

["]Annual General Meeting Report

For the Financial Year **2015/16**



Introducing Premium Waiver

The loss of a loved one is difficult but with the introduction of the **Premium Waiver Benefit** from **BPOMAS**, you can rest assured knowing that we will be with you every step of the way. **Dependants** will be covered for 6 months, post the death of a principal member, at no cost.

Because it's the little things that matter.





CONTENTS PAGE

- 1. Agenda
- 2. Proxy Form
- 3. Minutes of Annual General Meeting of the Members held on Friday 3 June 2016, at Fairgrounds Holdings (Annex Hall), at 14h00
- 4. Chairman's Foreword
- 5. Report to the Members' Annual General Meeting for the Financial year 2015/2016
- 6. Abridged Consolidated Annual Financial Statements for the year ended 31 March 2016



THE 2016 ANNUAL GENERAL MEETING (AGM) OF THE SCHEME WILL BE HELD AT BOIPUSO HALL, FAIRGROUNDS HOLDINGS, GABORONE, ON THE 24 JANUARY 2017 AT 09:00

Agenda

- 1. Notice and constitution of the meeting
- 2. Apologies for non-attendance
- 3. Adoption of agenda
- 4. Confirmation of the minutes of the Annual General Meeting (AGM) held on 03 June 2016
- 5. Matters arising from the minutes
- 6. Receipt and adoption of the Management Committee report for the year ended 31 March 2016
- 7. Receipt and adoption of the Audited Financial Statements for the year ended 31 March 2016 and the report of the external auditors
- 8. Appointment of external auditors for the Financial Year 2016/17
- 9. Date of the next meeting
- 10. Any other business

In terms of the rules, a member may appoint a proxy to attend the Annual General Meeting and vote on his/her behalf. A proxy form will be attached in the report and must be received by the Scheme Administrators, at least 24 hours, prior to 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 24 January 2017 at Boipuso Hall, Fairgrounds Holdings Gaborone, at 9:00 AM. If you are entitled to vote at the Annual General Meeting, you may appoint a proxy to vote on your behalf. This proxy only applies to the Annual General Meeting, and any adjournment of that meeting.

A. YOUR DETAILS

FULL NAMES	
MEMBERSHIP NO.	
POSTAL ADDRESS	
EMAIL	

B. WHO DO YOU WANT TO APPOINT AS YOUR PROXY

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

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.	
POSTAL ADDRESS	
EMAIL	

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 Audited Financial Statements for the year ended 31 March 2016

Item 2: Re-appointment of external auditors for the ensuing year

YES		NO		

DATE:

SIGNATURE: _____

*A proxy nomination shall only be given to a member of the Scheme.

*The instrument appointing the proxy must be deposited at the office of the Administrators of the Scheme at the under mentioned address; not later than 24hrs before the time for holding the Annual General Meeting.

ABSTAIN

AFA House, Plot 61918, Showgrounds Office Park, P O Box 1212, Gaborone, Tel: 365 0500, Fax: 3951165

Because you deserve more, **BPOMAS** has increased funeral cover to put your loved ones at ease

Our funeral cover has undergone a revamp to give you, our valued members, just a little bit more.

Because it's the little things that matter.

OLD

	Premium	High	Standard
Member	10,000	8,000	4,000
Spouse	10,000	8,000	4,000
Child 16-21	6,000	5,000	3,000
Child 6-16	4,000	3,000	1,800
Child 0-5	2,000	1,800	1,200

NEW

	Premium	High	Standard
Member	12,500	10,000	5,000
Spouse	12,500	10,000	5,000
Child 16-21	6,000	5,000	3,000
Child 6-16	4,000	3,000	1,800
Child 0-5	2,000	1,800	1,200



Marketing: Call Centre:

Client Services: Managed Care: Francistown Branch: 365 0585 / 504 / 586 / 596 365 0555 (07:30 - 18:00 Monday to Friday) (08:00 - 13:00 Saturday) 365 0500 365 0574 241 2290 / 241 2390

Proudly Administered by:



Your health is our concern!

www.bpomas.co.bw





Minutes of the Annual General Meeting

MINUTES OF THE ANNUAL GENERAL MEETING OF THE MEMBERS HELD ON FRIDAY 3 JUNE 2016, AT FAIRGROUNDS HOLDINGS (ANNEX HALL), AT 14:00

1. PRESENT

S El-Halabi	Ministry of Health (Chairperson)
O Masimega	Ministry of Finance and Development Planning
R Nkolonyane	Directorate of Public Service Management
A Mosarwa	Botswana Public Employees' Union
Lt. Col. M Motloutse	Botswana Defence Force
Lt. Col. Kgaswenyane	Botswana Defence Force (Alternate to Lt. Col. Motloutse)
M D Setshego	Botswana Land Boards & Local Authorities and Health Workers' Union
C Gwere	Independent

2. IN ATTENDANCE

2.1. PRINCIPAL OFFICER'S OFFICE

T Molebatsi – Principal Officer (PO)

2.2. ADMINISTRATORS-AFA BOTSWANA (PTY) LTD

- D Thela
- T Matutu
- J Buno
- S Hlope
- P Motshegwa

T Motlaloso

L Keloneilwe (Recording)

2.3. BY INVITATION- AUDITORS

S Edirisinghe – PricewaterhouseCoopers (PwC)

3. NOTICE AND CONSTITUTION OF THE MEETING

The Chairperson announced that with a total of **102** members personally present and **724** proxies, the meeting was duly constituted. It was noted that the time of meeting as initially circulated had been changed from 09:00 to 14:00 and follow-up communication circulated to the members. The Chairperson apologized for any inconvenience caused.

The notice of the meeting having been duly circulated was taken as read and approved; following a proposal by **Mr M P Tumaeletse**, seconded by **Ms Y Tatedi**.

4. APOLOGIES FOR NON-ATTENDANCE

No apologies were received.

5. ADOPTION OF THE AGENDA

The agenda was adopted following a proposal by Mr N Mokgethi, seconded by Mr S Hirschfield.

6. CHAIRMAN'S OPENING REMARKS

The Chairperson welcomed all the members present and thereafter, introduced the Management Committee, the Principal Officer, the Administrators as well as the Auditors. The Chairperson stated that the purpose of the meeting was as outlined in the Agenda which had been circulated to the members before the meeting.

7. CONFIRMATION OF THE MINUTES OF THE SPECIAL GENERAL MEETING(SGM) HELD ON 02 APRIL 2012

The minutes were considered and **approved** as a true record of the proceedings, on proposal by **Mr M P Tumaeletse**, seconded by **Mr D O Gabanakgosi** subject to the following corrections and would be signed by the Chairperson:

- deleting the word "approved" under paragraph 7.2(a), Page 6 of the report, to read "subsequently be registered with the Registrar of Societies"; as well as
- replace the word "agreement" under paragraph 8(g) with the word "disagreement" for the sentence to read "should there be disagreement"



8. MATTERS ARISING FROM THE MINUTES

- 1. Update on the Scheme Rules Amendment; Refer to Minute 7.1.2 Page 3 Scheme Rules Amendments were submitted to Cabinet and Registrar of Societies and implemented accordingly.
- **2. Update on the 2011 Annual General Meeting; Refer to Minute 7.1.3, Page 3** The Annual General Meeting is as held on the instant date (3 June 2016).
- 3. Update on Notification of Members of the Scheme's position on Balance Billing; Refer to Minute 8, Page 12 Members were notified of the Scheme's position.

4. Update on Balance Billing; Refer to Minute 8, Page 12

It was reported that some service providers continued to practice balance billing however those that did were removed from direct payment arrangement.

9. CONSIDERATION AND ADOPTION OF THE REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEARS 2010/11 TO 2014/15

The Chairperson presented the Report which had been circulated to the members and taken as read. The following points were highlighted:

Delay in holding the Annual General Meeting

There was a delay in holding the AGM due to provisional sequestration of the Bokamoso Private Hospital Trust (BPHT) which started in January 2011 and was concluded by the High Court in February 2012. There was therefore need to complete all transactions subsequent to the sequestration of the BPHT (e.g. payments to all BPHT creditors, Trustees and settlement of other related court cases). There was also formation of the companies; Lenmed Health Bokamoso Private Hospital (LHBPH) and BPOMAS Property Holdings (BPOMAS PH), as well as concluding arrangements for loans from commercial banks, GoB, inter-company loans, related interest and final debt write-offs.

External auditors were changed in 2011/12 financial year; from KPMG to PricewaterhouseCoopers and the Management Committee (ManCo) was also reconstituted post April 2013 per BPOMAS Rules. Time was required to audit and close off each year's financial statements sequentially. The audit for 2015/16 had commenced and the next AGM was expected to be held before the end of the current calendar year.

• Why Special General Meeting was not held

In terms of Rule 35.2 to the Management Committee may, whenever it thinks desirable, convene a Special General Meeting...". Between 2011 and 2015 there were two (2) Special General meetings (July 2011 and April 2012) dealing with significant issues such as BPHT sequestration and possible formation and structuring of new companies (PropCo - BPOMAS PH and OpCo - LHBPH) and the introduction of Balance Billing by some health practitioners.

Post April 2012 there had not been events of similar magnitude, save for the need for a Turnaround Strategy to mitigate the down-turn in the fortunes of the Scheme. As a result ManCo decided to embark on the Turnaround Strategy without affecting member's access to quality cost effective healthcare. The Strategy had begun to bear fruits and a surplus for the year ended March 2016 was reported however the audited financial statements had not been concluded and thus the financials would not be discussed at this AGM.

Governance and Organisational Structures

The Chairperson explained the governance structures as follows:

The Scheme had Administrators, responsible for the day to day administration, Actuaries who advise on benefit design and financial modelling, Emergency Medical Services provider for emergency medical evacuations, Asset Consultants and Managers who advise on investments through the Investment Sub-Committee.

General Scheme Performance

There was rapid growth in Health Care Costs (HCC) per member per month (pmpm) resulting in a deficit of **P65.87** pmpm. The Chairperson explained that these were due to; increases in the Standard and High Benefit Options' benefit limits (±60% on average) and introduction of Premium Option without contribution increases in April 2013.

The top four (4) most accessed health disciplines / facilities during 2014/15 were Private hospitals, GPs, Medical Specialists and Pharmacy which represented 75% of BPOMAS' HCC. There were significant year-on-year increases leading to need for mitigation strategies. During the periods under review the Scheme experienced rising claims ratios and declining solvency.



• The Scheme facilitating access to healthcare

Despite the a foregoing, the Scheme facilitated access to private healthcare services for 67%, 73% and 74% of its beneficiaries in 2012/13, 2013/14 and 2014/15 respectively and thus continued to meet its primary/formative objectives as well as add value to the lives of its members and their dependents. The most accessed services were doctor consultations, procedures in doctors' rooms and hospitals, medicines, eye care and other medical interventions.

Membership Trends

Membership growth had reached a plateau and there was need to enhance the BPOMAS product and make it more attractive. Members were invited to make suggestions in that regard.

