1.17 Rental income

Rental income from operating leases is recognised in income on a straight-line basis over the lease term.

1.18 Investment income

Investment income comprises interest receivable on funds invested and realised investment value. Interest income is recognised in profit and loss using the effective interest rate method, and taking into account the expected timing and amount of cash flows. Interest income includes the amortisation of any discounts or premiums or other difference between initial carrying amount of an interest-bearing instrument and its amount at maturity, calculated on an effective interest rate method.

The accumulated fair value adjustments are included in profit or loss as gains and losses from the investment securities.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method. The group has presented Interest income on financial assets as part of finance income because it does not consider it as part of its revenue-generating activities but rather investing activities. Therefore, this is presented in the statement of cashflows as interest received under investing activities.

1.19 Other operating income

Other operating income is recognised in profit or loss when it is earned, and is measured at the fair value of the consideration received or receivable. Other operating income comprises of administration fees and sundry income.

1.20 Translation of foreign currencies

Foreign currency transactions

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

At the end of the reporting period foreign currency monetary items are translated using the closing rate.

1.21 Related parties

Related parties are defined as those parties related to the reporting entity directly or indirectly through one or more intermediaries which:

(A) A person or a close member of that person's family is related to a reporting entity if that person:

- has control or joint control over the reporting entity;
- has significant influence over the reporting entity; or
- is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(B) An entity is related to a reporting entity if any of the following conditions applies:

- The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity
- The entity is controlled or jointly controlled by a person identified in (a)
- A person identified in (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

1.22 IFRS 17 - Insurance contracts

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

(a) Definition, scope and separation of components

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

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

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

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

1.22 IFRS 17 - Insurance contracts *(continued)*

B) Transition approach

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

apply the Standard as if it had always been applied. The Scheme will therefore apply IFRS 17 fully retrospectively. At transition date, the Scheme:

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

Changes in presentation and disclosure

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

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

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

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

- Revenue from contributions
- Incurred claims

IFRS 17 requires separate presentation of:

- Insurance revenue;
- Insurance service expenses;
- Insurance finance income or expenses; and
- Income or expenses from reinsurance contracts held.

1.22 IFRS 17 - Insurance contracts *(continued)*

As the Scheme is a mutual entity ((as defined in IFRS 3);

- The Statement of Profit or Loss does not reflect any profit/(loss) for the year. These profits or losses are transferred to insurance liability to future members.
- The movement in the insurance liability to future members is included in the insurance service expenses line.
- The Scheme does not present the accumulated profit in the Statement of Changes in Equity.
- Previously reported accumulated profits are transferred to insurance liability to future members.

(c) Level of aggregation (unit of account)

A portfolio of insurance contracts issued comprise of contracts subject to similar risks and managed together. Contracts issued by the Scheme provide the following benefit options:

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

These benefit options are monitored for profitability and performance together on a Scheme level, making use of the same management reports. Contracts issued (in accordance with benefit options) transfer the same risks (mortality and morbidity).

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

An entity shall divide a portfolio of insurance contracts issued into a minimum of a group of contracts that are onerous at initial recognition, if any; a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and a group of the remaining contracts in the portfolio, if any. An entity is permitted to further subdivide to more granular groups should a need be identified. The Scheme did not identify a need to further sub-divide into more granular groups.

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

An entity shall not include contracts issued more than one year apart in the same group, this is achieved by determining annual cohorts. The Scheme's cohort is determined to be 01 April - 31 March.

These groups represent the level of aggregation at which insurance revenue is measured. Such groups are not subsequently reconsidered.

(d) Recognition, modification and derecognition

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

The Scheme recognises a group of reinsurance contracts held from the earlier of the following:

(a) the beginning of the coverage period of the group of reinsurance contracts held; and

(b) the date the entity recognises an onerous group of underlying insurance contracts.

For reinsurance contracts measured using the premium allocation approach, the Scheme adjusts the asset for remaining coverage of the group of reinsurance contracts held, and as a result recognises income when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group.

The Scheme derecognises a contract when the contract's coverage period has come to an end or when the policy has been cancelled. There were no contracts identified to be significantly modified as at 31 March 2024.

(e) Measurement

(i) Fulfilment cash flows within contract boundary

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

On initial recognition, a group of insurance contracts is measured as the total of fulfilment cash flows (estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks related to the future cash flows, and a risk adjustment for non-financial risk); and contractual service margin (for contracts not measured applying the PAA).

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

Insurance contracts issued:

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

Reinsurance contracts held:

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

(ii) Initial and subsequent measurement

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

The Scheme's insurance contracts have a premium waiver benefit embedded within them; where when a principal member dies, the remaining dependents will continue receiving medical benefits at no additional costs for a period of 6 months. Additionally, members have an option of purchasing an extended premium waiver benefit within their contracts. An extended premium waiver benefit allows members to increase their existing premium waiver by 12 months, 24 months or 36 months. The premium waiver benefit extends the contract boundaries and coverage period to more than 12 months. The Scheme has determined that the LRC measured applying GMM principles would not materially differ from the one produced applying the PAA principles. As such, the Scheme measures insurance contracts issued and related reinsurance contracts held applying the PAA.

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

LRC – measured applying the PAA:

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

At the end of the period the LRC is determined by the premiums received during the period, minus insurance acquisition cash flows not recognised as expense, plus any amounts relating to the amortisation of insurance acquisition cash flows recognised as an expense in the reporting period, minus the amount recognised as insurance revenue for services provided in that period.

LIC - measured applying the Premium Allocation Approach ("PAA"):

The LIC is the determined by fulfilment cash flows relating to past service allocated to the group of insurance contracts. The LIC is changed by recognition of insurance service expenses in respect of claims and expenses incurred during the period and any changes in relation to claims and expenses, and the effect of financial risk.

(iv) Insurance acquisition cashflows

In respect of insurance contracts measured applying the Premium Allocation Approach (PAA), the Scheme has an accounting policy choice regarding the treatment of insurance acquisition cash flows (IACF). For insurance contracts measured using the Premium Allocation Approach (PAA), the Scheme expenses insurance acquisition cash flows (IACF) as incurred for contracts with a coverage period of one year or less. For contracts with a coverage period exceeding one year, including premium waiver products, IACF are capitalised and amortised over the coverage period.

The Scheme does not have any insurance contracts measured applying the General Method Model (GMM).

(v) Other directly attributable expenses

All policy administration and maintenance expenses determined to be directly attributable to insurance contracts are assumed to be due to current service provision. No liability is raised in advance of these types of expenses incurring. As each month's expenses are incurred, these amounts are raised within the LIC and released from the LIC to insurance service expense.

(vi) Risk adjustment for non-financial risk

The Scheme applies the risk adjustment for non-financial risk to the LIC for the groups of insurance contracts measured applying the PAA. The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Non-financial risks imbedded in the Scheme's insurance contracts include catastrophe risks and expense risks.

(vii) Discount rates

The Scheme's cashflows, except for those cashflows related to the premium waiver benefit are expected to be resolved within 12 months. The cashflows related to the premium waiver benefit have been determined to be insignificant to the overall measurement of the insurance contracts. The Scheme has elected not to discount insurance contracts and reinsurance contracts measured applying the PAA due to the short term nature of the significant contractual cashflows of these contracts.

(viii) Insurance finance income or expenses

The impact of the time value of money on the net carrying amount of insurance contracts is presented under insurance finance income and expenses. The Fund has elected not to disaggregate this impact between profit or loss and other comprehensive income. The Fund elected to recognise insurance finance income/expenses in profit or loss.

IFRS 17 Transition Support and Actuarial Services

The transition to IFRS 17 was managed with the support of DMG Consulting, a professional services firm registered with the Botswana Institute of Chartered Accountants (BICA). DMG Consulting delivered end-to-end IFRS 17 transition services, including technical interpretation, process design, data mapping, and ensuring alignment with IFRS 17 reporting requirements. The actuarial valuations for the reporting period were performed by Deloitte South Africa, specifically through their Actuarial and Analytics division. Deloitte is a globally recognised accounting and audit firm with strong local expertise. Their actuarial team provided an independent valuation of the estimation component of the liability for incurred claims, as well as the methodologies and key assumptions applied under the IFRS Accounting Standards.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

The group has adopted the following standards and interpretations that are effective for the current financial year:

Standard/ Interpretation:	Effective date:Years beginning on or after
· Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12	01 January 2023
· Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	01 January 2023
· Definition of accounting estimates: Amendments to IAS 8	01 January 2023

The above amendments did not have a material impact on these financial statements.

The Scheme has adopted IFRS 17 – Insurance Contracts which replaces replaces IFRS 4 – Insurance Contracts, for the first time in the annual reporting period commencing on or after 1 January 2023. This standard has an impact on the annual financial statements as detailed in note 1.22.

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 April 2024 or later periods:

2. New Standards and Interpretations *(continued)*

Lease liability in a sale and leaseback

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The amendment is effective for years beginning on or after 01 January 2024 and the Group expects to adopt the amendment for the first time in the Group's 2025 annual consolidated and separate financial statements. The amendment is unlikely to have a material impact on the Group's annual consolidated and separate financial statements..

Lack of exchangeability - amendments to IAS 21

The amendments apply to currencies which are not exchangeable. The definition of exchangeable is provided as being when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

The amendments require an entity to estimate the spot exchange rate at measurement date when a currency is not exchangeable into another currency. Additional disclosures are also required to enable users of financial statements to understand the impact of non-exchangeability on financial performance, financial position and cash flow.

The amendment is effective for years beginning on or after 01 January 2025 and the Group expects to adopt the amendment for the first time in the Group's 2025 annual consolidated and separate financial statements. The amendment is unlikely to have a material impact on the Group's annual consolidated and separate financial statements.

Supplier finance arrangements - amendments to IAS 7 and IFRS 7

The amendment applies to circumstances where supplier finance arrangements exist. These are arrangements whereby finance providers pay the suppliers of the entity, thus providing the entity with extended payment terms or the suppliers with early payment terms. The entity then pays the finance providers based on their specific terms and conditions. The amendment requires the disclosure of information about supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows as well as on the entity's exposure to liquidity risk.

The amendment is effective for years beginning on or after 01 January 2024 and the Group expects to adopt the amendment for the first time in the Group's 2024 annual consolidated and separate financial statements. The amendment is unlikely to have a material impact on the Group's annual consolidated and separate financial statements.

Notes to the Consolidated And Separate Annual Financial Statements

2. New Standards and Interpretations *(continued)*

Non-current liabilities with covenants - amendments to IAS 1

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

The amendment is effective for years beginning on or after 01 January 2024 and the Group expects to adopt the amendment for the first time in the Group's 2025 annual consolidated and separate financial statements. The amendment is unlikely to have a material impact on the Group's annual consolidated and separate financial statements.

Classification of liabilities as current or non-current - amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current. If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The amendment is effective for years beginning on or after 01 January 2024 and the Group expects to adopt the amendment for the first time in the 2025 annual financial statements. The amendment is unlikely to have a material impact on the Group's annual consolidated and separate financial statements.

Amendments to the classification and measurement of financial instruments – Amendments to IFRS 9 financial instruments and IFRS 7 financial instruments: Disclosures

The Amendments to IFRS 9 and IFRS 7, clarify the classification, measurement, and disclosure of financial instruments. Key changes include guidance on modifying financial instruments, accounting for changes in the credit risk of financial liabilities, and enhanced disclosures on the impact of financial instruments, especially related to credit risk and market sensitivities. The amendments aim to improve transparency and reduce volatility in profit or loss.

2. New Standards and Interpretations *(continued)*

The amendment is effective for years beginning on or after 01 January 2027 and the Group expects to adopt the amendment for the first time in the 2027 annual financial statements. The amendment is unlikely to have a material impact on the Group's annual consolidated and separate financial statements.

IFRS 18 - Presentation and disclosures in financial statements

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.

The amendment is effective for years beginning on or after 01 January 2027 and the Group expects to adopt the amendment for the first time in the 2028 annual financial statements. The amendment is unlikely to have a material impact on the Group's annual consolidated and separate financial statements.

