

See inside
for details
of hybrid
meeting

Notice of the Annual General Meeting

TO BE HELD ON WEDNESDAY, 15 JULY 2026

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

IMPORTANT NOTICES TO ALL MEMBERS

THIRTIETH ANNUAL GENERAL MEETING

Notice is hereby given that the thirtieth Annual General Meeting of Members of the Imperial and Motus Medical Aid will be held via a hybrid platform on Wednesday, 15 July 2026 at 15:00.

The Scheme has made provision for members or their proxies to participate in the meeting by way of an electronic platform hosted by The Meeting Specialist (Pty) Ltd – TMS or in person at Motus Head Office, Bedfordview. Should you or your proxy wish to participate, please complete the enclosed form and email it to TMS at proxy@tmsmeetings.co.za by no later than 12:00 on Monday, 13 July 2026.

Upon receipt of the required information, you or your proxy will be provided with a secure code and instructions on how to access the hybrid meeting. Please note that access to the meeting will be at the expense of members who wish to make use of the facility. For those attending in person, please ensure you have your smart device on hand when attending the meeting at Motus Head Office for voting purposes.

UNDESIRABLE BUSINESS PRACTICE

The Council for Medical Schemes (CMS) is enjoined to protect the interests of the beneficiaries at all times. To this end, the CMS monitors medical schemes' compliance with rules and the provisions of the Medical Schemes Act, No 131 of 1998 (the Act), as well as other legislation relating to medical schemes.

The CMS continues to monitor medical schemes' general meetings, especially against the background of incidents where meetings have previously been disrupted by members who were disgruntled with the process that schemes follow in convening general meetings, as well as meetings convened contrary to the Rules of the Scheme, and elections conducted in a questionable manner.

The Registrar of Medical Schemes (the Registrar) has, based on findings from medical scheme monitoring and inspection initiatives, and with the concurrence of the CMS and the Minister of Health, declared some practices related to medical scheme practices, irregular and undesirable, as described in Notice 943 of 2017 in the Government Gazette published on 5 December 2017.

This relates specifically to approaching or persuading a person to stand as a candidate, the canvass of proxies for a particular person, and funding or organising the election of a candidate. For more detail, please access the Notice on the CMS website at www.medicalschemes.com under Circulars (Circular 15 of 2018).

AGENDA

1. CONFIRMATION OF MINUTES

To confirm the minutes of the Imperial and Motus Medical Aid Annual General Meeting held on 10 July 2025.

2. ADOPTION OF REPORTS AND ACCOUNTS

To receive and adopt the report of the Board of Trustees, as well as the Auditor's report and statements of accounts for the twelve (12) months ended 31 December 2025.

3. APPOINT AUDITORS

To appoint Auditors in terms of Rule 22.1.

4. APPOINTMENT OF A TRUSTEE

One member-elected Trustee to be appointed (a nomination form is included on pages 59 and 60).

5. OTHER BUSINESS

To transact such other business as may be transacted at the Annual General Meeting.

If you are unable to attend the meeting, you may nominate a proxy or the Chairman to vote on your behalf. A proxy form is included on page 61.

Notice of motions to be placed before the Annual General Meeting must reach the Scheme's office by no later than seven (7) days before the meeting and can be sent to:

The Principal Officer
Imperial and Motus Medical Aid
No 1 South Park
66 South Road
Linden Extension
Gauteng
2194

OR emailed to proxy@tmsmeetings.co.za

BY ORDER OF THE BOARD OF TRUSTEES



Fred Meier
Principal Officer
Imperial and Motus Medical Aid

MINUTES OF THE TWENTY-NINTH ANNUAL GENERAL MEETING

OF THE IMPERIAL AND MOTUS MEDICAL AID HELD HYBRID ON 10 JULY 2025 AT 15:00

WELCOME AND APOLOGIES

Mr. Meier, the Principal Officer of the Scheme informed the attendees that the previous Chairman, Mr. Ockert Janse van Rensburg relinquished his position as Chairman of the Board of Trustees since the last meeting. He was the Chairman for a period of 9 years and delivered excellent leadership evident in the continuing success of the Scheme. He then introduced the new Chairman, Mr. Kobus Volschenk, Group Treasurer of Motus who was highly recommended by Mr. Janse van Rensburg and ideally qualified for the role as Chairman.

Mr. Volschenk welcomed everyone present at the 29th Annual General Meeting of Imperial and Motus Medical Aid and thanked all the members for their time afforded to join the meeting. He extended a welcome to his fellow Trustees and Scheme Officials present and to Boikanyo Maleho, a representative of the Council for Medical Schemes.

The Scheme has retained the services of The Meeting Specialist Proprietary Limited ("TMS") to host the AGM remotely and to assist the attendees in person at the meeting and on an interactive electronic platform by facilitating electronic participation and voting by members, if required. TMS has also been appointed to act as scrutineer for purposes of checking Proxy Forms deposited for use and for counting votes should it be required. Please take note that, in terms of Rule 23.3.1 of the Registered Scheme Rules, only persons who have been reasonably verified have the right to participate in, and vote at, this meeting. This extends to persons who are in possession of a valid Proxy Form which has been filed in accordance with the Notice of the Annual General Meeting, and members who are reflected in the Register as at the Record Date for this meeting.

The Chairman took the attendees through some essential guidelines for the meeting and how they could participate.

CONSTITUTION OF THE MEETING

There were thirty-seven members present virtually, in person and by proxies, which were entitled to vote. Accordingly, the Chairman declared the meeting quorate as required by the Registered Scheme Rules for the holding of an Annual General Meeting and the passing of the resolutions as set out in the notice of the Annual General Meeting. He therefore declared the meeting duly constituted.

THE NOTICE OF THE MEETING

The Chairman referred the attendees to the Notice of the Annual General Meeting and noted that the notice of the meeting was taken as read. The Annual Financial Statements for the year ended 31 December 2024 are available at the Scheme's registered Office to view on request.

There were three (3) items on the agenda which needed to be adopted, all of which the Chairman went through allowing time in between for questions.

1. Approval of the Minutes of the Annual General Meeting held on 17 July 2024

The draft set of minutes of the Annual General Meeting held on 17 July 2024 was distributed to all members in advance. No questions were raised, and the content of the minutes was proposed for **adoption** by Mr. C van Wyk and seconded by Ms. A Sarria.

2. Adoption of Reports and Accounts

The Report of the Board of Trustees, including the Auditor's Report and the statement of accounts for the year ended 31 December 2024, were distributed to all members together with the AGM Notice. There being no questions or concerns raised, the content of these documents was proposed for **adoption** by Mr. C van Wyk and seconded by Mr. W Heard.

3. Appointment of Auditors

The Chairman informed the members that, upon request from the Board of Trustees, Scheme Management entered a Tender process to appoint the Auditor for the 2025 Financial year Audit. The process was concluded and resulted in the Audit Committee recommending the appointment of Strachan & Crouse. The recommendation of the Audit Committee was approved by the Board of Trustees. No questions nor concerns were raised, and the **adoption** of the appointment of Strachan & Crouse was proposed by Mr. C de Klerk and seconded by Ms. Tewary Ahmed.

4. Appointment of a Member Elected Trustee

The Chairman informed the meeting that the Scheme received one Trustee nomination, which was for Ms. S Tewary Ahmed whose term of office as a member elected Trustee expires in July 2025. Seeing that no other nominations were received, voting was not required, and Ms. Tewary Ahmed was reappointed for the next term of office of five years.

5. Other Business

The Chairman confirmed that no other business for discussion was received prior to the meeting, and no questions were raised at the meeting.

There being no further business to transact, the Chairman closed the meeting at 15h11.

Chairman

Date

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Registration number: 01559

Imperial[™]
 **Motus**
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CONTENTS

Report of the Board of Trustees	1
Statement of responsibility by the Board of Trustees	10
Statement of corporate governance by the Board of Trustees	11
Independent auditor's report	13
Statement of financial position	18
Statement of profit or loss and other comprehensive income	19
Statement of cash flows	20
Notes to the annual financial statements	21

A copy of the complete set of the annual financial statements can be obtained from:

Imperial and Motus Medical Aid
 No 1 South Park
 66 South Road
 Linden Extension
 Gauteng
 2194
 South Africa



REPORT OF THE BOARD OF TRUSTEES

Registration number: 01559

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

1. DESCRIPTION OF THE MEDICAL SCHEME

1.1 Terms of registration

The Imperial and Motus Medical Aid (“the Scheme”) is a “not for profit restricted membership scheme” registered in terms of the Medical Schemes Act 131 of 1998, as amended (“the Act”).