The Chairperson pointed out that members would be requested to approve continuation membership for non-income earning *"adult child dependents"* up to the age of 35years under Agenda item 8 (Consideration and approval of proposed Amendments to the Scheme Rules).

Turnaround Strategy

Consideration and implementation of the Turnaround Strategy had taken into account the following:

1. Schemes long-term sustainability

Ability to meet financial and operational obligations, objects of the Scheme (Rules) and build reserves.

- 2. Alignment between Health Care Costs and Gross Contribution Income (appropriate pricing for inherent health risk).
- 3. Contribution Affordability by Members

Ensure that the Scheme's monthly contributions remain affordable to members (GCI increases not overtaken by inflation where possible).

- 4. Product enhancements and differentiation- to ensure attraction & retention of members
- 5. Implementation of health risk management interventions, including consideration for the introduction of preventive interventions.
- 6. Coverage of non-income earning adult dependents until age 35 years
- 7. Reviewing of investments and re-structuring for appropriate cost containment and value add
- Other Issues

The Chairperson informed Members that during the consideration of Scheme Rules amendments as per Agenda item 8 they would be requested to approve the incorporation the PO's position and office. She further explained that the PO would be charged among others with ensuring the Scheme's strategy implementation and providing oversight on behalf of ManCo on all contracted service providers.

The Chairperson also informed the Members that:

- they would be requested to approve re-appointment of the external auditors for the financial year 2015/16 after which a tender process would be followed for appointment of same for 2016/17.
- the BPOMAS Administration contract would be put out for tender before end of the financial year 2016/17.

The Chairperson concluded her Report to Members by urging them to support the ManCo in their efforts to improve the Scheme for the benefit of all stakeholders.

Comments from members:

- Mr D O Gabanakgosi asked whether there would be an increase in subscriptions due to inclusion of adult dependants (age 21 to 35) and if that was the case it should be reconsidered. In response it was clarified that there would be a price attached to the inclusion of the subject dependants and the Scheme would have to be advised by the Actuaries in this regard. That having been said it was also clarified that the continuation membership for "adult dependants" would be optional and depend on the decision of the parent (principal member).
- Ms R Letsatsi was expressed concerned with the consistency or lack thereof of the presentation and the graphs presented (slide presentation) however it was explained that the figures in the slides and the Report were corresponding.



 Mr Kagiso Gabookoli was concerned about the decline in membership and enquired whether there was a Retention Strategy or Policy in place. Mr Gabookoli advised fellow members to suggest Marketing Strategies or to recruit more members to the Scheme through the Principal Officer's office.

It was clarified that there were processes in place to retain members; however, his comments were noted.

 Mr D Tshepo was of the view that there was not enough done to advertise the Scheme and that there should not be a linear relationship between claims costs and contribution as this may make the Scheme unaffordable. The view was noted. However, it was advised that members should invite the Sales and Marketing team to their respective departments.

Mr Tshepo opined that the Scheme had delayed to invest and that when it invested in the Bokamoso Hospital it was not in the best interests of the Scheme. He stressed that there was need to focus on more investments for the Scheme.

- **Ms P H Nasha** enquired what happened to healthy members who did not utilise their benefits and it was explained that incentives would be addressed under Agenda item 8, proposed amendments to the Rules.
- Mr Sibanda cautioned that some Doctors inflated prices once they were aware that members were on medical aid and
 advised members not to go to the Doctor for minor ailments. On introduction of adult dependants Mr Sibanda was of
 the view that old people should have been included as opposed to "able" people. On receipt of the Annual Report and
 changing of AGM dates and or times, Mr Sibanda advised that there must be consistency with correspondence. The
 comments were noted.
- Mr O B Tsalaeile was of the view that members did not utilise medical aid due to the required 10% to be paid to service
 providers and suggested that increments should not include the 10%. It was explained that on co-payment, members
 were only required to pay up to P1000 in any given financial year. It was further explained that there were still some
 service providers who practiced Balanced Billing and that the Scheme paid according to tariffs and hence there might
 be higher out of pocket payments by members
- **Mr K Monelwa** opined that medical aid did not attract people as members were not given good service and most ailments were not covered and where members were requested to pay upfront with a view of being refunded, they would not get the full refund. It was explained once again that some service provider practiced Balance Billing and the Scheme only paid as per agreed tariffs. The Scheme cannot dictate how service providers should run their businesses.

The Chairperson moved that the Report of the Management Committee for the years ended 2010/11 to 2014/15 be adopted by the members and was seconded by **Mr Jabulani Notice**.

It was **RESOLVED** that the Report of the Management Committee for the years ended 2010/11 to 2014/15 be and is hereby adopted.

10. CONSIDERATION AND ADOPTION OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDED 2010/11 TO 2014/15

The Finance and Administration Manager, on behalf of the Administrators, presented the financial statements and highlighted the following:

Income from contributions increased from **P425M** in 2011 to **P517M** in 2015. Year-on-year growth was **10%**, **1%**,-**1%** and **11%**. The growth was attributable mostly to the increase in contributions. Rental Income was introduced to the Group in 2013 post sequestration of the Hospital and grew from **P3.6M** in 2013 to **P28.5M** in 2015.

Cost of services included health care costs, Emergency medical services and funeral benefit. The expenditure increased from **P320M** in 2011 to **P512M** in 2015 representing a year-on-year increase on **5%**, **15%**, **16 %** and **15%**. Claims ratios were **75%**, **72%**, **82%**, **95%**, **99%** for 2011, 2012, 2013, 2014 and 2015 respectively. Administration expenses were highest in 2011 at **P674M** compared to **P24.6M**, **P69M**, **P67M** and **P71M** in 2012, 2013, 2014 and 2015 respectively. The P674M included exceptional items which were impairment loss on Investments and loans to Bokamoso Private Hospital Trust (BPHT). Financial years 2013 to 2015 represented Group administrative expenses as such it included BPOMAS PH administrative expenses. The Group recorded a significant deficit in 2011 due to impairment loss on Bokamoso Private Hospital Trust (BHPT) Investments and Ioan. A deficit of **P2.8M** and **P27.9M** was recorded in 2014 and 2015 respectively. The surplus/deficit included share of profits from LHBPH and BPOMAS PH.

The Group realised a significant growth in total assets during the five (5) years under review which was due to the acquisition of Bokamoso Hospital property in 2013 post sequestration. Investment property was valued at **P243M** in 2013 and the value had increased to **P263M** as at end of 2015. Property, plant and equipment were also introduced to the Balance Sheet in 2013 and valued at **P33**M; the value of the assets subsequently dropped to **P27M** due to depreciation. Reserves grew from **P115.9M** in 2011 to **P301M** in 2015. The significant increase came from surplus from BPOMAS PH. Non-current liabilities included Deferred Tax and Government loan to the Scheme that came in place between the two parties during the sequestration of the Hospital. Current liabilities grew by **36%** from 2012 to 2015. This class of liabilities comprised mainly of provision for outstanding claims. Total reserves at the end of March 2012 stood at **P222M** compared to **P115M** recorded at the end of March 2011. The significant growth came from a significant surplus reported at the end of March 2012. Total Reserves stood at **P262M** for the year ended March 2013, **P246M** for year ended March 2014 and **P197M** for the year ended March 2015. The reduction in reserves was due to the deficit recorded by the Group during 2014 and 2015.

Financial year 2012 reported cash flows from operating activities of **P49**M, Cash flow from investing activities of negative **P42M** and Cash flow from financing activities of negative **P40M**. Cash and cash equivalent at the beginning of the year was **P95M** whilst it was **P62M** at the end of the year. Reporting period 2015 reported cash flows from operating activities of **P-32M**, Cash flow from investing activities of **P-33M** and Cash flow from financing activities of **P-32M**. Cash and cash equivalent at the beginning of the year was **P33M** whilst it was **P25.9M** at the end of the year.

Comments from members:

- Ms A Tlhabologang wanted to know how the Scheme would be made more attractive to prevent members from leaving and suggested that benefits such as cash back should be introduced and that if one did not utilise their benefits they should be incentivised. It was noted and clarified that the issues would be addressed under the proposed Rule amendments. He further pointed out that he had previously not benefited from exemptions as the exemptions letter was received late. Mr Tlhabologang suggested that consideration should be given to covering or rewarding single members to at the least include or cover one parent as married people covered their spouses. The suggestion was noted.
- **Mr N Mokgethi** commended the Management Committee for appointing the Principal Officer, pointing out that it would allow the Administrator to be better managed. Mr Mokgethi expressed concern over the claims ratio and advised that it should be investigated and monitored. He noted that between 2009 and 2014 Health Care Costs had increased by 13% and enquired whether it was due to the increase in fees of medical practitioners. It was **suggested** that it be analysed and the Management Committee to report at the next AGM.

On why the receivables were high what "owed" referred to; it was explained that "owed" referred to contributions from members and that the Management Committee had advised that pensioners who contributed to contributions owed should continue to pay contributions like any other member whilst awaiting their pension pay-out (annuity).

He further highlighted with concern that the rental owed by the hospital to BPOMAS PH was significant.

- Ms T Jacob expressed concern about member spouses who left the Scheme to join other medical aids due to C-sections not being covered. It was clarified that C-sections were covered. Ms Jacob also expressed concern that treatment of her skin/scalp condition was not covered by medical aid and it had affected her socially/emotionally. The concerns were noted.
- Mr Sibanda asked what the liquidity ratio was and reference was made to Page 25, Consolidated Statement of Financial Position as at March 2015 explaining that the Current Assets were greater than Current Liabilities therefore the Scheme would be able to immediately settle liabilities should the need arise.
- **Ms C Pule** enquired whether the Scheme had a Budget process and it was confirmed and further explained that after the Budget was prepared it would be considered by the Finance and Audit Committee who would then recommend it to the Management Committee for approval.

The Chairperson moved that the Audited Annual Financial Statements for the years ended 2010/11 to 2014/15 be adopted by the members and was seconded by **Ms Y Tatedi**.

It was **RESOLVED that** the Audited Annual Financial Statements for the years ended 2010/11 to 2014/15 be and are hereby adopted.