IFRS 19 - Subsidiaries without public accountability: disclosures

IFRS 19 specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

The amendment is effective for years beginning on or after 01 January 2027 and the Group expects to adopt the amendment for the first time in the 2028 annual financial statements. The amendment is unlikely to have a material impact on the Group's annual consolidated and separate financial statements.

IFRS S1 and S2 - General requirements for disclosure of sustainability - related financial information

IFRS S1 and S2 sets out overall requirements with the objective to require an entity to disclose information about its sustainability - related risks and opportunities that is useful to the primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The amendment is effective for years beginning on or after 01 January 2024 and the Group expects to adopt the amendment for the first time in the 2025 annual financial statements. The amendment is unlikely to have a material impact on the Group's annual consolidated and separate financial statements.

International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12

The Amendments introduce a mandatory temporary exception to accounting for deferred taxes resulting from the jurisdictional implementation of the Pillar Two model rules. Additionally, they establish disclosure requirements for affected entities, enabling users of financial statements to better comprehend an entity's exposure to Pillar Two income taxes stemming from this legislation, especially prior to its effective date.

Notes to the Consolidated And Separate Annual Financial Statements

2. New Standards and Interpretations *(continued)*

The amendment is effective for years beginning on or after 23 May 2023 and the Group expects to adopt the amendment for the first time in the 2025 annual financial statements. The amendment is unlikely to have a material impact on the Group's annual consolidated and separate financial statements.

3. Changes in accounting policy

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards on a basis consistent with the prior year except for the adoption of IFRS 17 - Insurance Contracts.

The aggregate effect of the change in accounting policy on the consolidated and separate financial statements for the year ended 31 March 2023 is detailed in note 1.22.

Notes to the Consolidated And Separate Annual Financial Statements

4. Financial instruments and risk management

Categories of financial assets - In Pula

Group - 2024 - In Pula

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Investments at fair value	11	78,653,649	-	78,653,649	78,653,649
Trade and other receivables	13	-	36,123,574	36,123,574	36,123,574
Cash and cash equivalents	14	-	256,091,820	256,091,820	256,091,820
		78,653,649	**292,215,394**	**370,869,043**	**370,869,043**

Group - 2023 - In Pula - Restated

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Investments at fair value	11	182,927,152	-	182,927,152	182,927,152
Trade and other receivables*	13	-	24,143,198	24,143,198	24,143,198
Cash and cash equivalents	14	-	111,154,868	111,154,868	111,154,868
		182,927,152	**135,298,066**	**318,225,218**	**318,225,218**

Scheme - 2024 - In Pula

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Investment in linked units	9	411,639,544	-	411,639,544	-
Investments at fair value	11	78,653,649	-	78,653,649	78,653,649
Trade and other receivables	13	-	23,251,218	23,251,218	23,251,218
Cash and cash equivalents	14	-	184,969,615	184,969,615	184,969,615
		490,293,193	**208,220,833**	**698,514,026**	**286,874,482**

Scheme - 2023 - In Pula - Restated

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Investment in linked units	9	375,145,922	-	375,145,922	375,145,922
Investments at fair value	11	182,927,152	-	182,927,152	182,927,152
Trade and other receivables*	13	-	15,951,656	15,951,656	15,951,656
Cash and cash equivalents	14	-	43,988,220	43,988,220	43,988,220
		558,073,074	**59,939,876**	**618,012,950**	**618,012,950**

*Comparative amounts have been restated due to the adoption of IFRS 17 - Insurance Contracts. Refer to Note 3 on new standards effective 2024 note for detailed changes in significant accounting policies.

Notes to the Consolidated And Separate Annual Financial Statements

4. Financial instruments and risk management *(continued)*

Categories of financial liabilities - In Pula

Group - 2024 - In Pula

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	18	9,531,889	9,531,889	9,531,889
Borrowings	16	17,738,881	17,738,881	17,738,881
		27,270,770	**27,270,770**	**27,270,770**

Group - 2023 - In Pula - Restated

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables*	18	6,938,585	6,938,585	6,938,585
Borrowings	16	25,617,720	25,617,720	25,617,720
		32,556,305	**32,556,305**	**32,556,305**

Scheme - 2024 - In Pula

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	18	6,728,660	6,728,660	6,728,660
Borrowings	16	17,738,881	17,738,881	17,738,881
		24,467,541	**24,467,541**	**24,467,541**

Scheme - 2023 - In Pula - Restated

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables*	18	3,508,652	3,508,652	3,508,652
Borrowings	16	25,617,720	25,617,720	25,617,720
		29,126,372	**29,126,372**	**29,126,372**

*Comparative amounts have been restated due to the adoption of IFRS 17 - Insurance Contracts. Refer to Note 3 on new standards effective 2024 note for detailed changes in significant accounting policies.

Notes to the Consolidated And Separate Annual Financial Statements

4. Financial instruments and risk management *(continued)*

Capital risk management

The Scheme's objective when managing capital (which includes working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the group may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The capital structure and gearing ratio of the group at the reporting date was as follows:

		Group		Scheme	
Figures in Pula		**2024**	**2023 Restated**	**2024**	**2023 Restated**
Insurance contract liabilities		118,169,151	50,571,249	118,169,151	50,571,249
Reinsurance contract liabilities		-	405,969	-	405,969
Subscriptions in advance		-	-	-	-
Current tax payable		1,220,151	-	-	-
Borrowings	16	17,738,881	25,617,720	17,738,881	25,617,720
Lease liabilities	7	4,822,808	5,307,463	4,822,808	5,307,463
Trade and other payables	18	14,939,941	9,923,109	12,092,958	6,474,778
Total liabilities		**156,890,932**	**91,825,510**	**152,823,798**	**88,377,179**
Cash and cash equivalents	14	(256,091,820)	(111,154,868)	(184,969,615)	(43,988,220)
Net liabilities		**(99,200,888)**	**(19,329,358)**	**(32,145,817)**	**44,388,959**
Liability to future members		621,057,497	598,742,450	621,057,497	597,617,979
Gearing ratio		3 %	7 %	(5)%	17 %

Notes to the Consolidated And Separate Annual Financial Statements

4. Financial instruments and risk management *(continued)*

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The management committee has overall responsibility for the establishment and oversight of the group's risk management framework.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The group is exposed to credit risk on trade and other receivables as well as cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well established financial institutions. The banks in Botswana are not rated but are regulated by the Bank of Botswana and some are subsidiaries of internationally reputable financial institutions. The Ministry of Health (MOH) is also unrated but is a Government entity that, while historically slow in payments, ultimately settles its obligations. Lenmed, an associate of the Scheme, is not independently rated. However, the Scheme closely monitors the credit quality of Lenmed's debts due to its significant influence over Lenmed's operations. The Scheme has access to Lenmed's regular reports, strategic initiatives, and any potential risks identified by its Board, with its financial results regularly reported to BPOMAS through monthly management accounts.

The group recognises expected credit losses on its rental receivable from the hospital tenant based on a forward-looking approach, considering the probability of default and loss given default.

4. Financial instruments and risk management *(continued)*

Due to the hospital's excellent credit history and no history of default, the group has assessed the probability of default as low and therefore does not recognize an expected credit loss on its rental income.

The maximum exposure to credit risk is presented in the table below:

Group - In Pula		2024			2023 Restated		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	13	36,123,574	-	36,123,574	24,143,198	-	24,143,198
Cash and cash equivalents	14	256,091,820	-	256,091,820	111,154,868	-	111,154,868
		292,215,394	**-**	**292,215,394**	**135,298,066**	**-**	**135,298,066**

Scheme- In Pula		2024			2023 Restated		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	13	23,251,218	-	23,251,218	15,951,656	-	15,951,656
Cash and cash equivalents	14	184,969,615	-	184,969,615	43,988,220	-	43,988,220
		208,220,833	**-**	**208,220,833**	**59,939,876**	**-**	**59,939,876**

Bank balances

The Scheme assesses its exposure to credit risk and the recognition of expected credit losses (ECL) in accordance with IFRS 9. ECL on bank balances is deemed immaterial as these assets are deemed to have low credit risk based on the following factors:

- The credit quality of banks holding the Scheme's cash and cash equivalents is considered strong. These banks are at least two tier, subject to regulatory oversight by the Bank of Botswana, and meet the capital adequacy requirements. Additionally, some banks of the banks are subsidiaries of internationally reputable banking institutions, further mitigating credit risk. Due to these factors, the Scheme considers the risk of default on bank balances to be negligible and deems the ECL on bank balances to be immaterial.

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

4. Financial instruments and risk management *(continued)*

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Notes to the Consolidated And Separate Annual Financial Statements

4. Financial instruments and risk management *(continued)*

Group - 2024 - In Pula

		Less than 1 year	2 to 5 years	Total	Carrying amount
Borrowings	16	9,582,127	9,582,128	19,164,255	17,738,881
Lease liabilities	7	1,362,837	4,158,294	5,521,131	4,822,808
Trade and other payables	18	9,531,889	-	9,531,889	9,531,889
		20,476,853	**13,740,422**	**34,217,275**	**32,093,578**

Group - 2023 - Restated - In Pula

		Less than 1 year	2 to 5 years	Total	Carrying amount
Borrowings	16	9,582,127	19,164,255	28,746,382	25,617,720
Lease liabilities	7	1,198,071	5,087,767	6,285,838	5,307,463
Trade and other payables	18	6,938,585	-	6,938,585	6,938,585
		17,718,783	**24,252,022**	**41,970,805**	**37,863,768**

Scheme - 2024 - In Pula

		Less than 1 year	2 to 5 years	Total	Carrying amount
Borrowings	16	9,582,127	9,582,128	19,164,255	17,738,881
Lease liabilities	7	1,362,837	4,158,294	5,521,131	4,822,808
Trade and other payables	18	6,728,660	-	6,728,660	6,728,660
		17,673,624	**13,740,422**	**31,414,046**	**29,290,349**

Scheme - 2023 - In Pula

		Less than 1 year	2 to 5 years	Total	Carrying amount
Borrowings	16	9,582,127	19,164,255	28,746,382	25,617,720
Lease liabilities	7	1,198,071	5,087,767	6,285,838	5,307,463
Trade and other payables	18	3,508,652	-	3,508,652	3,508,652
		14,288,850	**24,252,022**	**38,540,872**	**34,433,835**

4. Financial instruments and risk management *(continued)*

Foreign currency risk

The group is exposed to foreign currency risk for transactions that are denominated in a currency other than Pula. The group does not take cover on foreign currency as it regards the Pula as a stable currency.

The net carrying amounts, in Pula equivalent, are denominated in Indian Rupee. The amounts have been presented in Pula by converting the Rupee amounts at the closing rate at the reporting date:

Exposure in Pula

Insurance contract liabilities (foreign claims) - Pula	5,697,262	3,843,984	5,697,262	3,843,984

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

Current liabilities:				
Insurance contract liabilities (foreign claims) - Rupee	34,582,380	24,282,060	34,582,380	24,282,060

Exchange rates

The following closing exchange rates were applied at reporting date:

Rupee per unit of Pula:	6.070	6.317	6.070	6.317

Foreign currency sensitivity analysis

The following information presents the sensitivity of the Group to a 10% increase or decrease in the Rupee.

Group and Schem	2024	2024	2023 Restated	2023 Restated
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Indian Rupee denominated balances	(3,458,238)	3,458,238	(349,453)	349,453

Interest rate risk

As the group has interest-bearing assets and liabilities the group's policy is to minimise interest rate risk exposure on these financial assets and financial liabilities. The group's investments are considered long term and short term strategic investments. During the year, the group was exposed to changes in the market interest rates through bank borrowings and short term investments.