1.2 Benefit options within the Imperial and Motus Medical Aid

Two benefit options are available to eligible members of the Scheme. Both benefit options cover prescribed minimum benefits in full. The Imperial Motus Med Health Plan is a traditional plan that provides unlimited private hospital cover and major medical expenses at 100% of the Medical Scheme Rate. Day-to-day benefits are covered at 85% of the Medical Scheme Rate up to generous annual limits. The Imperial Motus Med Budget Plan provides low-cost cover for essential, basic healthcare with unlimited in-hospital cover at 100% of the Medical Scheme Rate, only prescribed minimum benefit chronic conditions, a general practitioner network with specialist referrals and day-to-day benefits at 85% of the Medical Scheme Rate, with relatively low annual limits.

2. MANAGEMENT

2.1 Trustees in office during the year under review

K Volschenk	Employer representative: Chairman
JD Berman	Member representative
CFP de Klerk	Employer representative
WC Heard	Employer representative
ADSS Sarria	Member representative
S Tewary-Ahmed	Member representative

2.2 Principal Officer

Fred Meier
31 Orchid Valley
Brackenridge Estate
Plettenberg Bay
6600

2.3 Registered office address and postal address

No 1 South Park
66 South Road
Linden Extension
2195

2.4 Medical Scheme administrator during the year

Momentum Health (Pty) Ltd

268 West Avenue
Centurion
0157

PO Box 7400
Centurion
0046

Accreditation number: 13

2.5 Investment managers during the year

Coronation Asset Management (Pty) Ltd

7th Floor, Montclare Place
C/o Campground and Main Roads
Cape Town
7708

Financial Service Provider Number: 548

Ninety One SA (Pty) Ltd

36 Hans Strijdom Avenue
Cape Town
8001

Financial Service Provider Number: 587

Sygnia Asset Management (Pty) Ltd

7th Floor, The Foundry
Cardiff Street
Cape Town
8001

Financial Service Provider Number: 873

Visio Fund Management (Pty) Ltd

92 Rivonia Road
Wierda Valley
Sandton
2196

Financial Service Provider Number: 49566

2.6 Investment consultant and advisor during the year

Sygnia Asset Management (Pty) Ltd

7th Floor, The Foundry
Cardiff Street
Cape Town
8001

Financial Service Provider Number: 873

2.7 Actuary

Mr Adam Lowe (B.Sc Hons FASSA)

NMG Consultants and Actuaries (Pty) Ltd
Nicol Way West Office Block
C/o Winnie Mandela Drive and Wedgewood Link
Bryanston
Gauteng
2021

2.8 Auditors

Strachan and Crouse

Capital Junction
1226 Francis Baard Street
Hatfield
Pretoria
0002

Postnet Suite 490
Private Bag X15
Menlo Park
0102

3. INVESTMENT STRATEGY OF THE SCHEME

The Scheme's investment objective is to maximise the return on its investments on a long-term basis at minimal risk. The investment strategy takes into consideration both constraints imposed by legislation and those imposed by the Board of Trustees.

These policies are reviewed annually, taking into consideration compliance with the Act, the risk and returns of the various investment instruments and surplus funds available. The Scheme invested in insurance policies and cash instruments during 2025.

Sygnia Asset Management (Pty) Ltd ("Sygnia") is an independent asset manager that provides outsourced services which facilitate the unitisation of the assets held by the Scheme.

4. MANAGEMENT OF INSURANCE RISK

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

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

The Scheme uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk measurement models, sensitivity analyses, scenario analyses and stress testing. The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims are greater than expected.

Insurance events are, by their nature, random, and the actual number and size of events during one year may vary from those estimated with established statistical techniques. There are no changes to assumptions used to measure insurance assets and liabilities that have a material effect on the annual financial statements and there are no terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of the Scheme's cash flows.

5. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES

5.1 Operational statistics

	2025 Imperial Motus Med Health Plan	2025 Imperial Motus Med Budget Plan	2025 Total	2024 Imperial Motus Med Health Plan	2024 Imperial Motus Med Budget Plan	2024 Total
Number of members at the end of the year	5 890	1 356	7 246	6 086	1 176	7 262
Average number of members for the year	6 084	1 304	7 388	6 195	1 112	7 307
Number of beneficiaries at the end of the year	13 299	2 423	15 722	13 717	2 148	15 865
Average number of beneficiaries for the year	13 772	2 345	16 117	14 052	2 029	16 081
Average age per beneficiary	32	28	31	32	27	31
Dependent ratio to members at 31 December	1.26	0.79	1.17	1.25	0.83	1.18
Pensioner ratio	4.29%	2.56%	4.60%	4.43%	2.23%	4.13%
Average insurance revenue per member per month	R6 280	R3 161	R5 730	R5 900	R3 030	R5 463
Average insurance revenue per beneficiary per month	R2 774	R1 758	R2 627	R2 601	R1 661	R2 483
Average relevant healthcare expenses per member per month	R6 231	R3 067	R5 673	R5 924	R3 017	R5 481
Average relevant healthcare expenses per beneficiary per month	R2 753	R1 706	R2 600	R2 611	R1 653	R2 491
Relevant healthcare expenditure as a percentage of insurance revenue	106.68%	111.97%	107.20%	110.18%	113.21%	110.44%
Average attributable, administration and other expenses per member per month	R372	R372	R372	R354	R354	R354
Average attributable, administration and other expenses per beneficiary per month	R164	R207	R171	R156	R194	R161
Average managed care services per member per month	R117	R117	R117	R111	R111	R111
Non-healthcare expenses as a percentage of gross insurance income	5.93%	11.78%	6.50%	6.00%	11.68%	6.48%
Average accumulated funds per member at 31 December	R121 594	R121 594	R121 594	R105 218	R105 218	R105 218
Return on investments as a percentage of investments	18.65%	18.65%	18.65%	11.66%	11.66%	11.66%

5.2 Results of the Scheme

The results of the Scheme are set out in the annual financial statements that accompany this report.

The Scheme has seen a decrease in membership during 2025.

5.3 Solvency ratio

The solvency ratio is calculated as follows:

Liability to members for future benefits per statement of financial position

881 068 063

764 094 201

Less:

Cumulative unrealised gains on financial assets at fair value through profit or loss

(197 331 424)

(126 469 121)

Accumulated funds per regulation 29

683 736 639

637 625 080

Gross insurance revenue

507 977 727

479 058 185

Accumulated funds ratio

134.6%

133.1%

The accumulated funds ratio remains well in excess of the statutory requirement of 25% of Insurance revenue, and the Scheme remains in a sound financial position.

5.4 Liability for incurred claims

Movements in the liability for incurred claims are set out in note 6 to the annual financial statements. There have been no unusual movements that the Trustees believe should be brought to the attention of the members of the Scheme.

6. ACTUARIAL SERVICES

The Scheme's actuaries have been consulted in the determination of the contribution and benefit levels, as well as the calculation of the liability for incurred claims and the risk adjustment.

7. CONTINGENCIES

There were no potential liabilities contingent on the outcome of litigations, claims, guarantees or suretyships at 31 December 2025.

8. LOANS TO PARTICIPATING EMPLOYERS OF MEMBERS OF THE SCHEME AND TO OTHER RELATED PARTIES

The Scheme has not made any loans to participating employers of Scheme members or other related parties.

9. EVENTS AFTER REPORTING DATE

At the date of finalisation of the annual financial statements there were no material events that occurred subsequent to the reporting date that required adjustments to the amounts recognised in the annual financial statements.

10. GOING CONCERN

The Trustees continue to be of the opinion that the Scheme will be able to continue as a going concern; refer to note 27 of the notes to the annual financial statements for additional disclosure on events after reporting date.

11. RELATED PARTY TRANSACTIONS

Refer to related parties and related party transactions disclosed in note 18 to the annual financial statements.

12. AUDIT COMMITTEE

The Audit Committee is mandated by the Board of Trustees by means of a written terms of reference as to its membership, authority and duties. The Committee, at year end, consists of six members of whom two are members of the Board of Trustees. The majority of its members, including the chairperson, are not officers of the Scheme or its third party administrator. The Committee met on three occasions during the course of the year as follows:

- » 9 April 2025;
- » 27 June 2025; and
- » 5 November 2025.

The Chairman of the Scheme, the administrator's financial manager and the external auditors have unrestricted access to the Chairman of the Audit Committee.