11. CONSIDERATION AND APPROVAL OF PROPOSED AMENDMENTS TO THE SCHEME RULES

The proposed amendments to the Scheme Rules, which had been circulated to members, were presented by the Corporate Secretary on behalf of the Administrator and the following key changes were highlighted:

a) Definitions

- Inclusion of definition of "Irreversible medical conditions" and "Reversible medical conditions";
- Inclusion of definition of "individual membership" to provide for individual members who opt to continue with the scheme(as members of the Scheme) either as pensioners or adult child dependant;
- clarity on the different "prosthetic" devices/appliances and allow for clearer differentiation of related benefit limits (Rule 4.27);
- clarity on the fee (P20.00) to be charged when members lose their membership card (the old Rules did not provide an amount);

b) Application for membership

Introduction of underwriting to allow for those who may opt to join the Scheme for purposes of taking advantage of the Scheme;

c) Membership

Introduction of "Individual membership (continuation membership)"

- to cater for member dependants who had no formal employment and were dependant on the Principal member for their livelihood; and
- To provide individual cover for pensioner non-citizens who were willing to continue with the Scheme subject to them being resident in Botswana.

d) Benefits

Introduction of a Rule that would allow ManCo to introduce incentives for members who did not utilise their benefits.

e) Payment of Accounts

- in order to separate liability of the service provider from that of the member, the following clause was inserted: *"Liability of the Scheme to pay the account directly to any service provider shall lapse three(3) months from the date on which the services were rendered";*
- members whose contributions were in arrears would be put on suspension for two(2) months;
- Introduction of a rule making pre-authorisation mandatory for all hospital admissions under Rule 18.

f) Claims Procedure

- Invoices
 - Introduction of requirement (Rule) to submit invoices in English or an official and certified interpretation of the invoice if original was in any other language.
- Ex-gratia payments :
 - Introduction of period on submission of payment of ex-gratia applications, as well as frequency of
 applications or limit to ensure only deserving members in financial distress were assisted, promote fairness
 and discourage piling of invoices.
 - · More clarity provided on who would approve ex-gratia payment.

g) Duties of the Chairman, Management Committee, Administrator and the Principal Officer Introduction of the Principal Officer Position and duties.

h) Investments

Introduction of a clause on Investments as the Scheme rules did not provide for BPOMAS Investments (BPOMAS Property Holdings and Lenmed Health Bokamoso Private Hospital).



The Chairperson invited members to comment on the proposed amendments to the Scheme Rules.

• **Mr T Nkuwe** suggested that the twenty pula (P20) that was proposed to be charged for lost membership cards should not be included in the main Rules as was likely to be affected by inflation and should there be need to amend it would call for approval by the members at an AGM. He further questioned why erectile dysfunction was excluded. It was clarified that the proposal was that the amount would be reviewed "as and when required". On erectile dysfunction it was clarified that the proposal was not to exclude the benefit but rather that it was to make it clearer that erectile dysfunction was excluded. Members were advised that should they have **suggestions** on which benefits to include, submissions could be communicated to the ManCo for consideration where after the proposals would be tabled at an AGM.

On querying VAT and co-payment by members, it was clarified that the Management Committee had considered the matters and would discuss exemption of VAT from healthcare with the Government and/or find alternative ways of assisting members.

- Mr N Mokgethi suggested that clause 3.2 on page 69,under Investments, should be amended by replacing the Administrator with the Principal Officer to read "The Investment Sub-Committee through the Principal Officer shall assist the Management Committee to monitor the performance of all the Scheme's investments" The suggestion was noted and the amendment would be made accordingly.
- **Mr Lesetedi** sought clarity on whether "prosthesis" was included under clause 4.30, page 65, reversible medical conditions and it was confirmed that it was included.
- Mr K Gabookolwe sought clarity on pre-authorisation mentioned under clause 18.9, page 67, as to when it was required and it was explained that only scheduled appointments and/or admissions such as delivery (confinement) required pre-authorisation.
- Ms G Keraamang a retiree / pensioner reported that upon seeking assistance at GPH she was advised that she
 was not a member and was not pleased with the status. It was explained that there was a process to be followed
 when a member retired and that the member needed to inform the Scheme or Administrators of their intent / wish to
 continue with being a member of the Scheme. Ms Keraamang was advised to write a formal letter to the Scheme or
 Administrators advising of her situation and how she would like to be assisted.
- Mr B Diphofo was of the view that members were not covered if outside Botswana and sought clarity on why that was
 the case. It was clarified that expenses incurred outside Botswana shall be paid in Botswana currency in accordance
 with the recognized tariffs and the Rules or at the rate charged, whichever is the lesser. It was highlighted that there
 was a proposal to amend the Rule to provide clarity on services incurred outside Botswana to make pre-authorisation
 mandatory for all hospital admissions under Rule 18 as follows:

"...provided pre-authorisation was sought from the Scheme before services were undertaken and that the member paid in full for services incurred and subsequently submits his or her claim to the Scheme for reimbursement."

- Mr T Sebete enquired whether the members would be voting for the proposed amendments at the instant meeting or for the suggestions by the members as well and it was explained that the suggestions would be carried over as action items and considered for tabling at the next AGM, however, members were expected to vote on the current proposed Rule changes during this AGM
- Ms Kenosi enquired why grandparents were not covered and why some medicines were not covered and it was
 explained that it was due to cost containment and exclusion of some medicines to ensure that only medicines with
 clinical value / clinically indicated were covered. It was further explained that there in some instances service provider
 mistakenly informed patients that patented medicines were excluded from benefit when they were reimbursed at the
 price of generic medicines. It was pointed out that sustainability of the Scheme was considered when deciding what to
 cover. It was however clarified that the concern was noted and would be considered and feedback given at the next
 AGM.



The Chairperson moved that one of the members should propose and the other second the approval of the proposed amendments to the Scheme Rules.

It was **RESOLVED** that the proposed amendments to the Scheme Rules be and are hereby approved on proposal by **Mr D O Gabanakgosi**, seconded by **Mr Mokgwe**.

It was FURTHER RESOLVED that the Management Committee be and is hereby authorized to do all that is necessary to effect this resolution.

12. APPOINTMENT OR RE-APPOINTMENT OF EXTERNAL AUDITORS FOR THE ENSUING YEAR

The Auditors were requested to recuse themselves from the meeting which they did. It was reported that the KPMG external auditor contract ended after the completion of 2010/11 audit and PricewaterhouseCoopers (PwC) was appointed through a tender process for a period of three (3) years i.e. up to the conclusion of the 2013/14 audit. However, this was extended to facilitate conclusion of the 2014/15 audit. In view of the time it had taken to conclude all audits i.e. up to the end of 2014/15 financial year and to ensure that the Scheme had external auditors during 2015/16 the Management Committee recommended a one (1) year contract extension for the external auditors, after which the Scheme procurement process would be followed for appointment of external auditors.

The Chairperson proposed a one (1) year contract extension for the external auditors (i.e up to end of 2015/16) and that the motion be seconded by one amongst the general membership.

It was **RESOLVED** that PricewaterhouseCoopers be and are hereby appointed as external auditors of BPOMAS for the Financial Year 2015/16 on proposal by the Chairperson and seconded by Ms Grace Olsen.

13. ANY OTHER BUSINESS

On behalf of the Management Committee, Principal Officer and the Administrators, the Chairman thanked members present.

14. DATE OF NEXT MEETING

The date of the next meeting would be **communicated** as soon as possible to the members but was expected to be before end of the year 2016.

In the absence of further business, the meeting adjourned at 17:48.

Read and approved by the Chairman on this 2016

Chairman

Action Sheet

1	Update on signing of Minutes of meeting held on 02 April 2012 as per Minute 7.	Chairperson	Next AGM
2	Update on consideration to cover or reward single members to at the least include or cover one parent as married people covered their spouses as per Minute 10.	ManCo	Next AGM
3	Update on analysing and monitoring the increase in Health Care Costs as per Minute 10.	Manco	Next AGM
4	Update on submission of suggestions of which benefits to include for consideration by ManCo as per Minute 11.	TSC	Next AGM
5	Update on discussions with the Government regarding exemption of VAT from healthcare as per Minute 11.	ManCo	Next AGM
6	Update on amendment of Clause 3.2, Page 69 of the AGM Report, under Investments, by replacing the "Administrator" with the "Principal Officer" as per Minute 11.	ManCo	Next AGM



Chairman's foreword

On behalf of the Management Committee (ManCo), I am happy to report an improved 2015/2016 performance of the Scheme and the Group as a whole. This improved performance was achieved amidst unfavourable economic conditions which persisted into the financial year 2015/2016. A lot of hard work on the part of ManCo, the Scheme Administrators and the Directors of our subsidiary companies therefore cannot go unnoticed. We expect the sluggish economic conditions, especially domestically to continue for the foreseeable future. As such we still remain cautious as we conduct the affairs of the Scheme and its subsidiaries.

The year 2015/2016 saw the start of the implementation of the Turnaround Strategy that was developed in December 2014. Initiatives like the introduction of Managed Care Interventions as well as review of contributions were implemented during the year, and I am happy to report that these have contributed to the positive performance of the Scheme. At Scheme level however, challenges like high medical inflation, ageing membership profile and increasing chronicity remain a concern. It is also important to note that the public service, which is our primary target market, has not been expanding. As such, membership growth though positive, has been sluggish. We expect that the continued roll out of the Turnaround Strategy as well as the over-arching Strategy that is under development will go a long way in addressing some of the above mentioned concerns.

As the Management Committee we are also satisfied with the performance of the Scheme Investments/subsidiaries thus far. BPOMAS Property Holdings (BPH), which is a 100% subsidiary of the Scheme saw an increase of 9% in revenue as compared to prior year, and is able to pay debenture interest to the Scheme. Debenture interest of P17.9mln was paid during the financial year 2015/2016.

We have also seen an improvement in the performance of Lenmed Health Bokamoso Private Hospital (LHBPH), in which the Scheme has 30% shareholding. The year 2015/2016 saw improved financial performance of LHBPH with revenue growing by 8.6%. The company recorded a total comprehensive income of P12mln for the year up to February 2016, an increase of over 260% from the P3.35mln recorded in the prior year.

ManCo continues to closely monitor the performance of these investments/subsidiaries through its representatives in the LHBPH Board of Directors as well as the BPH Board of Directors.

I am also happy to report that members of ManCo and sub-committees as well as the Directors representing the Scheme at BPH and LHBPH continued to show high levels of commitment and support. I have no doubt that this level of commitment will continue into the future.

Ms S. EL-Halabi



REPORT TO THE MEMBERS' ANNUAL GENERAL MEETING FOR PERIOD 2015/2016

1. Group Financial performance

Group revenue is made of Income from contributions and Rental Income earned by BPOMAS Property Holdings (BPH). Group revenue increased by 17% from P546.2mln in 2014/2015, to P 637.3mln in 2015/2016. This was largely due to an increase of 17% in Contributions income.

Group Operating Surplus was P53.46mln as compared to a Deficit of P30.76mln in prior year. Total Comprehensive Income for the year was P57.42mln as compared to a loss of P30mln in prior year. The improved Group financial performance was largely due to increase in contributions income coupled with reduction in cost of service.

Scheme financial performance

Gross Contribution Income (GCI) for the year was P606mln, up by 17% from P517.69mln in 2014/2015 financial year. GCI increased relative to prior year due to general membership growth, family (member) composition and higher than budgeted membership growth for the Premium Option. Net finance income grew by 213% from P5.69mln in prior year to P17.83mln.

Healthcare costs amounted to P491.3mln, down by 1.2% from P499.4mln. It is important to note that the decrease in health care costs as historically the scheme has being recording increases in claim cost with an average annual increase in excess of 10% over the last five (5) years. This improvement was due to the health risk management strategies as well as cost containment efforts implemented during the year as part of the Turnaround Strategy. In total, Healthcare costs were 81% of contribution income, down from 96% in prior year, but marginally above the target of 80%.