Notes to the Consolidated And Separate Annual Financial Statements

4. Financial instruments and risk management *(continued)*

Interest rate profile

The group invests with reputable institutions and is subject to normal interest rate risk. The effective annual interest rates on the financial instruments noted above are as follows:

	Note	Average effective interest rate		Carrying amount	
Group - In Pula		2024	2023 Restated	2024	2023 Restated
Variable rate instruments:				Pula	Pula
Assets					
Money markets		1.50 %	1.00 %	867	800
Listed bonds		8.22 %	8.08 %	8,087,536	8,094,291
Bank call accounts		2.21 %	2.30 %	256,105,838	102,975,104
				264,194,241	**111,070,195**
Fixed rate instruments:					
Assets					
Money markets		7.50 %	7.50 %	322,457	1,972,971
Listed bonds		9.81 %	10.81 %	8,078,091	4,752,375
				8,400,548	**6,725,346**
Liabilities					
Borrowings	16	8.00 %	8.00 %	17,738,881	25,617,720
Lease liabilities	7	7.00 %	7.00 %	4,822,808	5,307,463
				22,561,689	**30,925,183**

	Note	Average effective interest rate		Carrying amount	
Scheme		2024	2023 Restated	2024	2023 Restated
Variable rate instruments:				Pula	Pula
Assets					
Money Markets		1.50 %	1.00 %	867	800
Listed bonds		8.22 %	8.08 %	8,087,536	8,094,291
Bank call accounts		2.21 %	2.30 %	184,983,636	43,947,824
				193,072,039	**52,042,915**
Fixed rate instruments:					
Assets					
Money markets		7.50 %	7.50 %	322,457	1,972,971
Listed bonds		9.81 %	10.81 %	8,078,091	4,752,375
				8,400,548	**6,725,346**
Liabilities					
Borrowings	16	8.00 %	8.00 %	17,738,881	25,617,720
Lease liabilities	7	7.00 %	7.00 %	4,822,808	5,307,463
				22,561,689	**30,925,183**

Notes to the Consolidated And Separate Annual Financial Statements

4. Financial instruments and risk management *(continued)*

Interest rate sensitivity analysis

A change of 50 basis points in interest rates during the reporting period would have increased /(decreased) the profit before taxation by an equal amount in either direction, as shown below.

Group - In Pula	2024	2024	2023 Restated	2023 Restated
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Bank call accounts	282,997	(282,997)	118,421	(118,421)
Money markets	1	(1)	1	(1)
Listed bonds	33,244	(33,244)	32,683	(32,683)
	316,242	**(316,242)**	**151,105**	**(151,105)**

Scheme - In Pula	2024	2024	2023 Restated	2023 Restated
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Bank call accounts	204,407	(204,407)	50,540	(50,540)
Money markets	1	(1)	1	(1)
Listed bonds	33,244	(33,244)	32,683	(32,683)
	237,652	**(237,652)**	**83,224**	**(83,224)**

Price risk

The Scheme is exposed to price risk because of its investments in equity instruments which are measured at fair value. The exposure to price risk on equity investments is managed through a diversified portfolio.

Price risk sensitivity analysis

A change of 10% in the equity and unit Scheme prices during the reporting period would have increased/(decreased) the profit before taxation by an equal amount in either direction, as shown below:

Group - In Pula	2024	2024	2023 Restated	2023 Restated
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Listed equities	5,972,180	(5,972,180)	5,581,038	(5,581,038)
Unit trusts	244,290	(244,290)	11,229,634	(11,229,634)
	6,216,470	**(6,216,470)**	**16,810,672**	**(16,810,672)**

5. Reinsurance and insurance contracts risk management

Credit risk

Credit risk refers to the risk that policyholders and reinsurers will default on their contractual obligations, resulting in financial loss to the Scheme. As at 31 March 2024, the Scheme's maximum exposure to credit risk, which could result in financial loss due to failure to discharge obligations by policyholders and reinsurers, arises from the carrying amount of the Reinsurance contract asset and the assets included in Insurance contract liability.

IFRS 17 inherently incorporates the probability of default when determining the fulfilment cash flows of insurance contracts and reinsurance contracts. Therefore, no separate impairment loss allowance is recognised under IFRS 17, as credit risk is factored into the measurement of these assets and liabilities.

The table below represents the credit risk exposure of the Scheme, which equals the maximum exposure to credit risk, considering the ability to set off, where applicable, under the insurance and reinsurance contracts.

Group and Scheme	2024	2024
	Carrying amount	**Carrying amount**
Reinsurance contract asset	1,247,014	93,762
Assets included in Insurance contract liability	2,880,093	66,783,135
	4,127,107	**66,876,897**

The Scheme holds reinsurance contracts to mitigate its exposure to insurance risk. As at 31 March 2024, the credit quality of reinsurance contract assets is assessed based on the financial strength and credit ratings of the counterparties. The Scheme engages with reinsurers who are regulated and possess strong credit ratings, ensuring their ability to meet contractual obligations.

Credit Assessment

The Scheme evaluates the creditworthiness of its reinsurers using the following criteria:

- Credit Ratings: Reinsurers are required to have a minimum credit rating of "A" or equivalent from an internationally
- recognised credit rating agency.
- Regulatory Oversight: All reinsurers are subject to strict regulatory requirements in their jurisdictions, which include capital adequacy and solvency standards.
- Historical Performance: The Scheme considers the claims settlement history of each reinsurer, ensuring no significant defaults or delays in the past.

Current Credit Risk Exposure

As at 31 March 2024, the carrying amount of reinsurance contract assets stood at P1,247,014. The counterparties associated with these contracts maintain high credit quality, with no identified defaults or expected credit losses factored into the measurement of these assets.

5. Reinsurance and insurance contracts risk management *(continued)*

The Scheme continuously monitors the financial strength of its reinsurers and adjusts its risk management practices to mitigate any potential exposure to credit risk.

Liquidity risk

The Group is exposed to liquidity risk, which is the risk that the Group will encounter difficulties in meeting its obligations as they become due.

Liquidity Risk Management

Liquidity risk is the risk that the Scheme may be unable to meet its obligations as they fall due. The Scheme employs the following measures to manage its liquidity risk effectively:

- Actuarial Valuation of Liabilities: The Scheme undertakes regular actuarial valuations to assess its liabilities accurately and to ensure that adequate funding levels are maintained.
- Predictable Cash Flow Cycle: The Scheme monitors and enforces agreed turnaround times for claims processing, enabling the prediction and management of cash flows effectively.
- Contribution Collection and Suspension Policy: Contributions are closely monitored, with policies in place to suspend benefits for members who fail to pay on time, ensuring timely inflows and reducing potential cash flow mismatches.
- Claims Expiry Policy: The Scheme has implemented a policy where claims not submitted within a stipulated timeframe are forfeited. This measure prevents unexpected outflows and ensures a clear understanding of cash flow requirements.
- Adequate Reserve Management: The Scheme maintains sufficient reserves to cover claims in the event of unforeseen spikes, ensuring liquidity is preserved during periods of increased claims activity.
- Actuarial Determination of Benefit Limits: Benefit limits are actuarially determined, aligning them with the Scheme's ability to meet claims obligations while maintaining liquidity stability.

The following tables present the remaining contractual discounted cash flows arising from insurance and reinsurance contract liabilities.

Group and Scheme - 2024 - In Pula	Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Insurance contract liabilities	(118,169,151)	-	-	(118,169,151)	(118,169,151)
	(118,169,151)	**-**	**-**	**(118,169,151)**	**(118,169,151)**

Group and Scheme - 2024 - In Pula	Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Insurance contract liabilities	(50,571,249)	-	-	(50,571,249)	(50,571,249)
Reinsurance contract liabities	(405,969)	-	-	(405,969)	(118,169,151)
	(50,977,218)	**-**	**-**	**(50,977,218)**	**(168,740,400)**

Notes to the Consolidated And Separate Annual Financial Statements

6. Property, plant and equipment

Group and scheme	2024			2023		
Figures in pula	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	2,635,546	(2,229,889)	405,657	2,573,582	(2,143,965)	429,617
IT equipment	1,212,682	(991,890)	220,792	1,120,800	(846,528)	274,272
Total	**3,848,228**	**(3,221,779)**	**626,449**	**3,694,382**	**(2,990,493)**	**703,889**

Reconciliation of property, plant and equipment - Group and Scheme

	Furniture and fixtures	IT equipment	Total
Cost			
At 31 March 2022	**2,573,582**	**855,949**	**3,429,531**
Additions	-	264,851	264,851
At 31 March 2023	**2,573,582**	**1,120,800**	**3,694,382**
Additions	61,964	91,882	153,846
At 31 March 2024	**2,635,546**	**1,212,682**	**3,848,228**
Accumulated depreciation			
At 31 March 2022	**(1,767,016)**	**(698,221)**	**(2,465,237)**
Depreciation charge	(376,949)	(148,307)	(525,256)
At 31 March 2023	**(2,143,965)**	**(846,528)**	**(2,990,493)**
Depreciation charge	(85,924)	(145,362)	(231,286)
At 31 March 2024	**(2,229,889)**	**(991,890)**	**(3,221,779)**
Carrying amount			
Cost	2,573,582	1,120,800	3,694,382
Accumulated depreciation	(2,143,965)	(846,528)	(2,990,493)
At 31 March 2023	**429,617**	**274,272**	**703,889**
Cost	2,635,546	1,212,682	3,848,228
Accumulated depreciation	(2,229,889)	(991,890)	(3,221,779)
At 31 March 2024	**405,657**	**220,792**	**626,449**

7. Right of use assets and lease liabilities

The Scheme leases two buildings on cancelable leases of 3 and 5 years respectively with options to renew. Lease payments are renegotiated every 3 and 5 years on renewal to reflect market rental prices. The scheme is restricted from entering into any sub-lease agreements. As of the end of the reporting period, one lease lapsed and the other lease was renewed for an additional five years.

A weighted average incremental borrowing rate of 7% (2023:7%) was applied in the calculation of the discounted present value of the lease liabilities on 31 March 2024.

Notes to the Consolidated And Separate Annual Financial Statements

7. Right of use assets and lease liabilities *(continued)*

Group and scheme	2024			2023		
Figures in pula	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	5,967,686	(1,525,212)	4,442,474	5,570,659	(371,377)	5,199,282

Right-of-use asset reconciliation - Group and Scheme

2024 - In Pula	Buildings	Total
Balance at 1 April 2023	5,199,282	5,199,282
Addition	397,027	397,027
Current depreciation charge	(1,153,835)	(1,153,835)
Balance at 31 March 2024	**4,442,474**	**4,442,474**

2023 - In Pula	Buildings	Total
Balance at 1 April 2022	402,968	402,968
Additions	5,570,659	5,570,659
Current depreciation charge	(774,345)	(774,345)
Balance at 31 March 2023	**5,199,282**	**5,199,282**

Lease liabilities - Group and Scheme

Minimum lease payments due:		
Within one year	1,362,837	1,198,071
Two to five years	4,158,294	5,087,767
	5,521,131	6,285,838
Less: future finance charges	(698,323)	(978,375)
Present value of minimum lease payments	**4,822,808**	**5,307,463**
Present value of minimum lease payments due		
Within one year	1,058,088	852,982
Two to five years	3,764,720	4,454,481
	4,822,808	**5,307,463**
Reconciliation of lease liability		
Opening balance	5,307,463	700,854
Additions	397,027	5,570,659
Finance costs	358,569	146,212
Repayments	(1,240,251)	(1,110,262)
	4,822,808	**5,307,463**
Current liabilities	1,058,088	852,982
Non-current liabilities	3,764,720	4,454,481
	4,822,808	**5,307,463**

Notes to the Consolidated And Separate Annual Financial Statements

7. Right of use assets and lease liabilities *(continued)*

Other disclosures

Interest expense on lease liabilities	358,569	146,212
Principal lease payments	881,682	964,050
Total lease payments	**1,240,251**	**1,110,262**

8. Investment property - Group

Investment property

Investment property comprise Tribal lot 4769 Mmopane which is held under a 50 year leasehold, set to expire on 12 September 2057. The property is utilised as a private hospital with residential blocks and ancillary facilities.