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

The Committee comprises:

- | | | |
|-------------------|---------------------------|---|
| » Mr F Seedat | (Chairman) | Terminated 26 November 2025 |
| » Ms U Ragunanund | | Appointed as Chairperson 26 November 2025 |
| » Mr JD Berman | (Member representative) | |
| » Mr CFP de Klerk | (Employer representative) | |
| » Ms B Francis | | |
| » Mr T Venter | | |
| » Mr A Maharaj | | Appointed 26 November 2025 |

No fees were paid to the Audit Committee members in 2025.

13. TRUSTEE MEETING ATTENDANCE

The following schedule sets out Board of Trustee meeting attendances and attendances by members of the Board at committee meetings.

	Trustee/ Contribution Review Meetings		Annual General Meeting		Benefit Review	
	A	B	A	B	A	B
Board of Trustee members (BOT)						
K Volschenk - Chairman	3	3	1	1	1	1
JD Berman	3	3	1	0	1	0
CFP de Klerk	3	3	1	1	1	1
WC Heard	3	2	1	1	1	1
ADSS Sarria	3	2	1	1	1	1
S Tewary-Ahmed	3	3	1	1	1	1

	Trustee/ Contribution Review Meetings		Audit Committee Meetings		Annual General Meeting		Benefit Review	
	A	B	A	B	A	B	A	B
Principal Officer								
PRW Meier - Independent Principal Officer	3	3	3	2	1	1	1	1

	Audit Committee Meetings	
	A	B
Audit Committee members		
F Seedat (Chairman) - Terminated 26 November 2025	3	3
J Berman	3	2
CFP de Klerk	3	2
B Francis	3	3
U Ragunanund (Chairman 26 November 2025)	3	3
T Venter	3	2
A Maharaj - Appointed 26 November 2025	0	0

A – total possible number of meetings could have attended

B – actual number of meetings attended

14. NON-COMPLIANCE MATTERS

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

Contravention of Section 26(7)

Nature and impact

In terms of section 26(7) of the Act, contributions must be paid directly to a medical scheme by no later than three business days after payment becomes due. Amounts were received after the prescribed three business days of the month following the last business day in which it became due, as stipulated in the Rules.

Causes for the failure

Premiums reconciliations typically take more than three days to be resolved, and instances of non-compliance might occur. This is common in the industry and is not viewed as material.

Corrective action

The Scheme has strict credit control policies to minimise the risk of non-recovery.

Contravention of Section 35(8)(a) and (c)

Nature and impact

In terms of Section 35(8)(a) and (c) of the Act, a Scheme shall not invest any of its assets in an employer who participates in the medical scheme or any administrator associated with the medical scheme.

Causes for the failure

The Scheme holds indirect investments in Motus Holdings Limited through its linked insurance policy investment with Sygnia Life Limited.

The Scheme also holds indirect investments in Momentum Group Limited (holding company of the administrator), Sanlam Limited and Discovery Holdings (holding companies of medical scheme administrators) through its linked insurance policy investment with Sygnia Life Limited.

Corrective action

The non-compliance is as a result of the Scheme's assets being invested in a linked policy of insurance. The Scheme does not dictate to the asset managers which investment holding to purchase. These investments are part of the total insured portfolio and selling this non-compliant investment would result in the complete sale of the entire portfolio.

A new application for exemption was submitted to the Registrar on 5 May 2025 and approved by the Registrar. The exemption will be valid for a period of three years, effective 1 December 2025 to 31 December 2028.

Contravention of Regulation 30

Nature and impact

In terms of Section 6(a) of Annexure B to Regulation 30 of the Act, a scheme may not hold more than 90% of the sum of its Regulation 29 assets in a policy of insurance.

Causes for the failure

The Scheme utilises a policy of insurance in the name of Sygnia Life for its equity exposure and does not have control over the investment decisions relating to the underlying assets. As a result of increases in the equity market, the Scheme breached the 90% maximum exposure.

Corrective action

The Scheme corrected the non-compliance in December 2025 by rebalancing its investment portfolio.

Contravention of Section 33(2) of the Medical Schemes Act

Nature and impact

In terms of the Medical Schemes Act, each benefit option shall be self-supporting in terms of membership and financial performance and should be financially sound. As at 31 December 2025, both options of the Scheme reported a net healthcare deficit position, thereby contravening Section 33(2) of the Act.

The Scheme reported a net healthcare deficit of R50.9 million as at 31 December 2025 (2024 deficit: R63.5 million).

Causes for the failure

In an attempt to reduce the high solvency ratio as calculated per CMS Regulations, the Scheme introduced the General Benefit with effect from 1 January 2024 and continued to offer this benefit during 2025.

Corrective action

No corrective action is required as the Trustees believe that the Scheme has sufficient funds in cash and investments. The Scheme reported a healthy reserve ratio of 134.6% for the year ending 31 December 2025 (December 2024: 133.1%) when calculated as per CMS Regulations. The Trustees continue to monitor the reserves of the Scheme.



Chairman



Trustee



Principal Officer

Date: 18 May 2026

STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES

The Trustees are responsible for the preparation, integrity and fair presentation of the annual financial statements of Imperial and Motus Medical Aid, comprising the statement of financial position at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in funds and reserves, the statement of cash flows for the year then ended and the notes to the annual financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with IFRS® Accounting Standards and in the manner required by the Medical Schemes Act of South Africa.

The Trustees' responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Trustees' responsibilities also include maintaining adequate accounting records and an effective system of risk management. The Trustees have ultimate responsibility for the system of internal control.

The Trustees are satisfied that the information contained in the annual financial statements fairly presents the financial performance for the year and the financial position of the Scheme at year end. The Trustees also prepared the other information included in the annual report and are responsible for both its accuracy and its consistency with the annual financial statements.

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

The going concern basis has been adopted in preparing the annual financial statements. The Trustees have no reason to believe that the Scheme will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These annual financial statements support the viability of the Scheme.

The Scheme's external auditors are responsible for auditing the annual financial statements in terms of International Standards on Auditing and their report is presented on pages 13 to 17.

Approval of the annual financial statements

The annual financial statements of Imperial and Motus Medical Aid set out on pages 18 to 58, as identified in the first paragraph, were approved by the Board of Trustees on 18 May 2026 and are signed on its behalf by:



Chairman



Trustee



Principal Officer

Date: 18 May 2026

STATEMENT OF CORPORATE GOVERNANCE BY THE BOARD OF TRUSTEES

Imperial and Motus Medical Aid is committed to the principles and practices of fairness, openness, integrity and accountability in all dealings with its stakeholders. The Trustees are proposed and elected by the members of the Scheme and the employers ensuring equal representation of elected and appointed members.

BOARD OF TRUSTEES

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

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

INTERNAL CONTROL

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

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

The Trustees have reviewed the most recent Service Organisation Review Report of the administrator produced for the administration platform, to assist in assessing the adequacy of the internal control environment.

The control objectives that were not achieved have been noted as have the action points initiated by the administrator to rectify these weaknesses. The Trustees agree with the conclusion reached by the administrator that overall operational control was achieved in 2025.