Other member related expenses grew by 6% from P12.6mln in 2014/2015 to P13.3mln in 2015/2016. Member related expenses such as underwriting cost of funeral benefit, cost for emergency medical services and Managed Care costs were 2% of contribution income, which was same as prior year.

Administrative expenses amounted to P77.42mln, up by 21% from the 2014/2015 figure. This increase was mainly due to the increase in Administration costs which were linked to contribution income. Administrative expenses amounted to 13% of contribution income, up from 12% in prior year, but within the BPOMAS Rules target of 14%.

Overall, the Scheme recorded a surplus of P46.7mln as compared to the previous year's deficit of P50.5mln. Solvency grew from 38% recorded in the prior year to 41%, which is above the target of 25%. However, risk based solvency was 14%.

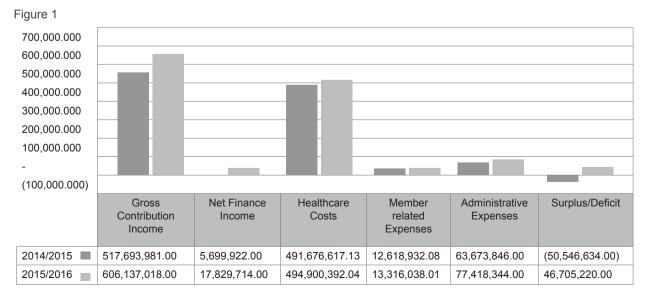


Figure 1 below summarises the above detailed financial performance (all figures are in BWP);



2. Membership and other indicators

Membership grew marginally by 1% from 72,427 principal members in prior year to 73,273 principal members. Total lives covered stood at 174,501, up from 172,639 recorded in the prior year. The High Benefit Option remains the most popular benefit option and had 87.5% of all Scheme members, followed by the Standard Benefit option at 9.8% and the Premium Benefit option at 2.7%.

Figure 2 below shows membership growth while table 1 summarises membership distribution by benefit option over the last two financial years;

Figure 2

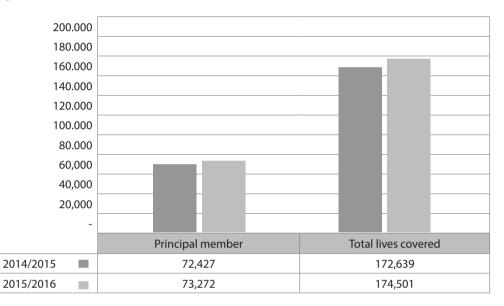


Table 1

Benefit Option	Membership distribution by benefit option								
	2014/2015	2015/2016							
Premium	2.3%	2.7%							
Standard	9.7%	9.8%							
High	88%	87.5%							

The average age of the Scheme was 43 years based on principal members and 29 years based on total lives covered.

The number of members registered in Chronic Ailment Benefit Management Program for Non-Communicable Diseases (NCD) was 11 581, constituting 6.6% of total lives covered. The number of members registered in the HIV/ AIDS Disease Management Program was 9 904, constituting 5.7% of total lives covered. These figures represent an increase of 5.9% and 1.8% for NCD and HIV/AIDS programs respectively over the prior year.

3. Access to Healthcare services

During the year under review about 73 069 beneficiaries were facilitated access to health care services per quarter. Figure 3: Beneficiaries accessing healthcare services per quarter per benefit option

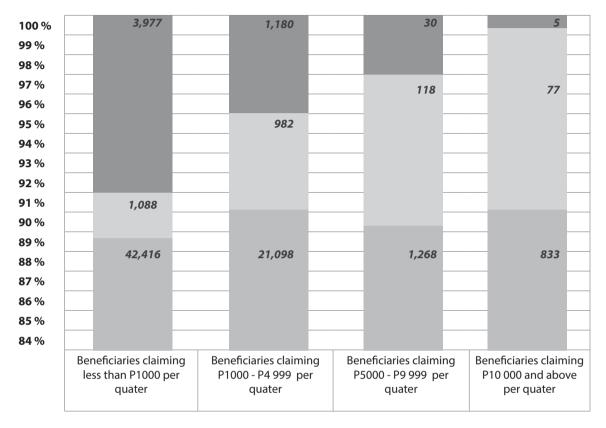


Figure 3 above shows that an average of **42 416 (89%)**, **1 088 (3%)** and **3 977 (8%)** beneficiaries belonging to the High, Premium and Standard Benefit Options, respectively, accessed healthcare service and claimed on average less that **P1 000** per quarter. This category included low cost but high frequency claimers and formed the bulk (**47 480** out of **73 069** or **65%**) of the Scheme beneficiaries who claimed for services at an average quarterly cost of less than **P1 000** during the year under review. In essence, **65%** of the beneficiaries who claimed during the year had claims below **P1 000** per beneficiary per quarter.

On the extreme end; 833 (91%), 77 (8%) and 5 (1%) beneficiaries belonging to the High, Premium and Standard Benefit Options, respectively, accessed healthcare service and claimed on average more than P10 00 per quarter.

This category included low frequency but high cost claimers and had **914** beneficiaries out of **73 069** (or **1%**) of the Scheme beneficiaries who claimed for services at an average quarterly cost of more than **P10 000** during the year under review.

Based on Figure 2 above, 2 330 beneficiaries (3% of beneficiaries who claimed) were what could be termed medium to



Service type cost per option as % of total service type costs

ANNUAL GENERAL MEETING REPORT FOR THE FINANCIAL YEAR 2015/16

high claimers (i.e. claims cost more than P5 000 per beneficiary per quarter). This population contributed a disproportionate amount of over 31% of total claims costs for Scheme. The graph below also shows the top 20 healthcare services accessed during the year.



100 % 95 % 90 % 85 % 75 % 70 % 65 % 60 % 55 %	130,084,726	42,601,576	25,451,057	21,491,057	17,502,841	19,377,366	15,749,484	12,025,232	12,416,836	9,834,144	8,547,898	5,715,236	5,974,750	5,070,355	4,921,618	4,038,098	5,280,273	3,448,065	2,056,723	1,462,113
	Consults & Procedures	Prescrip Only Meds&Inj (2013)	Hiv	Spectacles & Contact Lens	Chronic Medication	B General Dentistry	Hosp Consults & Procedure		Dread Disease	Theatre Fees	Theatre Stock	Surgical	Physiotherapists	Ceasarian Section	Medical Ward	Limited Dental	Mri & Cat Scans	Ward Stock	High Care	Normal Delivery

Type of services

Premium

High

Standard

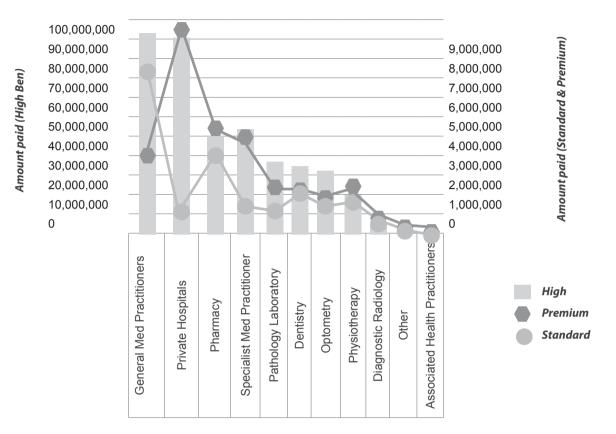


Figure 5: below also shows claims distribution by discipline/facility for healthcare services during the year;

The Top4 most accessed disciplines by cost for the combined benefit options during the 2015/16 financial year were general practitioners, private hospitals, pharmacy and specialist medical practitioners. This trend was not different from prior years' experience.

However, it is notable that for the Standard Benefit Option private hospitals were not in the Top 4, which further indicates the low utilisation of inpatient services by members of the option. The most utilised disciplines/facilities were out-patient based.

With respect to the Premium Benefit Option the highest cost drivers for the option was hospital based services followed by pharmacy and specialist medical practitioners. It may be noted that with the other options out-of-hospital services were the largest cost drivers. This may be due to the fact that the Premium Option is selected by members because of "immediate" need/requirement for healthcare services as opposed to "speculative purchase" of cover.

4. Third Party Contracts

The Scheme operated a completely outsourced model and the following key third party contracts were active during the year;

Table	2
-------	---

Service	Contracted third party
Administration	Associated Fund Administrators Botswana (AFA)
Actuarial Consultancy	Deloitte Consulting
External Auditors	PricewaterhouseCoopers (PwC)
Asset Consultancy	Alexander Forbes
Funeral benefit underwriter	Botswana Life Insurance Company
Emergency Medical Services	Medical Rescue International Botswana



5. Corporate Governance

5.1 Management Committee

In line with the Rules of the Scheme, Management Committee (ManCo) is accountable to members of the Scheme. ManCo is made up of eight members, including two independent members. Furthermore, there are two alternate members. Members are appointed by the Minister of Health and Wellness, and serve a renewable term of three (3) years. As per the Scheme Rules, ManCo is chaired by Permanent Secretary in the Ministry of Health and Wellness.

ManCo is responsible for providing strategic direction for the Scheme, ensuring compliance to regulatory requirements and upholding good Corporate Governance. Though not officially adopted KING III has been used as a guide for corporate governance by ManCo.

In order to help ManCo deliver on its mandate, the following committees are in place;

- Investment Sub-Committee
- Tender Committee
- Finance and Audit Committee

Both ManCo and its Sub-Committees are governed by relevant Charters which are considered an important governance instrument. Furthermore, ManCo has since February 2016 employed a Principal Officer who is responsible for overseeing the day to day running of the Scheme. The Principal Officer provides a key link between ManCo and the appointed third parties at an operational level.