Investments consists of:

	2024	2023
(i) Bokamoso Private Hospital	317,327,000	302,550,000
(i) Undeveloped land	30,803,000	28,250,000
	348,130,000	**330,800,000**

Reconciliation of investment property - Group

Cost	**Investment property**
At 01 April 2022	326,000,000
Fair value adjustments	4,800,000
At 31 March 2023	**330,800,000**
Fair value adjustments	17,330,000
At 31 March 2024	**348,130,000**

Amounts recognised in profit or loss:

Figures in Pula	**2024**	**2023**
Direct operating expenses		
Premises insurance	161,204	188,146
Repairs and maintenance	1,898,941	2,333,460
Valuation fees	39,120	88,895
	2,099,265	**2,610,501**

Details of valuation

The independent valuation was performed by Mr Pumulo M. Kathurima of Willy Kathurima Associates Limited to determine the fair value of the investment property as at 31 March 2024 (2023: 31 March 2023). He holds recognised relevant professional qualifications and he is a member of the Real Estate Institute of Botswana (MREIB). The valuer has relevant experience for the investment property valued. Significant judgement is required to determine the fair value of the investment property, especially with respect to the determination of appropriate capitalisation rates, net cash flows and market values. The significant assumptions associated with determining the fair values of investment property are disclosed in the accounting policies under Significant judgements.

8. Investment property - Group *(continued)*

Valuation method

(i) Bokamoso Private Hospital

The investment property was valued on the net income capitalisation method.

This net income capitalistion method provides an indication of value by converting future cash-flow to a single current value. This is done through capitalization of current income by predetermined capitalisation rate into perpetuity. Then a time and reversion discounted cash flow is used to discount perceived future income stream to a net present value.

Management have elected to measure the investment property using the net income capitalisation valuation method due to the following key reasons:

- Rental determination for hospitals is very individualized and depend on the license, type of clinic or hospital, amount and quality of theatres and wards, location, age of building etc. Therefore, no specific rule of thumb or market norm can be deduced from applying a comparable basis.
- This investment property is directly income generating as there is a long-term lease contract that assures the Group of maximum possible revenue regardless of vacancy. Due to the long-term nature of the rental agreements, management are of the opinion that reasonable projections can be derived from the contracts with both the amounts and timing of future income.
- Further, due to the specialized nature of the hospital, it cannot be easily recreated with the same utility for immediate use without incurring significant premiums and legal restrictions such as change of land use.

On the basis of the foregoing, the use of the net income capitalistion method is therefore more appropriate to the market comparison or replacement cost basis.

(ii) Undeveloped land

The undeveloped land was independently valued at P30,803,000 (2023: P28,250,000) on the open market value basis at 31 March 2024 (2023: 31 March 2023).

The open market value basis is defined as the estimated amount for which the property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein the parties each acted knowledgeably, prudently and without compulsion.

- The revaluation gain arising from the change in fair value was included in profit or loss.

Notes to the Consolidated And Separate Annual Financial Statements

8. Investment property - Group *(continued)*

Information about fair value measurements using significant unobservable inputs (Level 3) 2024

The investment property fair value measurement falls into level 3 (valuation using significant unobservable inputs). A capitalization rate of 8.88% on the expected net annual accruing income was applied in the calculation of the investment property valuation.

Valuation technique	Valuation	Estimate	Impact lower	Impact Higher
Income capitalisation: Bokamoso private hospital	317,327,000	Capitalisation rate +/- 10%	(3,173,270)	3,173,270
Market value: Undeveloped land	30,803,000	Land value per sqm +/- 10%	(308,030)	3,080,300

Information about fair value measurements using significant unobservable inputs (Level 3) 2023

The investment property fair value measurement falls into level 3 (valuation using significant unobservable inputs). A capitalization rate of 8.95% on the expected net annual accruing income was applied in the calculation of the investment property valuation.

Valuation technique	Valuation	Estimate	Impact lower	Impact higher
Income capitalisation: Bokamoso private hospital	302,550,000	Capitalisation rate +/- 10%	(33,616,042)	27,504,034
Market value: Undeveloped land	28,250,000	Land value per sqm +/- 10%	(2,825,000)	2,825,000

These following tables summarises the key financial and valuation figures for the years 2023 and 2024, as well as the significant unobservable inputs affecting the calculations of fair value.

Fair value calculation

	2024	2023
Gross income	P 29,676,438.21	P 29,747,653
Vacancy provision	1.50% (P 71,214.80)	3.50% (P 166,167.86)
Net Income (after vacancies)	P 26,942,468.45	P 27,077,721.70
Landlord's expenses (total)	P 2,733,969.76	P 2,669,931.30
Capitalization rate	8.88%	8.95%
Capitalized value	P 303,439,550.86	P 302,544,376.54
Value of Undeveloped Land	P 30,805,912.50 (P 635/sqm)	P 28,248,900 (P 580/sqm)
Market value	P 334,250,000.00	P 330,800,000.00

Significant unobservable inputs

Capitalisation rate	8.88%	8.95%
Vacancy provision	1.50%	3.50%
Land rate for undeveloped land	P635/sqm	P580/sqm
Gross income	P29,676,438	P29,747,653
Landord's expenses	P2,733,969	P2,669,931

8. Investment property - Group *(continued)*

Sensitivity analysis

Capitalization rate:

A 1% increase would decrease market value by approximately P33,400,000 (2023: P 33,250,000). A 1% decrease would increase market value by approximately P37,300,000 (2023: P37,080,000).

Vacancy provision:

A 1% increase would decrease market value by approximately P4,600,000 (2023: P 3,920,000). A 1% decrease would increase market value by approximately P 4,600,000 (2023: P3,920,000).

Land rate:

A 5% increase would increase market value by approximately P1,540,000 (2023: P 1,412,000). A 5% decrease would decrease market value by approximately P1,540,000 (2023:P1,412,000).

The group leases out the investment property to the associate (Lenmed Health Bokamoso Private Hospital). The lease is cancelable and runs for a period of 15 years with an option to renew the lease after that date. Lease payments are renegotiated every five years to reflect market rental prices. The lessee is restricted from any sub-lease agreements. As at end of the reporting period, there were four (4) years remaining on the rental lease period.

9. Investment in linked units

Group and Scheme	% Holding 2024	% Holding 2023	Number of linked units 2024	Number of linked units 2023
BPOMAS Property Holdings Proprietary Limited (incorporated in Botswana)	100%	100%	178,300,000	178,300,000

The scheme invested in linked units of BPOMAS Property Holdings Proprietary Limited (BPH). The linked units consist of ordinary shares in BPH which are linked to debentures. These linked units are measured at fair-value at each reporting date. The expected future cash-flows are reassessed at each reporting date in determining the fair-value of future cash-flows. Linked units are classified as level 3 on the fair value hierarchy as the inputs used in determining the fair value of linked units are based on signficant unobservable market data. Refer to note 27 for fair value gains in linked units.

The following table reports the fair value of linked units as at reporting date:

Figures in Pula		
Opening balance	375,145,922	354,794,461
Fair value gains	36,493,622	30,675,223
Income from investments in linked units	-	(10,323,762)
	411,639,544	**375,145,922**

Notes to the Consolidated And Separate Annual Financial Statements

The Scheme subscribed to linked unit debentures during the year 2015 at an issue price of P0.99 per debenture to the amount of P176,517,000. The linked unit debentures are redeemable on demand on and after 1 January 2044 if so determined by special resolution at the option of the debenture holders. The option expires on 1 January 2054 at which date the debentures shall be redeemed.

The fair value of investments in linked units is based on the net asset value (NAV) of the subsidiary holding the linked units, calculated as the estimated fair value of the subsidiary assets less the estimated fair value of its liabilities. The linked units are classified under Level 3 because the fair value is determined based on a significant unobservable inputs which is the NAV of the subsidiary, derived from unobservable values of the underlying assets.

Investment property represents a significant portion of the subsidiary's assets. Its fair value, as detailed in note 8, is a key component of the NAV calculation.

Other subsidiary's net assets are primarily short-term in nature, with trade and other receivables, deposits to acquire property, cash and cash equivalents, and trade and other payables all approximating fair value due to their short maturity or fixed willing parties contractual amounts. Sensitivity to fair value fluctuations is minimal – trade receivables are subject to immaterial credit risk, deposits are fixed and not sensitive, cash is highly liquid, and payables are short-term with no significant sensitivity.

10. Investment in associate

The following table lists all of the associates in the group:

Group and Scheme

Figures in Pula Name of company	Held by	% ownership interest 2024	% ownership interest 2023	Carrying amount 2024	Carrying amount 2023
Lenmed Health Bokamoso Private Hospital Proprietary Limited	Botswana Public Officers' Medical Aid Scheme	30 %	30 %	69,304,756	61,978,312

Reconciliation of investment in associate

Opening balance	61,978,312	49,334,445
Share of profit from associate	10,326,444	15,643,867
Dividend received	(3,000,000)	(3,000,000)
Closing balance	**69,304,756**	**61,978,312**

The Scheme holds a strategic investment entered into during the year 2012. The entity provides private healthcare services and its principal place of business is Mmopane Block 1, Molepolole road. Lenmed Health Bokamoso Private Hospital has a 28th February year end and dividends amounting to P3,000,000 (2023: P3,000,000) were received for the reporting period.

10. Investment in associate *(continued)*

Summarised financial information of material associates

Summarised statements of profit or loss and other comprehensive income	**Lenmed Health Bokamoso Private Hospital Proprietary Limited (incorporated in Botswana)**	
Figures in Pula	**2024**	**2023**
Revenue	432,549,479	470,213,534
Other income and expenses	(401,927,939)	(402,715,466)
Profit before tax	30,621,540	67,498,068
Tax expense	3,799,940	(15,351,845)
Profit from continuing operations	34,421,480	52,146,223
Total comprehensive income	34,421,480	52,146,223
Dividends received from associate	3,000,000	3,000,000
Income from equity accounted investment:		
Share of current year profit	10,326,444	15,643,867

Summarised Statement of Financial Position	**Lenmed Health Bokamoso Private Hospital Proprietary Limited**	
	2024	**2023**
Assets		
Non-current	213,300,576	188,166,227
Current	323,690,095	320,853,271
Total assets	536,990,671	509,019,498
Liabilities		
Non-current	160,318,814	157,851,768
Current	145,656,004	144,573,357
Total liabilities	305,974,818	302,425,125
Total net assets	231,015,853	206,594,373

The associate's financial year ends on February 28, while the Scheme's financial year ends on March 31. Due to this difference in the reporting periods, the Scheme accounts for the associate's financial information using the most recent available audited financial statements, adjusted for any significant transactions or events occurring between the associate's and the Scheme's reporting dates. The most recent available audited financial statements used to account for the associate's financial information were for the year ended 28 February 2024 (2023: 28 February 2023). Management has determined that the impact of the difference in reporting dates is not material to the Scheme and Group's financial statements because there were no significant transactions or events occurring between the associate's year-end and the Scheme's reporting date.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Scheme	
Figures in Pula	2024	2023	2024	2023
11. Investments at fair value				
Mandatorily at fair value through profit or loss:				
Money markets	323,324	1,973,771	323,324	1,973,771
Listed bonds	16,165,627	12,846,666	16,165,627	12,846,666
Listed equities	59,721,802	55,810,377	59,721,802	55,810,377
Unit trusts	2,442,896	112,296,338	2,442,896	112,296,338
	78,653,649	**182,927,152**	**78,653,649**	**182,927,152**
Split between non-current and current portions				
Non-current assets	78,653,649	182,927,152	78,653,649	182,927,152
Investments reconciliation				
Opening balance	182,927,152	227,044,660	182,927,152	227,044,660
Fair value gain	10,448,201	6,939,120	10,448,201	6,939,120
Investment income for the year	28 8,301,999	7,999,649	8,301,999	7,999,649
Purchases of investments at fair value	91,135,989	6,943,372	91,135,989	6,943,372
Proceeds from sale of investments	(205,857,693)	(58,000,000)	(205,857,693)	(58,000,000)
Investment income received	(8,301,999)	(7,999,649)	(8,301,999)	(7,999,649)
	78,653,649	**182,927,152**	**78,653,649**	**182,927,152**

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

- Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.
- Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).
- Level 3 applies to unobservable inputs for the asset or liability.