Chairman



Trustee



Principal Officer

Date: 18 May 2026



INDEPENDENT AUDITOR'S REPORT

To the Members of Imperial and Motus Medical Aid

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Opinion

We have audited the annual financial statements of Imperial and Motus Medical Aid (the Scheme), set out on pages 9 to 43, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in members' funds and the statement of cash flows for the year then ended, and notes to the annual financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Statements* section of our report. We are independent of the Scheme in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Claims</p> <p>Claims incurred amounted to R493.3 million for the current financial year (refer to Note 9 in the financial statements). Claims experience is a key driver of the financial sustainability of the Scheme.</p> <p>Due to the significance of claims to the financial statements and the inherent susceptibility of claims to fraud and error, this area was considered to be a key audit matter.</p> <p>The majority of claims are processed through electronic data interchange (EDI), supported by automated and manual controls designed to ensure that only valid claims are processed and paid. Accordingly, reliance is placed on the integrity of the administration system of the Scheme’s administrator.</p> <p>Claims data for the full financial period was obtained and a combination of analytical procedures, substantive testing, and control testing was performed to assess the validity and accuracy of claims processed.</p>	<p>Audit procedures performed included, amongst others:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key controls to ensure claims are completely and accurately recorded and only valid claims are processed. • Assessing the role of the internal audit function of the administrator, including procedures to identify and investigate potentially fraudulent claims. • Obtaining an understanding of governance processes over claims approval. • Performing data analytics on the full population of claims to identify anomalies, trends, and high-risk items for further testing. • Considering the results of the benefit rollover review relating to the accuracy and integrity of master file data, including benefit structures, tariff codes, and member benefit options. • Considering the findings of the independent auditors of the administrator relating to the control environment and information systems, and the impact on audit procedures.
<p>Provision for Outstanding Claims Component of the Liability for Incurred Claims (LIC)</p> <p>In terms of the Medical Schemes Act, members have at least four months from the date of service to submit claims. Accordingly, a provision is recognised for medical services rendered but not yet submitted at year-end to reflect the total cost of claims incurred.</p> <p>Liability for incurred claims (LIC)</p> <p>The LIC provision comprises:</p> <ul style="list-style-type: none"> • Claims incurred but not reported (IBNR): R32 454 422 (2024: R33 144 698); • Risk adjustment: R5 394 236 (2024: R5 508 641); and • Reported claims not yet paid: R3 445 714 	<p>Audit procedures performed in relation to the Liability for Incurred Claims (LIC) provision included, amongst others:</p> <ul style="list-style-type: none"> • Assessing the risk of material misstatement, considering the estimation uncertainty and complexity of the LIC provision. • Evaluating the appropriateness of recognition and measurement with reference to IFRS 17 – <i>Insurance Contracts</i>. • Obtaining an understanding of the claims and estimation process, including relevant controls. • Evaluating the work of the Scheme’s independent actuary, including the appropriateness of methods, assumptions, and data used, as well as the actuary’s competence and objectivity, and considering potential management bias.

Key audit matter	How our audit addressed the key audit matter
<p>The LIC forms part of the insurance contract liability (refer to Note 6) and includes estimates of claims incurred prior to year-end but not yet reported, as well as reported claims outstanding.</p> <p>In terms of IFRS 17, the LIC is measured as fulfilment cash flows plus a risk adjustment for non-financial risk, reflecting uncertainty in the amount and timing of future cash flows.</p> <p>The provision is estimated by the Scheme's actuary using the Basic Chain Ladder (BCL) method which is an actuarial technique that estimates ultimate claims by projecting future claim development based on historical claim development patterns.</p> <p>This was considered a key audit matter due to the significant estimation uncertainty and judgement involved, particularly in determining fulfilment cash flows and the risk adjustment, as well as the materiality of the balance.</p>	<ul style="list-style-type: none"> • Performing a retrospective review of claims received after year-end relating to the 2025 financial year, with no matters identified requiring further audit consideration. • Assessing the adequacy of related disclosures in accordance with IFRS Accounting Standards and relevant industry guidance.

Other Information

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

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

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

Responsibilities of the Scheme's Trustees for the Annual Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

We communicate with the Scheme's Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Scheme’s Trustees, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Non-compliance with the Medical Schemes Act of South Africa

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

1. Section 26(7) – Contributions received more than three days after the due date;
2. Section 35(8)(a) and (c) – A medical scheme shall not invest any of its assets in an employer who participates in the scheme or in the business of any administrator associated with the scheme;
3. Annexure B of Regulation 30 – Limitation of assets within specified categories;
4. Section 33(2) – Benefit options shall be self-supporting. All benefit options not self-supporting.

Audit Tenure

As required by the Council for Medical Schemes’ Circular 38 of 2018, *Audit Tenure*, we report that Strachan & Crouse has been the auditor of Imperial and Motus Medical Aid for one year.

The engagement partner, DG Strachan, has been responsible for Imperial and Motus Medical Aid’s audit for one year.



STRACHAN & CROUSE

DG Strachan
Partner
Registered Auditor
18 May 2026

Capital Junction
1226 Francis Beard Street
Hatfield
Pretoria

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	Notes	2025	2024
		R	R
ASSETS			
Non-current assets			
Financial assets at fair value through profit and loss	2	608 784 765	531 755 323
Current assets			
Trade and other receivables	3	300 218 019	260 468 925
Cash and cash equivalents	4	97 717	107 951
		300 120 302	260 360 974
Total assets			
		909 002 784	792 224 248
LIABILITIES			
Non-current liabilities			
Liability to members for future benefits	5.1	881 068 063	764 094 201
Current liabilities			
Insurance contract liability	5.2	27 934 721	28 130 047
Trade and other payables	7	26 415 408	26 617 487
		1 519 313	1 512 560
Total funds and liabilities			
		909 002 784	792 224 248

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025	2024
		R	R
Insurance revenue	8	507 977 727	479 058 185
Insurance service expenses		(544 550 410)	(529 053 759)
Claims incurred*	9	(493 345 872)	(471 831 963)
Changes that relate to past service - adjustments to the LIC*		(22 837 560)	(31 161 098)
Net impairment on healthcare receivables	13	(130 796)	245 823
Third party claim recoveries		827 555	950 919
Managed care: management services*	10	(10 395 017)	(9 731 194)
Attributable expenses incurred	11	(18 668 720)	(17 526 246)
Insurance service result		(36 572 683)	(49 995 574)
Other income		169 577 819	92 480 481
Investment income	14	7 060 930	6 944 929
Sundry income		37 573	90 451
Unrealised gains on investments at fair value through profit or loss	2 & 4	70 862 303	49 558 721
Realised gains on financial assets	15	91 617 013	35 886 380
Other income and expenditure		(16 031 274)	(15 090 107)
Administration and other operating expenses	12	(14 328 211)	(13 509 422)
Asset management fees		(1 703 063)	(1 580 685)
Surplus for the year		116 973 862	27 394 800
Transfer to liability to members for future benefits	5.1	(116 973 862)	(27 394 800)
Total comprehensive income for the year		-	-

* Relevant healthcare expenditure consists of net claims incurred, adjustment to the LIC and accredited managed healthcare services (no transfer of risk).

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025	2024
		R	R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from members and providers		507 951 237	477 948 803
Cash receipts from members - contributions		507 924 609	477 667 472
Cash receipts from members and providers - others		26 628	281 331
Cash paid to providers, employees and members		(560 750 718)	(533 504 977)
Cash paid to providers, employees and members - claims		(526 057 475)	(500 482 274)
Cash paid to providers - directly attributable expenses		(18 668 720)	(33 022 703)
Cash paid to providers, employees and members - non-healthcare expenditure		(16 024 523)	-
Sundry income		37 573	90 451
Investment income		12 311 627	12 946 881
Movement in the accrued interest		10 502	22 051
Net cash from operating activities		(40 439 779)	(42 496 791)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	2	(367 906 125)	(111 042 542)
Proceeds on disposal of investments	2	441 044 302	166 124 155
Interest received		7 060 930	6 944 929
Net cash flow from investing activities		80 199 107	62 026 542
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the year		260 360 974	240 831 223
Cash and cash equivalents at the end of the year	4	300 120 302	260 360 974

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. PRINCIPAL ACCOUNTING POLICIES

The following are the principal accounting policies used by the Scheme that are consistent with those of the previous year, unless otherwise indicated.

1.1 Basis of preparation

The annual financial statements are prepared in accordance with IFRS® Accounting Standards and in accordance with the requirements of the Medical Schemes Act of South Africa. IFRS® Accounting Standards comprise International Financial Reporting Standards, International Accounting Standards (IAS) and the interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC). The standards referred to are set by the International Accounting Standards Board (IASB).

Historical cost

The annual financial statements are prepared on a going concern basis using the historical cost convention, except for the following:

- » Certain financial assets and liabilities (including derivative instruments) – measured at fair value.
- » Insurance assets and liabilities – measured in terms of IFRS 17 current estimates.

Use of estimates

The preparation of the annual financial statements necessitates the use of estimates and assumptions. These estimates and assumptions affect the reported amount of assets, liabilities and contingent liabilities at the reporting date as well as affecting the reported income and expenditure for the year. The actual outcome may differ from these estimates.