5.2 Management Committee Meetings

ManCo met five (5) times during the year, which was above the stipulated four (4) meetings. Attendance register for ManCo meetings during the 2015/2016 financial year is shown in the table below;

Member	13 May 2015	23 July 2015	17 Sep 2015	26 Nov 2015	18 Feb 2016
Ms S. El-Halabi	Р	Р	Р	Р	Р
Mr M Setshego	Р	Р	Р	Р	Р
Mr O Masimega	Р	A	Р	A	Р
Mr C Gwere	A	Р	Р	A	А
Ms A Mosarwa	Р	Р	Р	Р	Р
Mr S Mosweu	A	A	Р	Р	Р
Ms R Nkolonyane	Р	Р	Р	Р	Р
Mr M Motloutse	N/A	N/A	А	Р	A

Table 3

P – Present

A – Absent/Apology

N/A – Member not on ManCo

5.3 Sub-Committee meetings

Attendances register for Investment Sub-Committee;

Table 4

Name	Representing	3 Mar 2015	12 May 2015	24 Jun 2015	5 Aug 2015	15 Oct 2015	15 Mar 2016
Mr Reuben Morapedi	Independent	Р	Р	Р	Р	Р	А
Ms Grace Tabengwa	Independent	Α	Р	Р	Р	А	Р
Mr Bangidza Dliwayo	Independent	Р	Р	Р	А	Р	Р
Mr Matshwenyego Setshe- go	ManCo	A	Р	Р	A	Р	Р
Mr Olesitse Masimega	ManCo	Р	А	Р	Р	Α	A

P – Present A – Absent/Apology

Attendances register for Finance and Audit Committee (The Committee did not meet during the year due to lack of quorum)

Table 5

Name	Representing	
Ms Sethunya Molosiwa	Independent	n/a
Mr Olesitse Masimega	ManCo	n/a
Mr Moore Gondo	Botswana Police	n/a
Ms Agnes Mosarwa	ManCo	n/a

Attendances register for Tender Committee

Table 6

Name	Representing	16 Sep 2015	16 Nov 2015
Mr Sesupo Mosweu	Independent	A	А
Mr Olesitse Masimega	ManCo	А	А
Ms Rose Nkolonyane	ManCo	Р	Р
Ms Agnes Mosarwa	ManCo	Р	Р
Mr Moore Gondo	Botswana Police	Р	А

P – Present A – Absent/Apology

Attendance Register for BPOMAS Property Holdings Company

Table 7

Name	Representing	28 April 2015	06 October 2015	20 March 2016
Mr Dithologo Mokgethi	Independent	Р	Р	Р
Mr Ditshego Mosienyane	Independent	Р	Р	Р
Mr Frederick Selolwane	Independent	A	Р	Р
Mr Boikhutso Dube	Independent	A	Р	Р
Ms Agnes K Mosarwa	ManCo	Р	Р	Р
Mr Matshwenyego Setshego	ManCo	Р	Р	Р

P – Present A – Absent/Apology

Attendance Register for BPOMAS Property Holdings –Finance, Audit, Risk & Compliance Committee

Table 8

Name	Representing	28 September 2015
Mr Ditshego Mosienyane - Chairman	Independent	Р
Mr Boikhutso Dube	Independent	А
Ms Agnes K Mosarwa	ManCo	Р

P – Present A – Absent/Apology



5.4 Emoluments for ManCo, Sub-Committee members and BPH Directors

ManCo members who are employees of government are not paid sitting allowances. Independent members are remunerated at rates that are periodically reviewed. The table below shows amounts paid as ManCo and sub-committee members' allowances during the year;

Table 9

Member	Representing	Total Allowance Paid
Ms S. El-Halabi	ManCo	-
Mr M Setshego	ManCo	-
Mr O Masimega	ManCo	-
Mr C Gwere	ManCo	P6 000
Ms A Mosarwa	ManCo	-
Mr S Mosweu	ManCo	P9 000
Ms R Nkolonyane	ManCo	-
Mr M Motloutse	ManCo	-
Mr Reuben Morapedi	Investment Sub Committee	P204 000
Ms Grace Tabengwa	Investment Sub Committee	P156 000
Mr Bangidza Dliwayo	Investment Sub Committee	P156 000
Ms Sethunya Molosiwa	Finance, Audit & Risk	-
Moore Gondo	Tender	-
Total Allowances paid		P531 000

BPH Directors were remunerated as per table below;

Table 10

Name	Representing	Allowance
Mr Dithologo Mokgethi	Independent	P204 000
Mr Ditshego Mosienyane	Independent	P156 000
Mr Frederick Selolwane	Independent	P156 000
Mr Boikhutso Dube	Independent	P156 000
Ms Agnes K Mosarwa	ManCo	-
Mr Matshwenyego Setshego	ManCo	-
Total allowances paid		P672 000



ABRIDGED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

For the Financial Year Ended 31 MARCH 2016



Botswana Public Officers' Medical Aid Scheme

GENERAL INFORMATION for the year ended 31 March 2016

MANAGEMENT COMMITTEE

Management Committee as at 31 March 2016 are as follows:

Main members

- Shanaz EL- Halabi Chairman
- Matshwenyego Setshego
- Agnes Nthokwa Kiberu
- Olesitse Masimega
- Rose Nkolonyane
- Motsekedi Motloutse
- Christopher Gwere
- Sesupo Mosweu

ADMINISTRATORS

Associated Fund Administrators Botswana (Proprietary) Limited P O Box 1212, Gaborone, Botswana

REGISTRATION

The Scheme was registered in Botswana under the Societies Act No 18:01 of 1972

PRINCIPAL ACTIVITY

The Scheme provides assistance to its members and their dependents in defraying expenditure incurred in relation to medical and related services.

BUSINESS ADDRESS

P O Box 1212, Gaborone, Botswana

REGISTERED OFFICES

AFA House, Plot 61918, Showgrounds Office Park, Gaborone

AUDITORS

PricewaterhouseCoopers

BANKERS

First National Bank of Botswana Limited Barclays Bank of Botswana Limited

ASSET MANAGERS

African Alliance Botswana Management Company (Proprietary) Limited Fleming Asset Management (Proprietary) Limited

LAWYERS

Armstrongs- Attorneys, Notaries & Conveyancers

Alternate members

- Kagiso Kgwaswanyane
- Pambama Masame



Botswana Public Officers' Medical Aid Scheme

INDEX TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

Contents

Statement of responsibilities by the management committee	27
Statement of the independent Auditor	28
Consolidated Statement of Comprehensive Income	29
Consolidated Statement of Financial Position	30
Consolidated Statement of Changes in Reserves (GROUP)	31
Statement of Changes in Reserves (SCHEME)	32
Consolidated Statement of Cash Flows	33
Significant Accounting Policies	34- 40
Notes to the Abridged Annual Consolidated Financial Statements	41-51



Botswana Public Officers' Medical Aid Scheme

STATEMENT OF RESPONSIBILITIES BY THE MANAGEMENT COMMITTEE for the year ended 31 March 2016

The Management Committee is responsible for the preparation of the annual consolidated financial statements and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of annual financial statements in accordance with International Financial Reporting Standards (IFRS).

The Management Committee acknowledges that it is ultimately responsible for the system of internal financial control established by the group and places considerable importance on maintaining a strong control environment. To enable the Management Committee to meet these responsibilities, the 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 of the administrator company are required to maintain the highest ethical standards in ensuring the group'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, system and ethical behaviour are applied and managed within predetermined procedures and constraints. Nothing has come to the attention of the Committee to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The Management Committee is of the opinion, based on the information and explanations given by the administrators, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The auditors are responsible for giving an independent opinion on the fairness of the annual financial statements based on their audit of the affairs of the group.

The going concern assumption has been applied in the preparation of the consolidated financial statements. The Management Committee has no reason to believe that the group will not be a going concern in the foreseeable future based on available cash resources.

MANAGEMENT COMMITTEES' APPROVAL OF THE ABRIDGED ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

Against this background, the Management Committee accepts responsibilities for the abridged annual consolidated financials statements on pages 29 to 51 which were approved on the 18th of August 2016, and are signed on its behalf by:

Al to

COMMITTEE MEMBER

CHAIRPERSON





STATEMENT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF BOTSWANA PUBLIC OFFICERS' MEDICAL AID SCHEME

The abridged consolidated financial statements on pages 29 to 51 is an extract of the audited financial statements for the year ended 31 March 2016 and contains a summary of significant information, which the Management Committee believe are relevant and appropriate for the purpose of the Annual General Meeting of Botswana Public Officers' Medical Aid Scheme.

Our audit opinion issued in respect of the annual audited financial statements for the year ended 31 March 2016, which is unqualified has been included in the full set of the annual financial statements which is available on the Botswana Public Officers' Medical Aid Scheme's website.

Vicewaterhouse Coopers

Individual practicing member: Sheyan Edirisinghe Membership number: 20030048

Gaborone 19 August 2016

PricewaterhouseCoopers, Plot 50371, Fairground Office Park, Gaborone, P O Box 294, Gaborone, Botswana T: (267) 395 2011, F: (267) 397 3901, www.pwc.com/bw



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2016

	Notes	Group		Scheme	
		2016	2015	2016	2015
Revenue		Р	Р	Р	Р
Income from contributions		606,137,018	517,693,981	606,137,018	517,693,981
Rental income		31,125,173	28,516,308		-
		637,262,191	546,210,289	606,137,018	517,693,981
Cost of service					
Benefits paid	3	(504,609,824)	(512,054,217)	(504,609,824)	(512,054,217)
		132,652,367	34,156,072	101,527,194	5,639,764
Fair value gain on investments property		7,000,000	6,000,000	-	-
Other income		1,374,841	823,127	1,125,486	781,452.00
Administrative expenses	3	(87,557,808)	(71,741,553)	(77,418,344)	(63,673,846)
Operating surplus/deficit		53,469,400	(30,762,354)	25,234,336	(57,252,630)
Finance income	4	5,925,754	7,465,436	23,205,265	11,392,833
Finance cost	4	(5,375,551)	(5,692,911)	(5,375,551)	(5,692,911)
Finance income - net		550,203	1,772,525	17,829,714	5,699,922
Share of profit on investments accounted for using equity method	9	3,641,170	1,006,074	3,641,170	1,006,074
Surplus/(deficit) for the year		57,660,773	(27,983,755)	46,705,220	(50,546,634)
Income tax expense	5	(1,767,127)	(4,018,260)	-	-
Total surplus/(deficit) for the year		55,893,646	(32,002,015)	46,705,220	(50,546,634)
Other comprehensive income					
Changes in fair value of available-for-sale financial assets	10	1,533,218	1,994,355	1,533,218	1,994,355
Total comprehensive income/(loss) for the year		57,426,864	(30,007,660)	48,238,438	(48,552,279)
Attributable to:					
Owners of the parent		57,426,864	(30,007,660)	-	-
Non-controlling interests		-		-	-
		57,426,864	(30,007,660)	-	-



CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2016

	Notes	Group		Scheme		
		2016	2015	2016	2015	
		Р	Р	Р	Р	
ASSETS						
Non-current assets						
Property, plant and equipment	6	23,359,704	27,540,034	-	-	
Investment property	7	270,000,000	263,000,000	-	-	
Investment in subsidiary	8	-	-	1,783,000	1,783,000	
Investment in associate company	9	10,168,284	6,527,114	10,168,284	6,527,114	
Available-for-sale financial assets	10.1	21,038,821	19,505,603	197,555,821	196,022,603	
Related party loan receivables	19	20,099,700	23,099,700	20,099,700	23,099,700	
		344,666,509	339,672,451	229,606,805	227,432,417	
Current assets						
Available-for-sale financial assets	10.2	65,206,437	61,969,899	65,206,437	61,969,899	
Trade and other receivables	11	73,301,056	38,734,049	51,693,022	26,093,476	
Cash and cash equivalents	12	34,156,525	25,948,238	25,119,020	17,395,671	
		172,664,018	126,652,186	142,018,479	105,459,046	
Total assets		517,330,527	466,324,637	371,625,284	332,891,463	
RESERVES AND LIABILITIES						
Reserves						
Available-for-sale reserve		8,769,418	7,236,200	8,769,418	7,236,200	
Accumulated surplus		210,721,653	178,180,617	97,819,396	74,466,786	
Retirement reserve	13	139,259,572	115,906,962	139,259,572	115,906,962	
	_	358,750,643	301,323,779	245,848,386	197,609,948	
Non-current liabilities						
Deferred income tax liabilities	14	26,951,707	25,184,580	-	-	
Borrowings	15 _	56,921,449	62,925,540	56,921,449	62,925,540	
	_	83,873,156	88,110,120	56,921,449	62,925,540	
Current liabilities						
Borrowings	15	9,492,915	7,695,400	9,492,915	7,695,400	
Provision for outstanding claims	16	46,725,626	47,974,422	46,725,626	47,974,422	
Trade and other payables	17	18,488,187	21,220,916	12,636,908	16,686,153	
	_	74,706,728	76,890,738	68,855,449	72,355,975	
Total liabilities	_	158,579,884	165,000,858	125,776,898	135,281,515	
Total reserves and liabilities	_	517,330,527	466,324,637	371,625,284	332,891,463	