The entity's financial assets classified under Level 2 of the fair value hierarchy include money market investments and investments in unit trusts. These assets are measured at fair value based on observable market inputs such as quoted prices for similar assets or directly observable market data, but not quoted prices in active markets.

Money Market Investments

The fair value of money market investments is determined using observable inputs such as interest rates for similar instruments or market data from reputable sources. These instruments typically include short-term debt securities, government bonds, and other debt instruments with similar risk profiles and maturities. The fair value is derived using market interest rates, credit spreads, and discounted cash flow models based on observable inputs available in the market.

	Group		Scheme	
Figures in Pula	2024	2023	2024	2023

11. Investments at fair value *(continued)*

Investments in Unit Trusts

The fair value of investments in unit trusts is determined using the net asset value (NAV) provided by the fund manager or administrator. The NAV is calculated based on the fair value of the underlying assets within the unit trust, which includes both debt instruments and equity securities. The NAV is based on observable market prices for these underlying assets. In some cases, the entity may use observable pricing models or quotes for similar assets to determine the fair value of the unit trust investments.

Investments in Balanced Portfolio, excluding unit trusts measured under level 2

The portfolio is a segregated fund comprising of a diversified mix of listed bonds and equities. The investments held within the Fund are traded in active and liquid markets, and their fair values are based on quoted market prices, which are classified as Level 1 inputs under the fair value hierarchy. The objective of the portfolio is to maintain a balanced approach to yield, risk, and return. To achieve this, the Fund is actively managed to optimise the allocation between fixed income and equity instruments, ensuring a prudent balance between capital preservation and capital appreciation.

- Level 3 applies inputs which are not based on observable market data. Refer to note 9 for investment in linked units.

Level 1				
Listed equities	59,721,802	55,810,377	59,721,802	55,810,377
Listed bonds	16,165,627	12,846,666	16,165,627	12,846,666
Money markets	323,324	1,973,771	323,324	1,973,771
	76,210,753	**70,630,814**	**76,210,753**	**70,630,814**
Level 2				
Unit trusts	2,442,896	112,296,338	2,442,896	112,296,338
Total investments	**78,653,649**	**182,927,152**	**78,653,649**	**182,927,152**

12. Prepayments

Prepayments	14,694,665	-	-	-

The group entered into a contract to purchase a hospital and selected equipment from BCL Limited. The total purchase price for the hospital, including certain equipment, is P30,953,389. As part of this agreement, the group has paid a deposit of P14,694,665. As of the reporting date, the purchase has not yet fulfilled all the conditions precedent stipulated in the contract. Consequently, the legal and substantial rewards and risks associated with ownership have not yet passed to the group. The deposit paid of P14,694,665 is recorded as a prepayment under current assets in the financial statements. This prepayment reflects an advance payment for the acquisition of the hospital and associated equipment and is reasonably expected to be utilised within a year of the reporting period.

	Group		Scheme	
Figures in Pula	2024	2023	2024	2023

12. Prepayments *(continued)*

Subsequent to the reporting date, there were still some outstanding conditions precedent, and the purchase process is ongoing. Therefore, no disclosable or adjusting events are applicable to the financial statements. When the purchase is finalised and the acquisition is complete, the cost of the assets will be capitalised and a payable recognised for the purchase price, less any deposits on or before the finalisation date.

13. Trade and other receivables

Financial instruments at amortised cost:				
Trade receivables	13,090,355	8,191,542	-	-
Present value adjustment	(287,483)	-	-	-
Trade receivables at amortised cost	12,802,872	8,191,542	-	-
Other receivables	23,320,702	15,951,656	23,251,218	15,951,656
Sundry receivable	-	-	-	-
Non-financial instruments:				
Prepayments	258,144	100,725	258,144	100,725
Total trade and other receivables	**36,381,718**	**24,243,923**	**23,509,362**	**16,052,381**

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

At amortised cost	36,123,574	24,143,198	23,251,218	15,951,656
Non-financial instruments	258,144	100,725	258,144	100,725
	36,381,718	**24,243,923**	**23,509,362**	**16,052,381**

Trade and other receivables largely comprise the following:

Other receivables - Amounts due from the Ministry of Health (MOH):

These receivables arise from the Scheme's role in administering a chronic medication project on behalf of the MOH. The receivable represents non-insurance income under an administrative arrangement. Payment terms are agreed upon with the MOH, are amounts are due in full within 3 months from invoicing.

Trade recivables - rentals due from Lenmed Bokamoso Hospital:

This receivable pertains to lease income due from Lenmed Bokamoso Hospital, which rents a hospital property owned by the Scheme's subsidiary, BPOMAS Property Holdings Limited. Rentals are contractually due at the end of each calender year. However, the hospital also makes periodic payments throughout the year as part of its liquidity risk management strategy.

	Group		Scheme	
Figures in Pula	2024	2023	2024	2023

13. Trade and other receivables *(continued)*

The rent for each calendar year is due in full and payable in arrears by 31 December of that calendar year. Rental payments for the 2023 calendar year should have been settled by December 2023, and for the 2024 calendar year, payments are due by December 2024. Due to ongoing delays in government payments experienced by the tenant, the lessee has negotiated to settle the outstanding balances as payments are received from the government. The nature of the lessee's operations has remained unchanged, and historically, they have consistently met their rental obligations without issue. The delayed payments are a broader challenge affecting medical service providers. Given the lessee's strong financial position, as reflected in their financial reports, and the general expectation that government debts will ultimately be settled, therefore, the expected credit loss is deemed immaterial. Management has also assessed the impact of discounting on these receivables and an adjustment for discounting has been applied to reflect their present value. This adjustment does not apply to other receivables.

Based on the nature of the other receivables, historical data, forward-looking information, and a thorough review of the specific circumstances surrounding these items, management has concluded that the credit risk associated with all categories under 'other receivables' is immaterial. Therefore, there is no reasonable expectation of credit losses. Accordingly, the expected credit loss (ECL) allowance on other receivables is deemed immaterial.

The carrying amounts of trade and other receivables are considered to approximate their fair values.

14. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1,693	8,201	1,693	8,201
Bank balances	256,090,127	103,007,299	184,967,922	43,980,019
Short-term deposits	-	8,139,368	-	-
	256,091,820	**111,154,868**	**184,969,615**	**43,988,220**

The bank balances are held with First National Bank Botswana, African Banking Corporation of Botswana and Bank Gaborone. These financial institutions are highly reputable and are registered with and regulated by the Bank of Botswana. The credit quality of the bank balances is considered high, and as such, the expected credit loss (ECL) provision is deemed immaterial; therefore, no provision for expected credit losses has been recognised in respect of the Scheme's bank balances. Cash and cash equivalents are held at an average interest rate of 0.71%.

There were no short-term bank deposits at the reporting date. In 2023, short-term bank deposits earned interest at an average annual rate of 7.85%, payable on maturity. These short-term bank deposits matured in March 2023.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Scheme	
Figures in Pula	2024	2023	2024	2023

15. Liability to future members

Opening balance	598,742,450	-	597,617,979	-
Reclassification of equity reserves due to the initial application of IFRS 17	-	667,273,102	-	667,273,104
Profit/(loss) for the year transfered to liability to future members	22,315,047	(68,530,652)	23,439,518	(69,655,125)
	621,057,497	**598,742,450**	**621,057,497**	**597,617,979**

16. Borrowings

Group and Scheme

Botswana Government Loan	17,738,881	25,617,720	17,738,881	25,617,720

Split between non-current and current portions

Non-current liabilities	17,391,060	17,391,060	17,391,060	17,391,060
Current liabilities	347,821	8,226,660	347,821	8,226,660
	17,738,881	**25,617,720**	**17,738,881**	**25,617,720**

The Government loan was obtained in 2010. The loan is unsecured and is repayable in 26 semi-annual installments of P4,791,214 with repayments commencing June 2013, after a three year grace period. The Government loan bears a fixed interest rate of 8% per annum (2023: 8%).

Maturity profile of borrowings

Amounts due within one year	9,582,127	9,582,127
Amounts due within two to five years	9,582,128	19,164,255
	19,164,255	28,746,382
Less future finance charges	(1,425,374)	(3,128,662)
	17,738,881	**25,617,720**

Borrowings comprises:

Accrued interest	347,821	502,308
Principal borrowings	17,391,060	25,115,412
	17,738,881	**25,617,720**

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Scheme	
Figures in Pula	2024	2023	2024	2023
Current and non-current				
Current				
Accrued interest			347,821	502,308
Principal borrowings			8,354,660	7,724,352
Total current			**8,702,481**	**8,226,660**
Non-current				
Principal borrowings			9,036,400	17,391,060
Total			**17,738,881**	**25,617,720**
Reconciliation of borrowings:				
Opening balance			25,617,720	32,902,154
Interest expense			1,703,288	2,297,697
Repayment:				
Interest paid *			(1,857,775)	(2,440,529)
Principal borrowings repaid			(7,724,352)	(7,141,602)
			17,738,881	**25,617,720**
*** Interest paid**				
Opening accrued interest			502,308	645,140
Interest expense			1,703,288	2,297,697
Closing accrued interest			(347,821)	(502,308)
Interest paid		**29**	**1,857,775**	**2,440,529**

17. Deferred tax

Deferred tax liability				
Investment property	(31,112,548)	(28,197,084)	-	-

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction.

Reconciliation of deferred taxation asset				
At beginning of year	(28,197,084)	(30,936,023)	-	-
Movement per profit or loss	(2,915,464)	2,738,939	-	-
	(31,112,548)	**(28,197,084)**	**-**	**-**

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Scheme	
Figures in Pula	2024	2023	2024	2023

18. Trade and other payables

Financial instruments at amortised cost:				
Trade payables	113,590	-	113,590	-
Trade payables - related parties	2,383,950	3,144,925	-	-
Sundry payables	6,929,751	3,793,660	6,615,070	3,508,652
Administration fees payable	104,598	-	-	-
Non-financial instruments:				
Provision for employee benefits	5,364,298	2,966,756	5,364,298	2,966,126
VAT	43,754	17,768	-	-
	14,939,941	**9,923,109**	**12,092,958**	**6,474,778**

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

At amortised cost	9,531,889	6,938,585	6,728,660	3,508,652
Non-financial instruments	5,408,052	2,984,524	5,364,298	2,966,126
	14,939,941	**9,923,109**	**12,092,958**	**6,474,778**

Sundry payables include amounts received on behalf of Ministry of Health for their chronic medication healthcare program administered by the Scheme and accrued audit fees, annual general meeting expenses all of which are ordinarily settled within a month from receipt of invoice.