Implementation of new standards

New standards, amendments and interpretations issued and not yet effective in 2025 and relevant to the Scheme

Standard	Summary of requirements	Effective date
Amendment to IFRS 9, “Financial Instruments” and IFRS 7, “Financial Instruments: Disclosures” - Classification and Measurement of Financial Instruments	<i>These amendments:</i> <ul style="list-style-type: none">• clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;• clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;	Annual periods commencing on or after 1 January 2026

Standard	Summary of requirements	Effective date
	<ul style="list-style-type: none"> • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and • make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI). 	
<p>IFRS 18 Presentation and Disclosure in Annual Financial Statements</p>	<p>IAS 1 Presentation of the Annual Financial Statements did not have detailed requirements on:</p> <ul style="list-style-type: none"> • classification of income and expenses in the statement of profit or loss; • presentation of subtotals above ‘profit or loss’ in the statement of profit or loss; or • aggregation and disaggregation of information presented in the primary annual financial statements or disclosed in the notes. <p>This lack of detailed requirements led to diversity in practice as entities defined their own subtotals and performance measures.</p> <p>IFRS 18 Presentation and Disclosure in Annual Financial Statements, issued by the IASB on 9 April 2024, will improve the quality of financial reporting by:</p> <ul style="list-style-type: none"> • requiring defined subtotals in the statement of profit or loss; • requiring disclosure about management-defined performance measures; and • adding new principles for aggregation and disaggregation of information <p>The IASB expects these improvements will enable investors to make more informed decisions leading to better allocations of capital that will contribute to long-term financial stability.</p>	<p>Annual periods commencing on or after 1 January 2027</p>

1.2 Financial instruments

Classification

The Scheme classifies its financial assets into the following categories: at fair value through profit or loss, at fair value through other comprehensive income and amortised cost. 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

Debt investments that do not qualify for measurement at either amortised cost or fair value through other comprehensive income. Equity investments that are held for trading and equity investments for which the entity has not elected to recognise fair value gains and losses through OCI. Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

(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 end of the reporting period. These are classified as non-current assets. The Scheme's loans and receivables comprise 'trade and other receivables' in the statement of financial position. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Scheme holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

(c) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.

Recognition and initial measurement

At initial recognition, the Scheme measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement

Despite the foregoing, the Scheme may make the following irrevocable election/designation at initial recognition of a financial asset:

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

Derecognition

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss] previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments

Subsequent measurement of debt instruments depends on the Scheme's business model for managing the asset and the cash flow characteristics of the asset.

Equity instruments

The Scheme subsequently measures all equity investments at fair value. Where the Scheme's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Schemes's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Trade and other 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 end of the reporting period. These are classified as current assets. The Scheme's financial instruments at amortised cost comprises 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Scheme holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Cash and cash equivalents

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

Impairment of financial assets

Debt instruments that are measured subsequently at amortised cost are subject to impairment. In relation to the impairment of financial assets an expected credit loss model is required. The expected credit loss model requires the Scheme to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Scheme recognises a loss allowance for expected credit losses on:

1. Debt investments measured subsequently at amortised cost;
2. Trade receivables and contract assets; and
3. Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

The Scheme measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit impaired financial asset), the Scheme is required to measure the loss allowance for that financial instrument at an amount equal to 12 months ECL.

IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

Derecognition of assets or financial liabilities

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

Where the Scheme neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Scheme determines whether it has retained control of the financial asset. In this case:

- (i) If the Scheme has not retained control, it derecognises the financial asset and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer; and
- (ii) If the Scheme has retained control, it continues to recognise the financial asset to the extent of its continuing involvement in the financial asset.

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

Offsetting of financial instruments

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

1.3 Significant judgements

The Scheme used the confidence level to determine the risk adjustment.

1.3.1 Mutual entity assessment

Based on the requirements of IFRS 17, the Scheme was recognised as a mutual entity; therefore it is expected that the remaining assets of the Scheme will be used to pay the claims of current and future members. The Scheme recognised a liability in its statement of financial position to provide coverage to future members.

1.3.2 Unit of account (level of aggregation)

Judgement has been applied to how the Imperial and Motus Medical Aid determined the unit of account for the measurement of its insurance contracts. Management has assessed their portfolio as the Scheme as a whole due to the holistic pricing methodologies and risk management strategy that manages the risk on a Scheme level.

The above is demonstrated by the following:

- » Hospital claims are managed on a Scheme level.
- » Chronic conditions are managed on a Scheme level, i.e. no matter the option, the member will have access to the chronic condition management benefit.
- » Pricing and benefit option changes are determined at a Scheme level to manage member migration between different benefit options to ensure each option is sustainable.
- » Risk (utilisation and concentration) is managed holistically.

1.3.3 Risk adjustment – liability for incurred claims (LIC)

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation the Scheme requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Scheme fulfils insurance contracts. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Scheme's degree of risk aversion. The Scheme estimates an adjustment for non-financial risk separately from all other estimates.

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

1.4 Significant estimates

The preparation of annual financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. This note provides an overview of items that are more likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the notes below, together with information about the basis of calculation for each affected line item in the annual financial statements.

In applying IFRS 17 measurement requirements, the following inputs and methods were used that include significant estimates. The present value of future cash flows is estimated using deterministic scenarios.

For the sensitivities with regard to the assumptions made that have the most significant impact on measurement under IFRS 17, refer to note 6.

1.4.1 Estimates of future cash flows to fulfil insurance contracts

Included in the measurement of the group of contracts are all the future cash flows within the boundary of the group of contracts. The estimates of these future cash flows are based on probability weighted expected future cash flows. The Scheme estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Scheme uses information about past events, current conditions and forecasts of future conditions. The Scheme's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability weighted average of the future cash flows is calculated using a deterministic scenario representing the probability weighted mean of a full range of scenarios.

The uncertainty in the insurance contracts lies in the number, severity and timing of claims.

Assumptions used to develop estimates about future cash flows are reassessed at each reporting date and adjusted where required.

1.4.2 Methods used to measure the insurance contracts

The Scheme estimates insurance liabilities in relation to claims incurred for healthcare contracts.

Judgement is involved in assessing the most appropriate technique to estimate insurance liabilities for the claims incurred. The generally accepted actuarial methodology used in assessing the estimated claims outcome of insurance liabilities is the chain ladder method.

The chain ladder method involves an analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each period (in the Scheme's case, for the four months post year-end) that is not yet fully developed to produce an estimated ultimate claims cost for each healthcare year. The chain ladder method is the most appropriate for this claim pattern.

Run-off triangles are used in situations where it takes time after the treatment date for the full extent of the claims to become known. It is assumed that payments will emerge in a similar way in each service month. The proportional increase in known cumulative payments from one development month to the next can then be used to calculate payments for future development months.

The following was taken into account when estimating the LIC:

- » The homogeneity of the data.
- » Changes in pattern of claims.
- » Changes in the composition of members and their beneficiaries.
- » Changes in benefit limits.
- » Changes in the prescribed minimum benefits.

1.5 Insurance contracts

1.5.1 Insurance contract

Insurance contracts are contracts under which the Scheme accepts significant insurance risk from a member by agreeing to compensate the member if a specified uncertain future event adversely affects the member. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Scheme uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which the Scheme has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

1.5.2 Unit of account

The Scheme has assessed its portfolio to be at a Scheme level as a whole.

Please refer to note 1.3.1 for the assessment.

The Scheme has applied the exemption not to perform profitability groupings as allowed by IFRS 17.20 and included all contracts in the same group. The Scheme has further assessed that there are no facts and circumstances to indicate that the group was onerous at inception date.

Before the Scheme accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- » cash flows relating to embedded derivatives that are required to be separated;
- » cash flows relating to distinct investment components; and
- » promises to transfer distinct goods or distinct non-insurance services.

The Scheme applies IFRS 17 to all remaining components of the contract.

Imperial and Motus Medical Aid does not have any contracts that require separation or combination of insurance contracts.

1.5.3 Contract boundary

The Scheme uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. This assessment is reviewed every reporting period.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the member is obligated to pay contributions or the Scheme has a substantive obligation to provide the member with insurance coverage or other services. A substantive obligation ends when both of the following criteria are satisfied:

- » the Scheme has the practical ability to reprice the group of contracts so that the price fully reflects the reassessed risk of that portfolio; and
- » the pricing of contributions related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the member to Imperial and Motus Medical Aid are considered; other risks, such as lapse or surrender and expense risk, are not included.

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

The Scheme has assessed all its contracts and determined all contracts have a boundary of one year.

1.5.4 Recognition and derecognition

The group of insurance contracts issued is initially recognised from the earliest of the following:

- » the beginning of the coverage period;
- » the date when the first payment from the member is due or actually received, if there is no due date; and
- » when the Scheme determines that a group of contracts becomes onerous.

An insurance contract is derecognised when it is:

- » extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- » if the terms are modified due to an agreement between the Scheme and its member or by regulation and the modification terms meet the requirement in IFRS 17.72.