GROUP CONSOLIDATED STATEMENT OF CHANGES IN RESERVES for the year ended 31 March 2016

	Notes	Available-for- sale reserve	Accumulated surplus	Retirement reserve	Total
		Р	Р	Р	Р
For the year ended 31 March 2015					
Balance as at 1 April 2014		5,241,845	210,182,632	115,906,962	331,331,439
Comprehensive income					
Deficit for the year		-	(32,002,015)	-	(32,002,015)
Other comprehensive income					
Changes in fair value of available-for-sale financial assets	10	1,994,355	-	-	1,994,355
Balance as at 31 March 2015		7,236,200	178,180,617	115,906,962	301,323,779
For the year ended 31 March 2016					
Balance as at 1 April 2015		7,236,200	178,180,617	115,906,962	301,323,779
Comprehensive income					
Surplus for the year		-	55,893,646	-	55,893,646
Transfer to retirement reserve	13	-	(23,352,610)	23,352,610	-
Other comprehensive income					
Changes in fair value of available-for-sale financial assets	10	1,533,218	-	-	1,533,218
Balance as at 31 March 2016		8,769,418	210,721,653	139,259,572	358,750,643



SCHEME STATEMENT OF CHANGES IN RESERVES for the year ended 31 March 2016

	Notes	Available-for- sale reserve	Accumulated surplus	Retirement reserve	Total
		Р	Р	Р	Р
For the year ended 31 March 2015					
Balance as at 1 April 2014		5,241,845	125,013,420	115,906,962	246,162,227
Comprehensive income					
Deficit for the year		-	(50,546,634)	-	(50,546,634)
Other comprehensive income					
Changes in fair value of available-for-sale financial assets	10	1,994,355	-	-	1,994,355
Balance as at 31 March 2015		7,236,200	74,466,786	115,906,962	197,609,948
For the year ended 31 March 2016					
Balance as at 1 April 2015		7,236,200	74,466,786	115,906,962	197,609,948
Comprehensive income					
Surplus for the year		-	46,705,220	-	46,705,220
Transfer to retirement reserve	13	-	(23,352,610)	23,352,610	-
Other comprehensive income					
Changes in fair value of available-for-sale financial assets	10	1,533,218	-	-	1,533,218
Balance as at 31 March 2016		8,769,418	97,819,396	139,259,572	245,848,386



CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 March 2016

	Notes	Group		Scheme	
		2016	2015	2016	2015
		Р	Р	Р	Р
Cash flows from operating activities					
Cash receipts from members	18.1	560,341,643	519,364,014	560,341,643	519,364,014
Cash receipts from customers	18.2	35,361,753	21,553,933	-	-
Cash paid for claims and other benefits	18.3	(512,911,187)	(495,720,089)	(512,911,187)	(495,720,089)
Cash paid in respect of administrative expenses	18.4	(70,180,319)	(71,538,167)	(53,093,707)	(51,280,754)
Cash generated from/(used in) operations	_	12,611,890	(26,340,309)	(5,663,251)	(27,636,829)
Interest paid	_	(5,375,551)	(5,692,911)	(5,375,551)	(5,692,911)
Net cash generated from/(used in) operations		7,236,339	(32,033,220)	(11,038,802)	(33,329,740)
Cash flows from investing activities					
Acquisition of property, plant and equipment	6	(510,692)	(272,618)	-	-
Interest received on short-term deposits	4	826,438	533,773	127,684	194,879
Interest received on inter-company loans	4	1,862,778	2,420,368	1,862,778	6,686,659
Interest received on debenture investment	4	-	-	17,978,265	-
Withdrawal of investments	10	-	30,000,000	-	30,000,000
Loan repayments received		3,000,000	500,000	3,000,000	500,000
Net cash generated from investing activities	_	5,178,524	33,181,523	22,968,727	37,381,538
	_				
Cash flows from financing activities					
Net movement of interest bearing borrowing		(4,206,576)	(8,680,280)	(4,206,576)	(8,680,280)
Net cash used in financing activities	_	(4,206,576)	(8,680,280)	(4,206,576)	(8,680,280)
	=				
Net change in cash and cash equivalents		8,208,287	(7,531,977)	7,723,349	(4,628,482)
Cash and cash equivalents at beginning of the year		25,948,238	33,480,215	17,395,671	22,024,153
Cash and cash equivalents at end of the year	12	34,156,525	25,948,238	25,119,020	17,395,671



SIGNIFICANT ACCOUNTING POLICIES for the year ended 31 March 2016

1 General information

For the comprehensive notes to the financial statements as well as the accounting policies, please refer to www.bpomas.co.bw.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements, which have been applied on a consistent basis with those of the previous year, are set out below.

2.1 Basis of preparation

The abridged annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities held at fair values through profit or loss and property, plant and equipment measured at fair value.

The preparation of annual consolidated financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

2.2 Consolidation

a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally indicated by a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. Any excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill.

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

Inter-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in changes in reserves. Gains or losses on disposals to non-controlling interests are also recorded in changes in reserves.

c) Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income is may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.



SIGNIFICANT ACCOUNTING POLICIES for the year ended 31 March 2016

d) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit / (loss) of an associate' in the statement of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group. Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

2.3 Investment property

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

Investment property comprises leasehold land and buildings.

Investment property is measured initially at its cost, including related transaction costs. Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the statement of comprehensive income 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 group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its 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 as a revaluation of property, plant and equipment under IAS 16.

2.4 Property, plant and equipment

Property, plant and equipment are shown at fair value, based on periodic valuations by external independent valuators, less subsequent depreciation. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Historical cost includes expenditure that is directly attributable to the acquisition of the items.



SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2016

2.4 Property, plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only 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.

The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to other comprehensive income and shown as other reserves in members' reserves.

Decreases that off-set previous increases of the same asset are charged in other comprehensive income and debited against other reserves directly in changes in reserves; all other decreases are charged to the statement of comprehensive income.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

The depreciation is calculated based on the depreciated replacement cost valued by an independent valuer. The estimated useful lives as shown below have been determined by the valuers in consideration of the depreciation.

Hospital assets

Plant and machinery	11-16 years
Furniture and fixtures	6-11 years
Medical and laundry equipment	6-16 years
Electrical equipment	6-11 years
Residential assets	
Furniture and fixtures	1-2 years

Furniture and fixtures	1-2 years
Catering and laundry equipment	1-2 years

2.5 Impairment of non-financial assets

The group evaluates the carrying value of assets with finite useful lives annually and whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. Indicators of possible impairment include, but are not limited to: significant under-performance relative to expectations based on historical or projected future operating results; significant changes in the manner of use of the assets or the strategy for the group's overall business; significant negative industry or economic trends.

An impairment loss is recognised in the statement of comprehensive income when the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable willing parties, or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

For the purposes of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.



SIGNIFICANT ACCOUNTING POLICIES for the year ended 31 March 2016

2.6 Financial assets

2.6.1 Classification

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

b. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The group's loans and receivables comprise 'loans and advances', 'trade receivables', 'other receivables' and cash at bank and cash equivalents in the statement of financial position.

c. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

2.6.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'investment income' in the period in which they arise. Changes in fair value of monetary and non-monetary securities classified as available-for-sale are recognised in statement of changes in reserves.

2.6.3 Off-setting financial instruments

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position when there is a legally enforceable right to off-set the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.7 Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income. The impairments of financial assets are done in accordance with financial asset recognition and measurement criteria.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.



SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2016

2.8 Investments

The group classified its investments in debt and equity securities into the following categories: trading, held-to-maturity and available-for-sale. The classification is dependent on the purpose for which the investments were acquired. Management determines the classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets; for the purpose of these financial statements short term is defined as 3 months. Investments with a fixed maturity date that management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the reporting date which are classified as current assets. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale and are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the reporting date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. The group currently invests in available-for-sale investments as disclosed under note 10.

Purchase and sales of investments are recognised on the trade date, which is the date that the group commits to purchase or sell the asset. Cost of purchase includes transaction costs. Trading and available-for-sale investments are subsequently carried at fair value. Held to-maturity investments are carried at amortised cost using the effective yield method. Realised and unrealised gains and losses arising from changes in the fair value of trading investments are included in the statement of comprehensive income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in reserves. The fair value of investments is based on quoted bid prices or amounts derived from cash flow models.

Fair values for unlisted equity securities are estimated using applicable price/earnings or price/cash flow ratios refined to reflect the specific circumstances of the issuer.

Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income as gains and losses from investment securities.

2.9 Trade receivables

Trade receivables are amounts due from customers for insurance cover provided in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the carrying amount and the recoverable amount. Bad debts are written-off to the statement of comprehensive income during the year in which they are identified.

2.10 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank net of bank overdrafts and deposits held at call with banks. Bank overdrafts are given under short term borrowings in the statement of financial position.



SIGNIFICANT ACCOUNTING POLICIES for the year ended 31 March 2016

2.11 Revenue recognition

2.11.1 Income from contributions

The group obtains monthly contributions from its members. These contributions are recognised in the statement of comprehensive income on an accrual basis. The premiums include adjustments to premiums from backdated termination and registrations.

2.11.2 Rental income

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

2.11.3 Investment income

Investment income comprises interest receivable on funds invested, realised investment value and dividend income from investments. Interest income is recognised in the statement of comprehensive income, 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 the initial carrying amount of an interest-bearing instrument and its amount at maturity, calculated on an effective interest rate method. Dividend income is recognised in the statement of comprehensive income when the right to receive payment is established.

The accumulated fair value adjustments of available-for-sale investments are included in the statement of comprehensive income as gains and losses from investment securities, at the time of disposal.

2.12 Claims incurred

Claims incurred consist of claims paid during the financial year together with the movement in the provision for outstanding claims.

The provision for outstanding claims comprises the group's estimate of the cost of settling all claims incurred but unpaid at the reporting date.

Whilst the trustees consider that gross provisions for claims are fairly stated on the basis of the information currently available to them, the ultimate liability will vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided.

Adjustments to the amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made. The methods used to value these provisions, and the estimates made, are reviewed regularly.

2.13 Administration fees

Administration fees relate to amounts paid to the group's administrators. The fees are charged to the statement of comprehensive income as the services are provided.