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

Notes to the Consolidated And Separate Annual Financial Statements

19. Analysis of insurance and reinsurance contracts assets and liabilities

Goup

Figures in Pula	Note	2024 Liabilities	2024 Assets	2024 Net amount	2023 - Restated Liabilities	2023 - Restated Assets	2023 - Restated Net amounts
Liability to future members		621,057,497	-	621,057,497	598,742,450	-	598,742,450
Insurance contracts issued	24	118,169,151	-	118,169,151	50,571,249	-	50,571,249
Reinsurance contracts held		(735,446)	-	(735,446)	405,969	-	405,969
		738,491,202	**-**	**738,491,202**	**649,719,668**	**-**	**649,719,668**

Scheme

Figures in Pula	Note	2024 Liabilities	2024 Assets	2024 Net amount	2023 - Restated Liabilities	2023 - Restated Assets	2023 - Restated Net amounts
Liability to future members		621,057,497	-	621,057,497	597,617,979	-	597,617,979
Insurance contracts issued	24	118,169,151	-	118,169,151	50,571,249	-	50,571,249
Reinsurance contracts held		(735,446)	-	(735,446)	405,969	-	405,969
		738,491,202	**-**	**738,491,202**	**648,595,197**	**-**	**648,595,197**

Non-current and current portions:

Goup

Non-current	Note	2024 Liabilities	2024 Assets	2024 Net amount	2023 - Restated Liabilities	2023 - Restated Assets	2023 - Restated Net amounts
Liability to future members		621,057,497	-	621,057,497	598,742,450	-	598,742,450
Current							
Insurance contracts issued		118,169,151	-	118,169,151	50,571,249	-	50,571,249
Reinsurance contracts held		(735,446)	-	(735,446)	405,969	-	405,969
		738,491,202	**-**	**738,491,202**	**649,719,668**	**-**	**649,719,668**

Scheme

Non-current	2024 Liabilities	2024 Assets	2024 Net amount	2023 - Restated Liabilities	2023 - Restated Assets	2023 - Restated Net amounts
Liability to future members	621,057,497	-	621,057,497	597,617,979	-	597,617,979
Current -						
Insurance contracts issued	118,169,151	-	118,169,151	50,571,249	-	50,571,249
Reinsurance contracts held	(735,446)	-	(735,446)	405,969	-	405,969
	738,491,202	**-**	**738,491,202**	**648,595,197**	**-**	**648,595,197**

Notes to the Consolidated And Separate Annual Financial Statements

20. Insurance contract liabilities

Group and Scheme - 2024 - In Pula	Liability for Remaining Coverage	Liability for incurred claims*		
Reconciliation of insurance contracts	**Excluding loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
Opening balance - insurance contracts liabilities	68,270,823	(111,209,366)	(7,632,706)	(50,571,249)
Opening balance - insurance contracts assets	-	-	-	-
Net balance as at 1 April 2023	68,270,823	(111,209,366)	(7,632,706)	(50,571,249)
	-	-	-	-
Amounts per statement of comprehensive income:				
Insurance revenue	1,169,938,348	-	-	1,169,938,348
Insurance service expenses: -				
Incurred claims	-	(1,050,013,060)	-	(1,050,013,060)
Other directly attributable expenses (maintenance costs)	-	(98,397,727)	-	(98,397,727)
Adjustment to LIC	-	-	(2,512,840)	(2,512,840)
Insurance service result	1,169,938,348	(1,148,410,787)	(2,512,840)	19,014,721
Cash flows:				
Premiums received	(1,235,329,078)	-	-	(1,235,329,078)
Claims and other directly attributable expenses paid	-	1,148,716,455	-	1,148,716,455
Total cash flows	(1,235,329,078)	1,148,716,455	-	(86,612,623)
Closing balance - Insurance contract liabilities	2,880,093	(110,903,698)	(10,145,546)	(118,169,151)
Closing balance - Insurance contract assets	-	-	-	-
Net balance as at 31 March 2024	**2,880,093**	**(110,903,698)**	**(10,145,546)**	**(118,169,151)**

20. Insurance contract liabilities *(continued)*

Group and Scheme - 2024 - In Pula	Liability for Remaining Coverage	Liability for incurred claims*		
Reconciliation of insurance contracts	**Excluding loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
Opening balance - insurance contracts liabilities	-	-	-	-
Opening balance - insurance contracts assets	137,480,515	(89,811,646)	(7,496,296)	40,172,573
Net balance as at 1 April 2022	137,480,515	(89,811,646)	(7,496,296)	40,172,573
	-	-	-	-
Amounts per statement of comprehensive income:				
Insurance revenue	1,008,616,453	-	-	1,008,616,453
Insurance service expenses: -				
Incurred claims	-	(1,022,993,261)	-	(1,022,993,261)
Other directly attributable expenses (maintenance costs)	-	(77,527,716)	-	(77,527,716)
Adjustment to LIC	-	-	(136,410)	(136,410)
Insurance service result	1,008,616,453	(1,100,520,977)	(136,410)	(92,040,934)
Cash flows:				
Premiums received	(1,077,826,145)	-	-	(1,077,826,145)
Claims and other directly attributable expenses paid	-	1,079,123,257	-	1,079,123,257
Total cash flows	(1,077,826,145)	1,079,123,257	-	1,297,112
Closing balance - Insurance contract liabilities	68,270,823	(111,209,366)	(7,632,706)	(50,571,249)
Closing balance - Insurance contract assets	-	-	-	-
Net balance as at 31 March 2023	**68,270,823**	**(111,209,366)**	**(7,632,706)**	**(50,571,249)**

* The Liability for Incurred Claims comprises the following:

	Group		Scheme	
	2024	2023	2024	2023
Provision for outstanding claims	80,251,183	74,562,250	80,251,183	74,562,250
Other payables for the maintenance and administration of insurance policies	30,652,515	36,647,116	30,652,515	36,647,116
	110,903,698	111,209,366	110,903,698	111,209,366
Risk adjustment	10,145,546	7,632,706	10,145,546	7,632,706
	121,049,244	**118,842,072**	**121,049,244**	**118,842,072**

21. Re-insurance contract assets

Group and Scheme - 2024 - In Pula	Liability for Remaining Coverage	Asset for Incurred Claims		
Reconciliation of reinsurance contracts held	**Excluding loss recovery component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
Opening balance - reinsurance contracts liabilities	(499,731)	93,762	-	(405,969)
Net balance as at 1 April 2023	(499,731)	93,762	-	(405,969)
Amounts per statement of comprehensive income:				
Allocation of reinsurance premium paid	13,915,698	-	-	13,915,698
Recoveries of incurred claims and other insurance service expenses	-	(11,148,907)	-	(11,148,907)
Reinsurance service result	13,915,698	(11,148,907)	-	2,766,791
	-	-	-	-
Cash flows:				
Premiums paid	(13,415,967)	-	-	(13,415,967)
Reinsurance recoveries	-	11,055,145	-	11,055,145
Total cash flows	(13,415,967)	11,055,145	-	(2,360,822)
Closing balance - reinsurance contract liabilities	-	-	-	-
Closing balance - reinsurance contract assets	(511,568)	1,247,014	-	735,446
Net balance as at 31 March 2024	**(511,568)**	**1,247,014**	**-**	**735,446**

Group and Scheme - 2023 - In Pula	Liability for Remaining Coverage	Asset for Incurred Claims		
Reconciliation of reinsurance contracts held	**Excluding loss recovery component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
Opening balance - reinsurance contracts assets	-	232,355	-	232,355
Net balance as at 1 April 2022	-	232,355	-	232,355
Amounts per statement of comprehensive income:				
Allocation of reinsurance premium paid	14,356,355	-	-	14,356,355
Recoveries of incurred claims and other insurance service expenses	-	(9,612,979)	-	(9,612,979)

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Scheme	
Figures in Pula	2024	2023	2024	2023
Reinsurance service result	14,356,355	(9,612,979)	-	4,743,376
	-	-	-	-
Cash flows:				
Premiums paid	(14,856,086)	-	-	(14,856,086)
Reinsurance recoveries	-	9,474,386	-	9,474,386
Total cash flows	(14,856,086)	9,474,386	-	(5,381,700)
Closing balance - reinsurance contract liabilities	(499,731)	93,762	-	(405,969)
Closing balance - reinsurance contract assets	-	-	-	-
Net balance as at 31 March 2023	**(499,731)**	**93,762**	**-**	**(405,969)**

22. Insurance revenue

Insurance revenue from contracts measured under Premium Allocation Approach ("PAA")	1,169,938,348	1,008,616,453	1,169,938,348	1,008,616,453

23. Insurance service and adminstration expenses

23.1 Insurance service expenses

Claims	1,050,013,060	1,022,993,261	1,050,013,060	1,022,993,261
Other directly attributable expenses - maintenance	98,397,727	77,527,716	98,397,727	77,527,716
Adjustment to LIC	2,512,840	136,410	2,512,840	136,410
	1,150,923,627	**1,100,657,387**	**1,150,923,627**	**1,100,657,387**

23.1.1 Claims

Claims expenses	1,050,013,060	1,022,993,261	1,050,013,060	1,022,993,261

23.1.2 Other directly attributable expenses - maintenance

Data migration costs	6,687,792	3,625,076	6,687,792	3,625,076
Actuarial consultancy fees	1,435,259	1,106,738	1,435,259	1,106,738
Administration fees	62,341,357	58,191,819	62,341,357	58,191,819
Aid for Aids consultancy	1,099,874	1,420,560	1,099,874	1,420,560
Customer acquisition and retention fees	14,233	48,411	14,233	48,411
Dental health risk management	7,042,814	7,117,425	7,042,814	7,117,425
HIV/AID disease management program	934,979	3,613,552	934,979	3,613,552
Health risk management	15,965,363	-	15,965,363	-
Managed care fees	1,534,752	1,549,187	1,534,752	1,549,187
Other expenses*	1,341,304	854,948	1,341,304	854,948
	98,397,727	**77,527,716**	**98,397,727**	**77,527,716**

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Notes to the Consolidated And Separate Annual Financial Statements

	Group		Scheme	
Figures in Pula	2024	2023	2024	2023

* Other expenses include various individually small attributable costs, such as member communication expenses (related to claims), claims administration expenses, and other similar attributable items.

Changes in risk adjustment for non financial risk

Risk adjustment	2,512,840	136,410	2,512,840	136,410
Total insurance service expenses	**1,150,923,627**	**1,100,657,387**	**1,150,923,627**	**1,100,657,387**

23.2 Administration expenses

Annual general meeting expenses	577,951	2,393	577,951	2,393
AML formulation	1,016,684	1,395,920	1,016,684	1,395,920
Administration and management fees	4,689,231	3,563,654	4,689,231	3,563,654
Advertising and promotion	7,521,072	2,833,653	7,512,638	2,833,653
Bank charges	756,167	400,882	559,509	384,778
Consulting and professional services	3,160,193	1,983,579	2,077,886	1,958,864
Depreciation of right of use assets	1,153,835	774,345	1,153,835	774,345
Depreciation on property, plant and equipment	231,286	525,256	231,286	525,256
Employee costs, excluding pension	19,530,789	15,314,778	19,530,789	15,314,778
External auditor's fees*	1,679,255	1,051,973	1,529,255	901,973
Insurance	689,925	690,110	528,721	501,964
IT expenses	1,402,422	739,771	1,360,361	739,771
Internal auditor's fees	355,402	311,264	275,398	231,260
Management committe expenses	546,638	941,721	514,940	915,102
Motor vehicle expenses	454,304	396,625	454,304	396,625
Pension contributions	1,017,949	653,767	1,017,949	653,767
Postage	383,311	934,103	383,311	934,103
Project management costs	10,418,946	-	10,418,946	-
Repairs and maintenance	1,899,941	2,333,611	1,000	151
Risk management and compliance costs	605,924	-	605,924	-
Directors and management committees sitting allowances	2,220,000	1,530,157	1,885,000	1,280,657
Subscriptions	3,442,197	3,043,805	3,442,197	3,043,805
Travel and accomodation	1,931,746	330,344	1,370,316	330,344
Other operating expenses **	2,632,277	2,922,845	2,050,920	2,524,850
	68,317,445	**42,674,556**	**63,188,351**	**39,208,013**

	Group		Scheme	
Figures in Pula	2024	2023	2024	2023

* Represents fees for the audit of the Scheme and group's financial statements only; no other services were provided by the external auditor.

** Other operating expenses comprise of individually immaterial expenses such as telephone, transport, stationery and other miscellaneous office administration expenses.

24. Net income/expense from the reinsurance contracts held

Reinsurance recoveries	11,148,907	9,612,979	11,148,907	9,612,979
Reinsurance premium expenses	(13,915,698)	(14,356,355)	(13,915,698)	(14,356,355)
	(2,766,791)	**(4,743,376)**	**(2,766,791)**	**(4,743,376)**

Reinsurance recoveries				
Funeral Policy Premium	4,732,450	4,358,300	4,732,450	4,358,300
Medical evacuation premium	5,263,205	4,843,583	5,263,205	4,843,583
Premium waiver	1,153,252	411,096	1,153,252	411,096
	11,148,907	**9,612,979**	**11,148,907**	**9,612,979**

Reinsurance premium expenses				
Funeral Policy Premium	(6,073,573)	(5,925,777)	(6,073,573)	(5,925,777)
Medical Evacuation Premium	(7,842,125)	(8,430,578)	(7,842,125)	(8,430,578)
	(13,915,698)	**(14,356,355)**	**(13,915,698)**	**(14,356,355)**

25. Rental income

Rental income from investment property	31,753,913	29,148,985	-	-

Operating leases – as lessor (income)

The company leased out property to Lenmed Health Bokamoso Hospital Proprietary Limited under three cancelable operating leases, two hospital lease agreements and a residential lease agreement. The lease terms are disclosed below:

Hospital leases

Main hospital wing: The group leases its hospital property to Lenmed Health Bokamoso Private Hospital. The lease is cancelable and has a duration of 15 years, with an option to renew after the initial term. Lease payments are renegotiated every five years to align with prevailing market rental rates. As of the end of the reporting period, four years remain on the lease. An annual rent of P25 million is payable each December.