If the modification does not comply with all the requirements of IFRS 17.72 the Scheme shall treat the changes in cash flow as changes in estimates of fulfilment cash flows (FCF).

1.5.5 Initial and subsequent measurement

The criteria in IFRS 17.53 should be considered to determine if a scheme would be able to use the Premium Allocation Approach (PAA). Imperial and Motus Medical Aid contracts all have a coverage period of one year or less and are therefore eligible to apply the PAA model.

The Scheme uses the PAA for measuring contracts with a coverage period of one year or less. This approach is used for all healthcare insurance contracts as each of these contracts has a coverage period of one year or less.

For insurance contracts issued, on initial recognition, Imperial and Motus Medical Aid measures the Liability for remaining coverage (LFRC) at the amount of contributions received, less any acquisition cash flows paid and any amounts arising from the derecognition of the prepaid acquisition cash flows asset.

The carrying amount of the group of insurance contracts issued at each reporting period is the sum of:

- a. the LFRC; and
- b. the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LFRC is:

- a. increased for contributions received in the period;
- b. decreased for insurance acquisition cash flows paid in the period; and
- c. decreased for the amounts of expected contributions received recognised as insurance revenue for the services provided in the period.

For insurance contracts issued at each of the subsequent reporting dates the LIC is:

- a. best estimate of fulfilment cash; and
- b. risk adjustment.

Refer to notes 1.3.3 and 1.4.1 for the significant judgements and estimates used to determine the LIC and the estimates to determine the fulfilment cash flow.

Discounting in the PAA

IFRS 17.59(b) allows a policy choice whether to adjust the measurement for the impact of the time value of money and other financial risks, if the settlement of the claims is expected within 12 months.

Imperial and Motus Medical Aid has made the choice not to discount the group of contracts.

If the group of contracts becomes onerous, the Scheme increases the carrying amount of the LFRC to the amounts of the FCF determined under the general measurement model (GMM) (as described for the LIC above) with the amount of such an increase recognised in insurance service expenses. Subsequently, the Scheme amortises the amount of the loss component within the LFRC by decreasing insurance service expenses. The loss component amortisation is based on the passage of time over the remaining coverage period of contracts within an onerous group.

1.5.6 Onerous contract assessment

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

1.5.7 Insurance revenue

As the Scheme provides services under the group of insurance contracts, it reduces the LFRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Scheme expects to be entitled to in exchange for those services.

For the group of insurance contracts measured under the PAA, the Scheme recognises insurance revenue based on the expected pattern of release of risk over the coverage period of the group of contracts.

1.5.8 Expenses

Insurance service expenses

- a. incurred claims and benefits excluding investment components;
- b. other incurred directly attributable insurance service expenses;
- c. changes that relate to past service (i.e. changes in the FCF relating to the LIC);
- d. changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components); and
- e. amount attributable to future members.

Cash flows that are not directly attributable to a group of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

1.6 Investment income

Interest income is recognised using the effective interest rate method, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Scheme.

Realised gains or losses on disposal of financial assets at FVTPL are recognised in surplus or deficit as investment income.

1.7 Liabilities and related assets under the liability adequacy test

The liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows, and comparing this amount to the carrying value of the liability net of any related assets. Where a shortfall is identified, an additional provision is made and the Scheme recognises the deficiency in surplus or deficit for the year.

1.8 Allocation of income and expenditure to benefit options

The following items are directly allocated to benefit options:

- » Insurance revenue; and
- » Claims incurred.

The remaining items are apportioned based on a percentage split calculated by the Scheme's management:

- » Accredited managed healthcare services (no transfer of risk)
- » Attributable expenses incurred
- » Other income
- » Other expenditure.

2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
	R	R
Fair value at the beginning of the year	531 755 323	514 338 824
Additions	367 906 125	111 042 542
Disposals	(441 044 302)	(166 124 155)
Net gain	150 167 619	72 498 112
Realised gain on disposal of financial assets at fair value through profit or loss	77 918 461	23 505 237
Unrealised gain on financial assets at fair value through profit or loss	72 249 158	48 992 875
Fair value at the end of the year	608 784 765	531 755 323
Invested with		
Sygnia Life Limited	608 784 765	531 755 323

3. TRADE AND OTHER RECEIVABLES

Accrued investment income	97 717	107 951
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4. CASH AND CASH EQUIVALENTS

Call accounts	106 058 542	80 995 888
Current accounts	31 272 013	28 771 551
Money market	162 789 747	150 593 535
Total cash and cash equivalents	300 120 302	260 360 974

The Scheme's holding in the call and money market accounts are via linked policies of insurance. The Scheme does therefore not hold direct access to the accounts.

The weighted average effective interest rate on current accounts was 5.29% (2024: R6.06%) and deposits was 6.50% (2024: 7.50%). The carrying amounts of cash and cash equivalents approximate their fair values due the short-term maturities of these assets.

The movement in money market instruments includes an unrealised loss through profit and loss of R1 386 855 (2024: R565 846 loss).

The movement in money market instruments includes realised gains through profit and loss of R13 698 552 (2024: R12 381 143).

5. INSURANCE CONTRACT LIABILITY

	2025	2024
	R	R
Liability to members for future benefits	881 068 063	764 094 201
Liability to current members	26 415 408	26 617 487
	907 483 471	790 711 688

5.1 INSURANCE CONTRACT LIABILITY TO FUTURE MEMBERS

Opening balance	764 094 201	736 699 401
Movement in insurance liability attributable to future members	116 973 862	27 394 800
Closing balance	881 068 063	764 094 201

5.2 INSURANCE CONTRACT LIABILITY TO CURRENT MEMBERS

	2025			
	R LFRC*	R BEL***	R LIC** RA****	R Total
Opening asset	-	-	-	-
Opening liability	-	24 072 046	2 545 441	26 617 487
Restatement of prior year classification	-	(2 963 200)	2 963 200	-
Net opening balance	-	21 108 846	5 508 641	26 617 487
Insurance revenue	(507 929 145)	-	-	(507 929 145)
Insurance service expenses				
Incurred claims and other insurance service expenses	-	545 470 612	(114 405)	545 356 207
Third party claims recoveries	-	(827 555)	-	(827 555)
Insurance service result	(507 929 145)	544 643 057	(114 405)	36 599 507
Cash flows				
Premiums received	507 924 609	-	-	507 924 609
Incurred claims	-	(526 057 475)	-	(526 057 475)
Other insurance service expenses paid	-	(18 668 720)	-	(18 668 720)
Total cash flows	507 924 609	(544 726 195)	-	(36 801 586)
Net closing balance	(4 536)	21 025 708	5 394 236	26 415 408
Closing asset	-	-	-	-
Closing liability	-	21 021 172	5 394 236	26 415 408
Net closing balance	-	21 021 172	5 394 236	26 415 408
Closing liabilities				
Liability for incurred claims (note 6)				32 454 422
Insurance payables				3 821 961
Insurance receivables				(9 860 975)
				26 415 408

* LFRC - Liability for Remaining Coverage

** LIC - Liability for Incurred Claims

*** BEL - Best Estimate Liability

**** RA - Risk Adjustment

				2024
	R LFRC*	R BEL***	R LIC** RA****	R Total
Opening asset	-	-	-	-
Opening liability	-	14 210 649	2 394 016	16 604 665
Net opening balance	-	14 210 649	2 394 016	16 604 665
Insurance revenue	(479 330 296)	-	-	(479 330 296)
Insurance service expenses				
Incurred claims and other insurance service expenses	-	530 099 076	151 425	530 250 501
Third party claims recoveries	-	(950 919)	-	(950 919)
Insurance service result	(479 330 296)	529 148 157	151 425	49 969 286
Premium debtors to LIC	1 662 823	(1 662 823)	-	-
Cash flows				
Premiums received	477 667 472	-	-	477 667 472
Incurred claims and other insurance service expenses paid	-	(517 603 935)	-	(517 603 935)
Total cash flows	477 667 472	(517 603 935)	-	(39 936 463)
Net closing balance	-	24 092 048	2 545 441	26 637 488
Closing asset	-	-	-	-
Closing liability	-	24 072 046	2 545 441	26 617 487
Net closing balance	-	24 072 046	2 545 441	26 617 487
Closing liabilities				
Liability for incurred claims (note 6)				33 144 698
Insurance payables				(9 695 839)
Insurance receivables				3 168 628
				26 617 487

* LFRC - Liability for Remaining Coverage

** LIC - Liability for Incurred Claims

*** BEL - Best Estimate Liability

**** RA - Risk Adjustment

6. LIABILITY FOR INCURRED CLAIMS

Liability for incurred claims

	2025	2024
	Not covered by risk transfer arrangements	Not covered by risk transfer arrangements
	R	R
	32 454 422	33 144 698
	32 454 422	33 144 698
Analysis of movements in the liability for incurred claims		
Balance at beginning of year	33 144 698	22 430 838
Payments in respect of prior year	(23 527 836)	(20 447 238)
Reversal of prior period risk adjustment	(5 508 641)	-
Over provision in the prior year	4 108 221	1 983 600
Adjustment for current year	28 346 201	31 161 098
Balance at end of year	32 454 422	33 144 698

Assumptions and sensitivity

Process used to determine the assumptions

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

The provision is based on information currently available. However, the ultimate liabilities may vary as a result of subsequent developments. The impact of many of the items affecting the ultimate costs of the loss is difficult to estimate. The provision estimation difficulties also differ by category of claims (e.g. in-hospital and chronic benefits) due to differences in the underlying insurance contract, claim complexity, the volume of claims, the individual severity of claims, determining the occurrence date of a claim, and reporting lags.