2.14 Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted in Botswana at the reporting date, where the group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.



SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2016

2.14 Current income tax (continued)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The normal Botswana tax has not been made as the Scheme is registered under a Societies Act No 18:01 of 1972 and according to part 1, paragraph (v) of the second schedule of the Income Tax Act, 1995, the Scheme is exempt from income tax.

2.15 Borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

2.16 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provision is made for estimated outstanding claims incurred during the financial year, which are payable in the succeeding financial year.

Provision for outstanding claims (IBNR)

The IBNR provision is calculated using run-off techniques or as a multiple, based on average historical reporting delay of the claims reported in the month following the valuation date where the claims event occurred prior to the valuation date. These claims are not discounted due to the short-term nature of outstanding claims.

2.17 Trade payables

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

2.18 Leases

Leases of assets under which a significant portion of the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease unless another systematic basis is more representative of the time pattern of the user's benefit.

Properties leased out under operating leases are included under investment properties. See note 2.3 for the accounting policy relating to property held on an operating lease and used as investment property.



3. Analysis of expenses by nature	Group		Sche	me
	2016	2015	2016	2015
	Р	Р	Р	Р
Claims and other member benefits paid	(504,609,824)	(512,054,217)	(504,609,824)	(512,054,217)
Actuarial consultancy fee	(2,588,674)	(505,029)	(2,588,674)	(505,029)
Administration fees	(58,950,488)	(49,880,618)	(58,207,768)	(49,103,531)
AGM expenses	(453,477)	-	(453,477)	-
Aid for AIDS consultancy	(1,214,737)	(1,959,357)	(1,214,737)	(1,959,357)
Audit fees	(639,441)	(172,398)	(556,941)	(152,398)
Bank charges	(282,144)	(236,343)	(282,144)	(236,343)
Consultancy fees	(199,376)	(349,372)	(199,376)	(217,982)
Depreciation on property, plant and equipment	(4,691,022)	(4,996,801)	-	-
Directors sitting allowances and other costs	(1,816,377)	(1,271,685)	(832,377)	(287,685)
Fidelity insurance	(318,218)	(238,860)	(318,218)	(238,860)
Insurance cost	(311,413)	(267,813)	-	-
Legal fees	(188,202)	(200,355)	(188,202)	(86,608)
Managed care fees for administrator	(5,091,930)	-	(5,091,930)	-
Promotions and advertising	(1,514,061)	(2,526,026)	(1,514,061)	(2,526,026)
Provision for impairment of trade receivables	(3,898,801)	(4,588,909)	(3,898,801)	(4,588,909)
Prepaid expenses written-off	-	(735,597)	-	(735,597)
Repairs and maintenance	(3,193,884)	(675,720)	-	-
Valuation fees	(36,400)	(33,990)	-	-
Other administrative expenses	(2,169,163)	(3,102,680)	(2,071,638)	(3,035,521)
Total administrative expenses	(87,557,808)	(71,741,553)	(77,418,344)	(63,673,846)
4. Finance income and costs				
Finance income				

Interest income on available-for-sale financial assets	3,236,538	4,511,295	3,236,538	4,511,295
Interest income on loan to BPOMAS Property Holdings (Proprietary) Limited	-	-	-	4,266,291
Interest income on loan to Lenmed Health Bokamoso Private Hospital (Proprietary) Limited	1,862,778	2,420,368	1,862,778	2,420,368
Interest income on short-term bank deposits	826,438	533,773	127,684	194,879
Interest income on debenture investment	-	-	17,978,265	-
	5,925,754	7,465,436	23,205,265	11,392,833



NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

	Group		Group Scheme	
	2016	2015	2016	2015
4. Finance income and costs (continued)	Р	Р	Р	Р
Finance cost				
Interest expense on government loan	(5,375,551)	(5,692,911)	(5,375,551)	(5,692,911)
	(5,375,551)	(5,692,911)	(5,375,551)	(5,692,911)
Finance income - net	550,203	1,772,525	17,829,714	5,699,922
5. Income tax expense				
Deferred income tax charge (Note 14)	1,767,127	4,018,260	-	-
Income tax expense	1,767,127	4,018,260	-	-

The tax on the group's surplus/(deficit) before taxation differs from the theoretical amount using the basic tax rates as follows:

57,660,773	(27,983,755)	-	-
12,685,370	(6,156,426)	-	-
1,601,221	896,368	-	-
(9,474,091)	11,341,596	-	-
(1,197,213)	(888,890)	-	-
(1,047,103)	(953,052)	-	-
(801,057)	(221,336)	-	-
1,767,127	4,018,260	-	-
	12,685,370 1,601,221 (9,474,091) (1,197,213) (1,047,103) (801,057)	12,685,370 (6,156,426) 1,601,221 896,368 (9,474,091) 11,341,596 (1,197,213) (888,890) (1,047,103) (953,052) (801,057) (221,336)	12,685,370 (6,156,426) - 1,601,221 896,368 - (9,474,091) 11,341,596 - (1,197,213) (888,890) - (1,047,103) (953,052) - (801,057) (221,336) -

No income tax provision has been provided for the year 2016 as the Group had tax losses arising from prior years. The estimated tax losses available for set-off against future taxable income is P 5,976,555 (2015: P 7,554,187) and the right of losses incurred in year 2014 amounting to P 5,474,700 and P 501,855 in year 2013 expires in 2019 and 2018 respectively.

In terms of part 1, paragraph (v) of the second schedule of the Income Tax Act, the Scheme qualifies as an approved benefit scheme and consequently is exempt from income tax.



6. Property, plant and equipment

Group	Plant and machinery	Furniture and fittings	Other equipment	Electrical equipment	Total
	Р	Р	Р	Р	Р
For the year ended 31 March 2016					
Net book amount at beginning of the year	13,513,786	5,880,529	3,104,592	5,041,127	27,540,034
Additions	510,692	-	-	-	510,692
Depreciation	(1,054,336)	(2,264,765)	(354,784)	(1,017,137)	(4,691,022)
Net book amount at end of year	12,970,142	3,615,764	2,749,808	4,023,990	23,359,704
As at 31 March 2016					
Cost / valuation	15,700,473	10,140,520	3,803,927	6,986,949	36,631,869
Accumulated depreciation	(2,730,331)	(6,524,756)	(1,054,119)	(2,962,959)	(13,272,165)
Net book amount	12,970,142	3,615,764	2,749,808	4,023,990	23,359,704
Year ended 31 March 2015					
Net book amount at beginning of the year	14,526,769	8,344,321	3,283,706	6,109,421	32,264,217
Additions	10,905	-	261,713	-	272,618
Depreciation	(1,023,888)	(2,463,792)	(440,827)	(1,068,294)	(4,996,801)
Net book amount at end of year	13,513,786	5,880,529	3,104,592	5,041,127	27,540,034
As at 31 March 2015					
Cost / valuation	15,189,781	10,140,520	3,803,927	6,986,949	36,121,177
Accumulated depreciation	(1,675,995)	(4,259,991)	(699,335)	(1,945,822)	(8,581,143)
Net book amount	13,513,786	5,880,529	3,104,592	5,041,127	27,540,034

The property, plant and equipment were revalued on 30 March 2014 by an independent valuator, Roscoe Bonna valuers and recorded at the revaluation value which is the replacement cost / value of the assets using the Depreciated Replacement Cost method. The revaluation was mainly based on non-market valuation approach known as Replacement Cost Valuation for the specialised assets.



NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

	Group		Scheme	
	2016	2015	2016	2015
7. Investment property	Р	Р	Р	Р
Balance at beginning of the year	263,000,000	257,000,000	-	-
Gain from fair value adjustments on investment property	7,000,000	6,000,000	-	-
At end of the year	270,000,000	263,000,000	-	-

Direct operating expenses arising from investment property that generated rental income during the year are as follows:

	Group		Scheme	
	2016	2015	2016	2015
	Р	Р	Р	Р
Insurance cost	311,413	267,813	-	-
Repairs and maintenance	3,193,884	675,720	-	-
Valuation fees	36,400	33,990	-	-
	3,541,697	977,523	-	-

8. Investment in subsidiary	Gr	oup	Sche	eme
	2016	2015	2016	2015
	Р	Р	Р	Р
At beginning of the year	-	-	1,783,000	100
Additions	-	-	-	1,782,900
At end of the year	-	-	1,783,000	1,783,000

The investments represent 100% holdings in BPOMAS Property Holdings (Proprietary) Limited, a company incorporated in Botswana which is in the business of letting out of properties.

9. Investment in associate company	Group		Scheme	
	2016	2015	2016	2015
	Р	Р	Р	Р
At beginning of the year	6,527,114	5,521,040	6,527,114	5,521,040
Share of profit	3,641,170	1,006,074	3,641,170	1,006,074
At end of the year	10,168,284	6,527,114	10,168,284	6,527,114

The investments represent 30% of ordinary share capital of Lenmed Health Bokamoso Private Hospital (Proprietary) Limited, a company incorporated in Botswana which is in the business of providing private healthcare services.



10. Available-for-sale financial assets	Grou	up	Sche	me
	2016	2015	2016	2015
	Р	Р	Р	Р
10.1 Available-for-sale financial assets: Non-current				
Balance at beginning of the year	19,505,603	17,511,248	196,022,603	17,511,248
Additions	-	-	-	176,517,000
Increase in fair value - Fleming Asset Management balanced portfolio	1,533,218	1,994,355	1,533,218	1,994,355
Balance at end of the year	21,038,821	19,505,603	197,555,821	196,022,603
The investments are made up as follows:				
Debentures - BPOMAS Property Holdings (Pty) Limited	-	-	176,517,000	176,517,000
Fleming Asset Management balanced portfolio	21,038,821	19,505,603	21,038,821	19,505,603
	21,038,821	19,505,603	197,555,821	196,022,603
	Grou	an	Sche	me
10.2 Available-for-sale financial assets: Current	2016	2015	2016	2015
	Р	Р	Р	Р
Balance at beginning of the year	61,969,899	87,458,604	61,969,899	87,458,604
Withdrawal of investment	-	(30,000,000)	-	(30,000,000)
Interests reinvested	3,236,538	4,511,295	3,236,538	4,511,295
Balance at end of the year	65,206,437	61,969,899	65,206,437	61,969,899

The investments in African Alliance Liquidity Fund which represent investment in money market funds earn market related interest. The carrying value of the available-for-sale investments at the reporting date represents their fair value. The maximum exposure to credit risk at the reporting date is the carrying value of the investment. None of these financial assets are either past due or impaired.