		Group		Scheme	
Figures in Pula		2024	2023	2024	2023

Additional hospital wing: The time period of rental agreement is from March 2012 to February 2037. Monthly rental installments of P106,866.55 are paid in full and in advance on or before the third day of each succeeding month. Rental arrears are subject to a 2% above First National Bank's prime interest rate calculated daily and compounded monthly. Rent to be escalated in accordance with the Botswana Consumer Price Index prevailing at the relevant time.

Residential lease

The effective date of the lease is 1 August 2013. Monthly rental installments of P305,000 are paid on or before the seventh day of every month. Rental arrears are subject to a 10% annual interest reckoned from the due date until they are paid. Rent to be escalated in accordance with the Botswana Consumer Price Index prevailing at the relevant time and/or as maybe negotiated and agreed by the parties.

26. Other operating income

Administration fees		5,672,674	6,412,167	6,871,530	7,523,248
Other sundry income		64,325	64,325	-	-
		5,736,999	**6,476,492**	**6,871,530**	**7,523,248**

27. Fair value gains

Fair value gain on investment property	8	17,330,000	4,800,000	-	-
Fair value gain on investments in linked units		-	-	36,493,622	30,675,223
Fair value gain investments at fair value through profit or loss		10,448,201	6,939,120	10,448,201	6,939,120
		27,778,201	**11,739,120**	**46,941,823**	**37,614,343**

28. Investment income

Interest income - investments		8,792,524	10,202,818	8,301,999	7,999,649

Interest income consists of:					
Interest revenue calculated using the effective interest method- call accounts and bank deposit		490,525	2,203,169	-	-
Interest income from investments at fair value	11	8,301,999	7,999,649	8,301,999	7,999,649
		8,792,524	**10,202,818**	**8,301,999**	**7,999,649**

Notes to the Consolidated And Separate Annual Financial Statements

		Group		Scheme	
Figures in Pula		2024	2023	2024	2023

29. Finance costs

Interest on lease liabilities		358,569	146,212	358,569	146,212
Interest expense on borrowings		1,703,288	2,297,697	1,703,288	2,297,697
		2,061,857	**2,443,909**	**2,061,857**	**2,443,909**
Interest paid in the cashflow statement comprises:					
Interest paid on borrowings	16	1,857,775	2,440,529	1,857,775	2,440,529
Interest paid on leases		358,569	146,212	358,569	146,212
Total interest paid for the year		**2,216,344**	**2,586,741**	**2,216,344**	**2,586,741**

30. Income tax expense

Taxation consists of :				
Current				
Current taxation	5,026,198	2,578,223	-	-
Local income tax - prior period (over) under provision	-	(125)	-	-
	5,026,198	**2,578,098**	**-**	**-**
Deferred				
Deferred taxation	3,091,463	(2,738,939)	-	-
Prior year deferred tax over provision	(175,999)	-	-	-
	2,915,464	**(2,738,939)**	**-**	**-**
	7,941,662	**(160,841)**	**-**	**-**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit/(loss)	30,256,709	(68,691,493)	23,439,518	(69,655,125)
Tax at the applicable tax rate of 22% (2023: 22%)	6,656,476	(15,112,128)	5,156,694	(15,324,128)
Tax effect of adjustments on taxable income				
Permanent differences from scheme loss/(income)	2,121,509	20,877,006	(5,156,694)	15,324,128
Non taxable capital gain	(660,324)	(5,925,594)	-	-
Prior year income tax over provision	(175,999)	(125)	-	-
	7,941,662	**(160,841)**	**-**	**-**

	Group		Scheme	
Figures in Pula	2024	2023	2024	2023

31. Cash generated from/(used in) operations

Profit/(loss) before taxation	30,256,709	(68,691,493)	23,439,518	(69,655,125)
Adjustments for non-cash items:				
Depreciation and amortisation	1,385,121	1,299,601	1,385,121	1,299,601
Fair value gains	(27,778,201)	(11,739,120)	(46,941,823)	(37,614,343)
Income from equity accounted investments	(10,326,444)	(15,643,867)	(10,326,444)	(15,643,867)
Adjust for items which are presented separately:				
Investment income	(8,792,524)	(10,202,818)	(8,301,999)	(7,999,649)
Finance costs	2,061,857	2,443,909	2,061,857	2,443,909
Changes in working capital:				
Trade and other receivables	(12,137,795)	94,491	(7,456,981)	(10,299,216)
Trade and other payables	5,016,832	(9,128,091)	5,618,180	(8,957,546)
Retention liabilities	-	(165,615)	-	-
Insurance contract assets	-	40,172,573	-	40,172,572
Insurance contract liabilities	67,597,902	50,571,249	67,597,902	50,571,249
Reinsurance contract assets	(735,446)	232,355	(735,446)	232,354
Reinsurance contract liabilities	(405,969)	405,969	(405,969)	405,969
	46,142,042	**(20,350,857)**	**25,933,916**	**(55,044,092)**

32. Tax paid

Tax receivable at the beginning of the year	1,757,618	2,006,749	-	-
Current tax recognised in profit or loss	(5,026,198)	(2,578,098)	-	-
Tax receivable at end of the year	1,220,151	(1,757,618)	-	-
	(2,048,429)	**(2,328,967)**	**-**	**-**

33. Related parties

Relationships

Subsidiary of Botswana Public Officers' Medical Aid Scheme	BPOMAS Property Holdings Proprietary Limited
Associate of Botswana Public Officers' Medical Aid Scheme	Lenmed Health Bokamoso Private Hospital Proprietary Limited
Members of key management	(refer to general information page)

Related party balances

Amounts due from related parties				
BPOMAS Property Holdings Proprietary Limited	-	-	117,365	-
Lenmed Health Bokamoso Private Hospital Proprietary Limited	13,090,355	8,191,542	-	-

Notes to the Consolidated And Separate Annual Financial Statements

33. Related parties *(continued)*

Amounts due to related parties				
Lenmed Health Bokamoso Private Hospital Proprietary Limited	2,266,585	3,144,925	-	-
Investment in associate company				
Lenmed Health Bokamoso Private Hospital	-	-	69,304,756	64,978,312
Related party transactions				
Amounts received from investment in linked units (debenture interest)				
BPOMAS Property Holdings Proprietary Limited	-	-	-	(10,323,762)
Rental income from related party				
Lenmed Health Bokamoso Private Hospital Proprietary Limited	32,041,396	29,148,985	-	-
Management fees received from related parties				
BPOMAS Property Holdings Proprietary Limited	-	-	(1,198,856)	(1,111,081)

The investments in subsidiary represents 100% holdings in BPOMAS Property Holdings, a company incorporated in Botswana which is in the business of letting out of properties.

Transactions with its key management personnel:				
Directors and management committee meetings sitting allowance	1,885,000	941,721	1,885,000	941,721
Directors training	-	23,110	-	-

Key Management personnel

Management of the Scheme, in terms of the Rules, is performed by the Management Committee. As defined by the Scheme rules, "the affairs of the Scheme shall be managed according to these Rules by a Management Committee consisting of not more than eight (8) members, six (6) of whom shall be representatives of critically essential major stakeholders appointed by the Appointing Authority and two (2) independent members with required skills, to be appointed by the Appointing Authority from time to time."

Notes to the Consolidated And Separate Annual Financial Statements

34. Going concern

The consolidated and separate financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The group has significant cash and investments reserves to meet its financial obligations as they fall due. Further, the group has actuarial services at its disposal for the calibration of its contributions, tariffs or benefits limits to protect itself from unsustainable losses. Based on current cash reserves and future cash flow projections, management is of the view that the group will generate adequate resources to meet its financial obligations as they fall due.

The management committee is of the view and has confidence that the group will be able to continue its operations for at least a year from the date of the auditor's report without material uncertainty as a going concern. The financial statements are prepared on the basis of the accounting policies applicable to a going concern.

35. Commitments

The management committee is not aware of any commitments that existed as at the financial reporting date.

36. Contingent liabilities

The management committee is not aware of any contingent liabilities that existed as at the financial reporting date.

37. Events after the reporting period

The group, through its subsidiary BPOMAS Property Holdings Proprietary Limited, won a bid to purchase an immovable property for P30,953,389 from BCL Limited – In liquidation. A deposit of P14,694,665 was paid in July 2023, with the balance payable upon closure of the deal. The purchase will be funded through internally generated cash resources. The property is intended for lease to a third party to operate a hospital, generating rental income for the group.

Subsequent to the reporting date, the acquisition of a hospital and associated equipment from BCL Limited remains ongoing. The transaction is pending the fulfillment or waiver of all conditions precedent required to finalise the sale. As of the reporting date, the deal has not yet closed. Due to dependencies on external parties, including regulatory authorities and government agencies, it is difficult to provide a precise timeline for the expected closure. No events occurring after the reporting date necessitate adjustments or additional disclosures in these financial statements.

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Amendmenment of Scheme Rules

MEMO

To: Members
From: The Management Committee
Date: 05 December 2025
RE: Amendment of Scheme Rules

Background

In terms of Rule 30 of the BPOMAS Rule Book, any matters not specifically covered by the Rules shall be left to the discretion of the Management Committee; provided that the decision of the Management Committee shall not be inconsistent with the provisions of the Rules.

The Rules further provide that unless otherwise provided for in the Rules, the Management Committee shall be entitled to alter or rescind any Rule or Annexure or to make any additional Rule or Annexure; provided that no alteration, rescission or addition which affects the objects of the Scheme, or which increases the rates of contribution or decreases the extent of benefits by more than 25 percent during any financial year shall be valid, unless it has been approved by a majority of members present or represented by proxy at a meeting of members convened in the manner provided for in the Rules.

In addition, the Rules provide that no alteration, rescission or addition, which affects the objects of the Scheme or which increases or decreases the rates of contribution or which increases or decreases the extent of benefits shall be valid unless approved by the employer (i.e. Botswana Government).

Without detracting from the generality of the Rules, but subject always to Rule 41.1.1 and 41.1.2, the Management Committee may in its discretion amend these Rules from time to time to improve the efficiency of the Scheme.

Rule Amendments

The following Rule amendments were approved by the Management Committee and are therefore presented to members for noting as the changes do not increase or decrease the rates of contributions and the extent of benefits by more than 25 percent (25%).