Method used to determine the assumptions

The Chain Ladder method is used to estimate the most likely cost of outstanding claims. This method extrapolates the development of paid and incurred claims to estimate the ultimate claim numbers for each benefit month based upon observed developments of earlier months. Run-off triangles (as per the Chain Ladder method) are used where it takes time after the treatment date until the full extent of the claims to be paid is known. It is assumed that payments will emerge in a similar way in each service month. The proportional increase in the known cumulative payments from one development month to the next can then be used to calculate payments for future development months.

The Chain Ladder method used varies by benefit month being considered, categories of claims and observed historical claims developments. To the extent that this method uses historical claims development information they assume that the historical claims development pattern will occur again in the future. There are reasons why this may not be the case, which, insofar as they can be identified, have been allowed for. Such reasons include:

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

The accuracy of the model is evaluated against actual known cumulative payments experienced after the reporting date insofar as these claims payments relate to the financial year end. The provision is revised if necessary, as with each additional month of claims payment data, the claims incurred and hence the provision at reporting date becomes an actual known amount.

Assumptions

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

The percentages used as assumptions are listed in the table below. The table also outlines the sensitivity of these percentages, and the impact on the Scheme’s liabilities if an incorrect assumption is used.

Other assumptions

- » the claims provision is not discounted;
- » a constant proportion of total claims arising within a service month in subsequent months;
- » the claims are assumed to be fully run-off within one year;
- » the pattern of the inflation in the existing data will be projected into the future;
- » any distortions as a result of once-off events are isolated from the claims data set; and
- » claims are assumed to have a stable run-off pattern.

The assumed percentages of claims outstanding at the end of the period:

	2025	2024
	%	%
Claims outstanding for:		
» December	62	62
» November	13	11
» October	5	3
» September	2	2
» August and prior	1	0

Changes in assumptions and sensitivities to changes in key variables

The table below outlines the sensitivity of insured liability estimates to particular movements in assumptions used in the estimation process. It should be noted that this is a deterministic approach with no correlations between the key variables.

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

An analysis of sensitivity around various scenarios for the general medical insurance business provides an indication of the adequacy of the Scheme's estimation process. The Scheme believes that the liability for claims reported in the statement of financial position is adequate. However, it recognises that the process of estimation is based upon certain variables and assumptions which could differ when claims arise.

The impact of the sensitivity of the assumed percentages for the four-month period September until December, are set out below:

	Increase in liability 2025	Increase in liability 2024
	R	R
Effect of a 1% increase in assumed percentage	1 252 486	1 192 728
Effect of a 2% increase in assumed percentage	2 537 928	2 411 517
Effect of a 3% increase in assumed percentage	3 853 453	3 657 236

7. TRADE AND OTHER PAYABLES

	2025	2024
	R	R
Financial liabilities		
Other payables and accrued expenses	1 519 313	1 512 560

8. INSURANCE REVENUE

Gross insurance revenue	507 929 145	479 330 296
Net contribution impairment gain/(loss) on healthcare receivables	48 582	(272 111)
Insurance revenue	507 977 727	479 058 185

9. CLAIMS INCURRED

Current year claims

2025	2024
R	R
493 345 872	471 831 963

10. MANAGED CARE: MANAGEMENT SERVICES

Specialist, hospital referrals and pre-authorisations
 Pharmacy benefit management
 Disease risk management
 Specialist network management
 GP network management

3 164 292	3 015 321
2 872 723	2 737 648
2 548 416	2 428 094
1 633 919	1 374 530
175 667	175 601
10 395 017	9 731 194

11. ATTRIBUTABLE EXPENSES INCURRED

Actuarial fees
 - INBR calculations
 - Pricing and benefit design
 Administration fees paid in respect of accredited services:
 - Administrator
 - Administration expenditure: benefit management services (not accredited managed care)
 Third party claims recovery administration fees

166 221	158 769
941 919	899 691
16 875 160	15 824 058
554 462	521 265
130 958	122 463
18 668 720	17 526 246

12. ADMINISTRATION AND OTHER OPERATING EXPENSES

	2025	2024
	R	R
Audit fees		
- Audit service	572 907	558 781
- Audit service prior year over provision	(14 738)	-
- Audit expenses (internal)	292 609	274 277
Bank charges	276 660	199 303
Board of Healthcare Funders' levies	128 175	120 986
Commission	2 096 124	1 984 647
Compliance and governance services	1 933 676	1 812 657
Council for Medical Schemes' levies	374 148	355 561
AGM costs	50 691	47 735
Fidelity guarantee and professional indemnity insurance premium	77 082	73 412
Forensic investigations and recovery fees	416 405	390 668
Year-end function	-	11 410
Principal Officer's fees	667 815	633 000
Printing & stationery	164 705	131 009
Scheme management services	7 269 275	6 892 979
Travel and entertainment	22 677	22 997
	14 328 211	13 509 422

12.1 TRUSTEES' AND PRINCIPAL OFFICER EXPENSES

The following records the remuneration and consideration paid to officers of the Scheme during the year:

Fees for consultancy services

Paid to the Principal Officer

	667 815	633 000

13. NET IMPAIRMENT ON HEALTHCARE RECEIVABLES

Members' and service providers' portions that are not recoverable

	(130 796)	245 823
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Movement in the allowance account for expected credit losses

	(130 796)	245 823
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14. INVESTMENT INCOME

Interest income

	7 060 930	6 944 929
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15. REALISED GAINS ON DISPOSAL OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Realised gains on disposal of financial assets at fair value through profit or loss

2025	2024
R	R
91 617 013	35 886 380

16. SURPLUS AFTER INVESTMENT INCOME, OTHER INCOME AND EXPENDITURE, PER BENEFIT OPTION

	Imperial Motus Med Health Plan	Imperial Motus Med Budget Plan	Imperial Motus Med
2025	R	R	R
Insurance revenue	458 514 436	49 463 291	507 977 727
Insurance service expenses	(489 164 334)	(55 386 076)	(544 550 410)
Claims incurred	(447 036 806)	(46 309 066)	(493 345 872)
Changes that relate to past service - adjustments to the LIC	(18 956 188)	(3 881 372)	(22 837 560)
Net impairment on healthcare receivables	(118 057)	(12 739)	(130 796)
Third party claim recoveries	681 495	146 060	827 555
Managed care: management services	(8 559 680)	(1 835 337)	(10 395 017)
Attributable expenses incurred	(15 175 098)	(3 493 622)	(18 668 720)
Insurance service result	(30 649 898)	(5 922 785)	(36 572 683)
Other income	141 418 351	28 159 468	169 577 819
Investment income	6 372 624	688 306	7 060 930
Sundry income	30 894	6 679	37 573
Unrealised gains on investments at fair value through profit or loss	58 044 804	12 817 499	70 862 303
Realised gains on financial assets	76 970 029	14 646 984	91 617 013
Other income and expenditure	(13 398 650)	(2 632 624)	(16 031 274)
Administration and other expenses	(11 996 632)	(2 331 579)	(14 328 211)
Asset management fees	(1 402 018)	(301 045)	(1 703 063)
Total comprehensive income for the year	97 369 803	19 604 059	116 973 862