	Group		Sche	Scheme	
	2016	2015	2016	2015	
	Р	Р	Р	Р	
Changes in fair value of available-for-sale financial assets	1,533,218	1 ,994,355	1,533,218	1,994,355	



NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

11. Trade and other receivables	Group		Scheme		
	2016 2015		2016	2015	
	Р	Р	Р	Р	
Contributions outstanding	57,125,785	11,330,410	57,125,785	11,330,410	
Less: Provision for impairment	(8,487,709)	(4,588,909)	(8,487,709)	(4,588,909)	
	48,638,076	6,741,501	48,638,076	6,741,501	
Receivables from related parties	22,030,906	30,765,954	633,645	18,135,277	
Prepayments	76,201	377,046	76,201	377,046	
Other receivables	2,555,873	849,548	2,345,100	839,652	
	73,301,056	38,734,049	51,693,022	26,093,476	

Contribution debtors are stated at amortised cost less provision for impairment. The impairment loss represents the Management Committee's best estimate of the contributions raised and not likely to be recovered.

Movement of the provision for impairment of trade receivables is as follows:

	Group		Scheme	
	2016	2015	2016	2015
	Р	Р	Р	Р
Balance at beginning of the year	4,588,909	10,162,106	4,588,909	10,162,106
Provision for impairment	3,898,800	4 ,588,909	3,898,800	4 ,588,909
Provision for impairment written-off	-	(10,162,106)	-	(10,162,106)
Balance at end of the year	8,487,709	4,588,909	8,487,709	4,588,909
The ageing of the impaired receivables is as follows:				
61-90 days	1,862,244	2,859,442	1,862,244	2,859,442
More than 90 days	6,625,465	1,729,467	6,625,465	1,729,467
	8,487,709	4,588,909	8,487,709	4,588,909

The other classes within trade and other receivables do not contain impaired assets.

	Group		Scheme	
	2016	2015	2016	2015
	Р	Р	Р	Р
The fair value of trade and other receivables are as follows:				
Trade receivables	48,638,076	6,741,501	48,638,076	6,741,501
Other receivables	24,662,980	31,992,548	3,054,946	19,351,975
	73,301,056	38,734,049	51,693,022	26,093,476



12. Cash and cash equivalents	Group		Scheme		
	2016	2015	2016	2015	
	Р	Р	Р	Р	
Cash at bank	34,156,525	25,957,626	25,119,020	17,405,059	
Bank overdraft	-	(9,388)	-	(9,388)	
	34,156,525	25,948,238	25,119,020	17,395,671	

Surplus funds are retained in both the current account and the call accounts. The call account bears interest at current commercial bank rates. As there is a right of set-off, the settlement accounts are included in cash at bank and cash equivalents.

The overdraft reflected as of 31 March 2015 represents a temporary book balance which arose pending the transfer of funds from the Scheme's call account under its standing sweeping facility with the bank.

For the purpose of statement of cash flows, for the year ended cash and cash equivalents comprise of the following:

	Group		Scheme	
	2016	2015	2016	2015
	Р	Р	Р	Р
Cash at bank	34,156,525	25,957,626	25,119,020	17,405,059
Bank overdraft	-	(9,388)	-	(9,388)
	34,156,525	25,948,238	25,119,020	17,395,671
	Group		Scheme	9
13. Retirement reserve	2016	2015	2016	2015

	Р	Р	Р	Р
Balance at beginning of the year	115,906,962	115,906,962	115,906,962	115,906,962
Transfer from accumulated surplus	23,352,610	-	23,352,610	-
Balance at end of the year	139,259,572	115,906,962	139,259,572	115,906,962

In a meeting of the Scheme's Management Committee on 20 March 1998, it was resolved that 50% of the net surplus for each year, should be set aside for future retirement benefits of members. The reserve is, however, available for any other purpose as may be determined by the Management Committee and the members.



NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

14. Deferred income tax	Group		Scheme		
	2016	2015	2016	2015	
	Р	Р	Р	Р	
Deferred income tax assets	1,314,842	1,661,921	-	-	
Deferred income tax liabilities	(28,266,549)	(26,846,501)	-	-	
Deferred income tax liabilities - net	(26,951,707)	(25,184,580)	-	-	
The gross movement on the deferred income tax account is as follows	s:				
At beginning of the year	(25,184,580)	(21,166,320)	-	-	
Charged to income statement	(1,767,127)	(4,018,260)	-	-	
At end of the year	(26,951,707)	(25,184,580)	-	-	

The movement in deferred income tax assets and liabilities during the year without taking into consideration the off-setting of balances within the same tax jurisdiction is as follows:

	Group		Scheme	
	2016	2015	2016	2015
	Р	Р	Р	Р
Deferred income tax liabilities				
Balance at beginning of year	(26,846,501)	(25,636,526)	-	-
Movement for the year	(1,420,048)	(1,209,975)	-	-
Balance at end of year	(28,266,549)	(26,846,501)	-	-
Deferred income tax liabilities are analysed as follows:				
Accelerated tax depreciation	(4,814,982)	(3,887,831)	-	-
Increases in fair value of investment property	(23,451,567)	(22,958,670)	-	-
	(28,266,549)	(26,846,501)	-	-
Deferred income tax assets				
Balance at beginning of the year	1,661,921	4,470,206	-	-
Movement for the year	(347,079)	(2,808,285)	-	-
Balance at end of the year	1,314,842	1,661,921	-	-
Deferred income tax assets are analysed as follows:				

Tax credits available in respect of tax losses

1,314,842 1,661,921 -



15. Borrowings	Group		Scheme	
	2016	2015	2016	2015
	Р	Р	Р	Р
Balance at beginning of the year	70,620,940	79,301,222	70,620,940	79,301,222
Interest accrued - Government loan	5,375,551	5,692,911	5,375,551	5,692,911
Loan settlement during the year	(9,582,127)	(14,373,193)	(9,582,127)	(14,373,193)
Balance at end of the year	66,414,364	70,620,940	66,414,364	70,620,940
The loan balance comprises the following:				
Botswana Government Ioan	65,112,122	69,236,216	65,112,122	69,236,216
Interest accrued - Government loan	1,302,242	1,384,724	1,302,242	1,384,724
Total outstanding loans	66,414,364	70,620,940	66,414,364	70,620,940
Total long-term loans Borrowings falling due after 1 year	66,414,364 (56,921,449)	70,620,940	66,414,364 (56,921,449)	70,620,940 (62,925,540)
Borrowings falling due within 1 year	9,492,915	7,695,400	9,492,915	7,695,400

The Government loan is unsecured and is repayable in 26 semi-annual instalments commencing June 2013, after a three year grace period. The Government loan bears a fixed interest rate of 8% per annum (Year 2015: 8%).

The carrying amount of borrowings represent their fair value as they are obtained at market related rates.



NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

16. Provision for outstanding claims	Group		Scheme		
	2016	2015	2016	2015	
	Р	Р	Р	Р	
Balance at beginning of the year	47,974,422	38,821,175	47,974,422	38,821,175	
(Decrease)/increase in claims provision	(1,248,796)	9 ,153,247	(1,248,796)	9 ,153,247	
Balance at end of the year	46,725,626	47,974,422	46,725,626	47,974,422	

The provision for outstanding claims represents the Committee's best estimate of claims, with the assistance of actuaries, that have been incurred during the current financial year but which have not been reported prior to reporting date and therefore are payable after the year-end.

17. Trade and other payables	Group		Scheme	
	2016	2015	2016	2015
	Р	Р	Р	Р
Creditor for claims	693,674	7,746,241	693,674	7,746,241
Administration fees payable	7,781,029	5,684,553	7,781,029	5,684,553
Payables to related parties	4,652,055	3,801,657	-	-
Sundry creditors	5,361,429	3,988,465	4,162,205	3,255,359
	18,488,187	21,220,916	12,636,908	16,686,153

Creditor for claims represents claims that have been processed and approved for payment but have not yet been paid at the reporting date

The fair values of accounts payable balances approximate their carrying amounts due to their short-term nature.

	Gro	up	Scheme	
	2016	2015	2016	2015
	Р	Р	Р	Р
(note 11)	11,330,410	13,000,443	11,330,410	13,000,443
	606,137,018	517,693,981	606,137,018	517,693,981
(note 11)	(57,125,785)	(11,330,410)	(57,125,785)	(11,330,410)
	560,341,643	519,364,014	560,341,643	519,364,014
	25,633,841	18,671,466	-	-
	31,125,173	28,516,308	-	-
	(21,397,261)	(25,633,841)	-	-
	35,361,753	21,553,933	-	-
	, ,	2016 P (note 11) 11,330,410 606,137,018 (note 11) (57,125,785) 560,341,643 25,633,841 31,125,173 (21,397,261)	P P (note 11) 11,330,410 13,000,443 606,137,018 517,693,981 (note 11) (57,125,785) (11,330,410) 560,341,643 519,364,014 25,633,841 18,671,466 31,125,173 28,516,308 (21,397,261) (25,633,841)	2016 2015 2016 P P P (note 11) 11,330,410 13,000,443 11,330,410 606,137,018 517,693,981 606,137,018 (note 11) (57,125,785) (11,330,410) (57,125,785) 560,341,643 519,364,014 560,341,643 25,633,841 18,671,466 - 31,125,173 28,516,308 - (21,397,261) (25,633,841) -



		Group		Scheme	
		2016	2015	2016	2015
18 Notes to the statement of cash flows (continued)		Р	Р	Р	Р
18.3 Cash paid for claims and other benefits					
Opening creditor for claims	(note 17)	(7,746,241)	(565,358)	(7,746,241)	(565,358)
Claims expenses		(492,542,583)	(490,282,039)	(492,542,583)	(490,282,039)
Other member benefits		(13,316,037)	(12,618,933)	(13,316,037)	(12,618,933)
Closing creditor for claims	(note 17)	693,674	7,746,241	693,674	7,746,241
		(512,911,187)	(495,720,089)	(512,911,187)	(495,720,089)
18.4 Cash paid in respect of administrative expenses					
Opening other payables		(13,474,675)	(11,623,535)	(8,939,912)	(7,731,976)
Opening other receivable		6 ,358,707	4 ,464,222	19,351,975	35,328,876
Administrative expenses	(note 3)	(87,557,808)	(71,741,553)	(77,418,344)	(63,673,846)
Depreciation		4 ,691,022	4 ,996,801	-	-
Other operating income		1 ,374,841	823,127	1,125,486	781,452
Closing other receivables		(3,265,719)	(6,358,707)	(3,054,946)	(19,351,975)
Closing other payables		17,794,513	13,474,675	11,943,234	8 ,939,912
Movement in provision for doubtful debts		3 ,898,800	(5,573,197)	3 ,898,800	(5,573,197)
		(70,180,319)	(71,538,167)	(53,093,707)	(51,280,754)
19. Related party loan receivables		Group		Sch	eme
· · ·		2016	. 2015	2016	2015

Lenmed Health Bokamoso Private Hospital (Proprietary) Limited

ne	Scher	Group	
2015	2016	2015	2016
Р	Р	Р	Р
23,099,700	20,099,700	23,099,700	20,099,700
23,099,700	20,099,700	23,099,700	20,099,700



NOTES



NOTES

 •••••
 •••••
 •••••
 •••••
 •••••
•••••
 •••••
 •••••
 •••••
 •••••
 •••••
 •••••
 •••••
 •••••





'Annual General Meeting Report

For the Financial Year **2015/16**

TBWA\MEDCOM The Disruption[®] Company