Rule as Per the Rule Book	Proposed Amendment/Proposed New Rule	Reason for Proposed Amendment
4.15 "dual membership" shall refer to an instance where a member or a dependant is covered under more than one membership of the Scheme simultaneously.	4.15 "dual membership" shall refer to an instance where a member or a dependant is covered under more than one membership of the Scheme simultaneously. Provisions for disbursement of benefits: members will be permitted to use more than one membership for hospital admissions and high value treatments, where the hospital or treatment bill was not fully covered by one membership. Preauthorisation is mandatory on both memberships; the bill must be closed when the AOL is reached on the membership through which patient is admitted, and another pre-authorisation is opened for a new admission on the other membership	The amendment intends to provide more guidance on how members on dual membership can access their benefits

7.4 Widow/Widower The surviving spouse (widow or widower as the case may be) of a deceased member, who is registered with the Scheme as the deceased spouse's dependant at the time of such member's death, shall upon request be admitted as a member of the Scheme, provided that the deceased member was a member of the Scheme at the time of his/ her death and the surviving spouse continues to pay hundred percent (100%) contribution. Such surviving spouse member shall be notified by the Scheme of his or her right to membership and of the contribution payable in respect thereof. The surviving spouse's membership shall terminate if....................	7.4 The surviving spouse (widow or widower as the case may be) of a deceased member, who is registered with the Scheme as the deceased spouse's dependent at the time of such member's death, shall upon request be admitted as a member of the Scheme, provided that the deceased member was a member of the Scheme at the time of his/ her death and the surviving spouse. Such surviving spouse member shall be notified by the Scheme of his or her right to membership and of the contribution payable in respect thereof. 7.4.1 If the surviving spouse(widow or widower) is a government employee or a pensioner and decides to take over the account, the member is entitled to the Government (50%) contribution. 7.4.2 If the surviving spouse is also a non government employee or pensioner, Will pay hundred percent (100%) contribution. Such surviving spouse member shall be notified by the Scheme of his or her right to membership and of the contribution payable in respect thereof. The surviving spouse's membership shall terminate if....	The rule has been broken down to provide clarity on the terms governing widow membership

7.5.2 A grandchild dependant who is under the age of twenty-one (21) years, who is unmarried an who is not in receipt of regular remuneration. An application for a grandchild dependant where such dependant is not covered under the adult child dependant must be accompanied by a letter from the member detailing the reason for inclusion of the dependant under the membership together with a police affidavit confirming the relationship between the member and the dependant.	7.5.2 A grandchild dependant who is under the age of twenty-one (21) years, but no not over the age of 25years who is unmarried and who is not in receipt of regular remuneration. An application for a grandchild dependant where such dependant is not covered under the adult child dependant must be accompanied by a letter from the member detailing the reason for inclusion of the dependant under the membership together with a police affidavit confirming the relationship between the member and the dependant. Such a person shall only be recognised as a dependant for periods not exceeding twelve (12) months at a time and such recognition shall not extend beyond the end of the calendar year during which s/he turns the age of twenty-five (25). Proof of Schooling	7.5.2 has been enhanced. The rule allow grandchildren who are still students to continue with medical aid cover until they finish school or turn 25. The rules also aligns with the school going child dependents.
As read with 23.2 23.2 Benefits of all new members admitted during the course of a financial year shall be pro-rated to the period of membership from the date of admission to the end of the particular financial year.	Provision is given to waiver waiting period for neonates as follows: 0-30 days -An application for a grandchild in this category submitted within 30 days of the birth or adoption of an infant, accompanied by a letter detailing the reason for inclusion of the dependent under the membership together with an affidavit confirming the relationship between the member and the dependent, provided the grandparent(s) have long standing membership with BPOMAS 31 days to 21 years-be read as individual member and with 23.2	All neonates have a waiting period of 30 days, without proration of benefits, so neonate grandchild must be accorded the same rights.

7.5 Individual member 7.5.1 An adult child dependant who is between the ages of twenty-one (21) to thirty-five (35) who is not in receipt of income not more than the minimum wage paid by the Government of Botswana from time to time, who has been a beneficiary of the Scheme for a continuous period of at least one (1) year, who is not married and who applies to become a member any time after the date on which s/he ceased to be a member under Rule 8 provided full payment of contributions shall be paid from source by the member. The cover shall also be extended to children of adult child dependants	An adult child dependant who is between the ages of twenty-one (21) to thirty-five (35) who is not in receipt of income not more than the minimum wage paid by the Government of Botswana from time to time, may be enrolled as an individual member. The adult child does not need to have been a beneficiary of the Scheme for a continuous period of at least one (1) year; they may join provided their principal member is an active BPOMAS member. Full payment of contributions shall be made directly by the member. The cover shall also extend to the children of adult child dependants	Restricting eligibility only to adult child dependants who have been members of the Scheme for at least one (1) continuous year would disadvantage many families. Some members join the Scheme when their children are already twenty-one (21) years or older. If these adult children are not allowed to join immediately as individual members, parents may be compelled to seek medical cover for them from other medical aids that offer more flexible terms. This would not only inconvenience members but also lead to the Scheme losing out on potential contributions.
15. Contributions 15.1 Government pays fifty (50) % of monthly contributions and the employee pays fifty (50) % of monthly contributions.	15.1 Government pays the prescribed percentage of monthly contributions and the employee pays the remaining percentage of monthly contributions.	To make provision for changes in subsidies by Government.

17 BENEFITS	PROPOSED NEW RULE The following rules must apply to the following benefits: 1.Dread Disease All members subscribing under benefit options that cover dread disease shall be assisted under the Scheme approved list of conditions and defined area of cover. The DD benefit will override to AOL in the event DD benefit gets depleted. The scope of cover includes hospitalisation; diagnostic investigations; dialysis, chemo and radiation. The dread disease cover shall not exceed the Annual Benefit Cover	The rules applicable to DD benefit have not been defined. The benefit booklet only prescribes the conditions and what they mean.
17.9 The Scheme from time to time may provide incentives which would be reviewed from time to time at the discretion of Management Committee for those members that do not utilise their benefits	17.9 The Scheme from time to time may provide incentives which would be reviewed from time to time at the discretion of Management Committee for those members that do not utilise their benefits. The incentives offered will be aligned with promoting wellness,compliance and sustainability of the Scheme.	Some members are of the opinion that benefits accrue if not used, giving clarity on the possible incentives will promote member awareness and compliance to benefit management.
17.2 A member shall choose their preferred benefit option and pay the contribution relevant to such an option. Ordinarily the member may only transfer from one benefit option to the other on the first day (01 April) of the financial year of the Scheme, provided that he has given one (1) month written notice of his intention to do so. However, subject to approval by the Scheme, a member may apply to change benefit options during the year.	17.2 A member shall choose their preferred benefit option and pay the contribution relevant to such an option. Ordinarily the member may only transfer from one benefit option to the other on the first day of the financial year (01 April) of the Scheme, provided that he has given one (1) month written notice of his intention to do so. However, subject to approval by the Scheme, a member may apply to downgrade benefit options during the year.	To provide clarity that Rule 7.2 only covers member downgrading their benefit options (changing down) for retention purposes. Changing up (upgrading) is covered under Rule 17.3

17.3 Notwithstanding the provisions of Rule 17.2 above, a member who meets the criterion set for HIV/AIDS and chronic disease monitoring and/or treatment, may at any given time during the course of the Scheme's financial year, and at the discretion of the Management Committee, transfer from the Standard Benefit Option to the High or Premium benefit options. However, the option to transfer from the Standard Benefit Option to the High or Premium benefit options for chronic diseases other than HIV/ AIDS monitoring and/or treatment, shall only be exercised subject to three (3) years prior membership of the Scheme.	17.3 Notwithstanding the provisions of Rule 17.2 above, a member who meets the criterion set for HIV/AIDS and chronic disease monitoring and/or treatment, may at any given time during the course of the Scheme's financial year, and at the discretion of the Management Committee, transfer from the Standard Benefit Option to any of the high benefit options. However, the option to transfer from the Standard Benefit Option to any of the benefit options for chronic diseases other than HIV/ AIDS monitoring and/or treatment, shall only be exercised subject to two (2) years prior membership of the Scheme.	Waiting period for pre-existing conditions (chronic conditions included) is two (2) years. The years have been changed from three (3) to two (2) to align with the waiting period.
18.1 The Scheme reserves the right to register, refuse registration and/or de-register any service provider. The Scheme further reserves the right to introduce risk management interventions including clinical/health risk management or solutions as it deems fit, without consultation with the service providers.	18.1 The Scheme reserves the right to register, refuse registration and/or de-register any service provider. Service provision by registered service providers shall be guided by specific health provision contracts and/or service level agreements that will be entered into by the Scheme and the service providers. The Scheme further reserves the right to introduce risk management interventions including clinical/health risk management or solutions as it deems fit, without consultation with the service providers. As above	To separate registration of service providers from contracting health / risk management providers. Further, to indicate that service provision by the registered providers will be in line with contracts entered into.
19.1 The liability of the Scheme to reimburse any member shall lapse six (6) months from the date on which the services were rendered provided the services were not paid for by the member at the time of service. Where a member has paid upfront for such claims a member shall submit claims for reimbursement within three (3) months of such service	19.1 The liability of the Scheme to reimburse any member shall lapse six (6) months from the date on which the services were rendered provided the services were paid for by the member at the time of service. Where a member has paid upfront for such claims a member shall submit claims for reimbursement within three (3) months of such service	To remove the word "not". For the claim to be due and payable to a member, they have to have paid.

19.3 Where a claim is submitted more than three (3) months from the date on which the services were rendered, benefits shall be granted only at the discretion of the Management Committee. Where a claim is submitted more than three (3) months from the date on which the services were rendered, benefits shall be granted only at the discretion of the Management Committee, provided the claims are not more than twelve (12) months from the date the services were rendered.	19.3 Where a claim is submitted more than three (3) months from the date on which the services were rendered, benefits shall be granted only at the discretion of the Management Committee provided the claims are not more than twelve (12) months from the date the services were rendered.	To remove duplication.
19. Payment of Accounts	NEW RULE: The Management Committee shall delegate decisions pertaining to claims older than 3 months in relation to service date, but less than or equal to 12 months to the Principal Officer and the decision of the Principal Officer in respect of those claims shall be final and binding upon the member or provider concerned.	To aid daily operations regarding claims.
24.3 Applications for ex-gratia payment may be submitted three (3) times in any financial year, provided that the amount of each invoice per submission after ex-gratia calculations is not less than Five Hundred Pula (P500.00).	24.3 Applications for ex-gratia payment may be submitted three (3) times in any financial year, provided that the amount of each invoice per submission after ex-gratia calculations is not less than Five Hundred Pula (P500.00), and that the member applies once per inner benefit limit	To avoid a situation where there is repeat of benefit from one inner limit which may lead to overuse.
25.7 The Chairperson of the Management Committee shall be the Permanent Secretary, Ministry of Health. In his or her absence, the Vice-Chairperson of the Scheme who shall be appointed from among the representatives of the critically essential stakeholders, shall act as the	The Directors should elect a Chairperson from among the Independent members (who shall be an independent non-executive director),	Good governance and international standards, as captured in the King code and the BAOA Code of Corporate Governance require that the Committee Chairperson shall be the Chairman of the Board or an independent Non-Executive Director.

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MEMO

FROM : MANAGEMENT COMMITTEE
TO : MEMBERS
DATE : 05 DECEMBER 2025
RE : RE-APPOINTMENT OF EXTERNAL AUDITORS FOR 2024/2025 FINANCIAL YEAR

Background

At the previous Annual General Meeting (AGM) held 22 September 2023 the Management Committee was authorised to appoint or re-appoint the Scheme External Auditors and advise the members accordingly at the next AGM.

In applying the above and given the satisfactory performance of KPMG as the Scheme External Auditors the Management Committee, via resolution re-appointed KPMG to audit the 2023/2024 and 2024/25 financial years and their contract would come to an end of 31 December 2025.

In light of the above, the Scheme in line with the procurement processes issued a tender for the provision of External Audit Services, which at the time of this report, was at final stages of evaluation.

Recommendation

It is recommended that the appointment of the external auditors for the financial years 2023/2024 and 2024/2025 and remuneration for their services be ratified.

It is further recommended that, upon completion of the procurement process, the Management Committee (ManCo be authorised to appoint the successful bidder as the Scheme External Auditors for a period of three (3) years effective 01 January 2026, renewable annually at the AGM, subject to performance, to audit the following financial years:

- 2025/2026
- 2026/2027
- 2027/2028

It is further recommended that the Management Committee and/or the Principal Officer be authorised to do all that is necessary and sign any document necessary to give effect to these resolutions.

Requested Resolution

It is RESOLVED that the appointment of the external auditors for the financial years 2023/2024 and 2024/2025 and remuneration for their services be ratified.

It is FURTHER RESOLVED that, upon completion of the procurement process, the Management Committee (ManCo) be authorised to appoint the successful bidder as the Scheme External Auditors for a period of three (3) years effective 01 January 2026, renewable annually at the AGM, subject to performance, to audit the following financial years:

- 2025/2026
- 2026/2027
- 2027/2028

It is FURTHER RESOLVED that the Management Committee and/or the Principal Officer be authorised to do all that is necessary and sign any document necessary to give effect to these resolutions.

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