	Imperial Motus Med Health Plan	Imperial Motus Med Budget Plan	Imperial Motus Med
2024	R	R	R
Insurance revenue	438 624 386	40 433 799	479 058 185
Insurance service expenses	(483 279 794)	(45 773 965)	(529 053 759)
Claims incurred	(432 910 335)	(38 921 628)	(471 831 963)
Changes that relate to past service - adjustments to the LIC	(28 463 817)	(2 697 281)	(31 161 098)
Net impairment on healthcare receivables	227 421	18 402	245 823
Third party claim recoveries	804 840	146 079	950 919
Managed care: management services	(8 249 837)	(1 481 357)	(9 731 194)
Attributable expenses incurred	(14 688 066)	(2 838 180)	(17 526 246)
Insurance service result	(44 655 408)	(5 340 166)	(49 995 574)
Other income	79 121 820	13 358 661	92 480 481
Investment income	6 359 354	585 575	6 944 929
Sundry income	75 804	14 647	90 451
Unrealised gains on investments at fair value through profit or loss	42 040 710	7 518 011	49 558 721
Realised gains on financial assets	30 645 952	5 240 428	35 886 380
Other income and expenditure	(12 965 255)	(2 124 852)	(15 090 107)
Administration and other expenses	(11 625 385)	(1 884 037)	(13 509 422)
Asset management fees	(1 339 870)	(240 815)	(1 580 685)
Total comprehensive income for the year	21 501 157	5 893 643	27 394 800

17. PROFESSIONAL INDEMNITY AND FIDELITY GUARANTEE INSURANCE

In accordance with the Rules, the Scheme has a fidelity policy underwritten by Camargue Underwriting Managers (Pty) Ltd (policy number: 2023/88932) in the name of the Scheme which, at 31 December 2025, amounted to R40 million (2024: R40 million).

18. RELATED PARTY TRANSACTIONS

Background information

Related entities include	Relationship
Momentum Health (Pty) Ltd	Administrator
Momentum Health (Pty) Ltd	Managed care provider
NMG Consultants and Actuaries (Pty) Ltd	Actuaries
Imperial Logistics (Pty) Ltd	Employer
Motus Holdings Limited	Employer
Medi Call (Pty) Ltd	Key management personnel
Board of Trustees	Key management personnel
Principal Officer	Key management personnel

Parties with significant influence over the Scheme

Momentum Health (Pty) Ltd has significant influence over the Imperial and Motus Medical Aid, as Momentum Health (Pty) Ltd participates in Imperial and Motus Medical Aid's financial and operating decisions, but does not control Imperial Group Medical Scheme. Momentum Health (Pty) Ltd provides administration services.

Managed care organisation, Momentum Health (Pty) Ltd, a wholly owned subsidiary of Momentum Metropolitan Holdings Ltd, has significant influence over the Scheme as a managed care provider, but does not control the Scheme.

NMG Consultants and Actuaries (Pty) Ltd, has significant influence over the Scheme as the actuarial consultants but does not control the Scheme.

Medi Call (Pty) Ltd has significant influence over the Scheme as the Scheme's management services provider but does not control the Scheme.

Key management personnel and their close family members

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Scheme. Key management personnel include the Board of Trustees and the Principal Officer. The Trustees are employed by Imperial and Motus Holdings Limited.

Close family members include close family members of the Board of Trustees and the Principal Officer.

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

Transaction	Nature of transactions and terms and conditions thereof
Contributions received	This constitutes the contributions paid by the related party as a member of the Scheme, in their individual capacity. All contributions were at the same terms as applicable to other members.
Claims incurred	This constitutes amounts claimed by the related parties, in their individual capacity as members of the Scheme. All claims were paid out in terms of the Rules of the Scheme.
Contribution debtor	This constitutes outstanding contributions payable. The amounts are due immediately. No provisions for doubtful debts have been raised on these amounts.
Administration fees	The administration agreement is in terms of the Rules of the Scheme and in accordance with instructions given by the Trustees of the Scheme. The agreement shall continue for an initial period of three years from 1 January 2011; thereafter it is automatically renewed each year unless notification of termination is received. The Scheme has the right to terminate the agreement on six months' notice. The outstanding balance bears no interest and is due within seven days of the month to which it relates. The contract with Metropolitan Health Corporate (Pty) Ltd was ceded to Momentum Health (Pty) Ltd effective 1 January 2017.
Managed care fees	The managed care agreement is in terms of the Rules of the Scheme and in accordance with instructions given by the Trustees of the Scheme. The agreement shall continue for an initial period of three years from 1 January 2011; thereafter it is automatically renewed each year unless notification of termination is received. The Scheme has the right to terminate the agreement on six months' notice. The outstanding balance bears no interest and is due within seven days of the month to which it relates. The contract with Metropolitan Health Corporate (Pty) Ltd was ceded to Momentum Health (Pty) Ltd effective 1 January 2017.
Actuarial fees	The actuarial agreement is in accordance with instructions given by the Trustees of the Scheme. The agreement is automatically renewed each year unless notification of termination is received. Either party has the right to terminate the agreement on 120 days' notice. The outstanding balance bears no interest and is due within 30 days.
Scheme management services	The Medi Call agreement is in terms of the agreement between the Scheme and Medi Call and in accordance with instructions given by the Trustees of the Scheme. The agreement is automatically renewed each year unless notification of termination is received. The Scheme or the Scheme Manager may terminate the agreement by giving the other Party no less than six calendar months' written notice. The outstanding balance bears no interest and is due within 30 days.

Transactions with entities that have significant influence over the Scheme:

	2025	2024
	R	R
Statement of comprehensive income		
Administration fees	20 022 243	18 774 307
Managed care fees	10 395 017	9 731 194
Actuarial fees	1 108 140	1 058 460
Statement of financial position		
Managed care fees due	52 245	47 726
Scheme management service fees due	597 696	573 870
Principal Officer fees due	-	52 750
Transactions with key management personnel:		
Statement of comprehensive income		
Trustee and Principal Officer - Contributions received	749 388	704 958
Trustee and Principal Officer - Claims incurred	815 455	699 911
Principal Officer fees	667 815	633 000
Scheme management service	7 269 275	6 892 979

19. INSURANCE RISK MANAGEMENT

Risk management objectives, policies, processes and methods for mitigating insurance risk

The primary insurance activity carried out by the Scheme assumes the risk of loss from members and their dependants that are directly subject to the risk. These risks relate to the health of the Scheme members. As such the Scheme is exposed to the uncertainty surrounding the timing and severity of claims under the contract. The Scheme also has exposure to market risk through its insurance and investment activities.

The Board of Trustees looks at overall risk including insurance risk. The Board of Trustees is responsible for recommending any changes to the benefit options to ensure that the Scheme's exposure to insurance risk remains within the specified levels. Reference has also been made to the Medical Schemes Act when recommending changes.

The Board of Trustees determines whether or not the Scheme should enter into any risk transfer arrangements.

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

The Scheme uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. The Scheme analyses the distribution of claims per category

of claim, average age of members per member group, average age per benefit option, actual number of members per benefit option and the geographic distribution of members.

The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims are greater than expected. Insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

The Scheme re-rates the Scheme benefits annually, to ensure that the necessary underwriting surplus or loss is maintained or minimised relative to the risk exposure. It is relatively easy to access the future claim payments since the large majority is lodged soon after the year end before the four-month expiration of claims period comes into effect.

The tables below summarise the concentration of insurance risk, with reference to the carrying amount of the insurance claims incurred, by age group and in relation to the type of risk covered/benefits provided.

2025

Age grouping (in years)		General Practitioners and Specialists	Allied Health	Auxiliary Services	Medicines	Hospital	Other	Total
		R	R	R	R	R	R	R
< 26	Net	28 337 559	7 421 883	4 081 925	12 418 528	39 860 980	5 723 880	97 844 755
26 - 35	Net	22 923 248	2 598 733	2 951 367	10 738 587	22 274 725	2 432 232	63 918 892
36 - 50	Net	51 013 982	10 617 507	8 002 444	25 433 933	48 628 941	4 753 240	148 450 047
51 - 65	Net	37 090 534	6 265 022	5 595 988	20 031 899	39 040 035	3 574 498	111 597 976
> 65	Net	22 892 742	4 186 712	3 502 689	10 934 294	28 845 132	1 172 633	71 534 202
Total current year claims	Net	162 258 065	31 089 857	24 134 413	79 557 241	178 649 813	17 656 483	493 345 872

2024

Age grouping (in years)		General Practitioners and Specialists	Allied Health	Auxiliary Services	Medicines	Hospital	Other	Total
		R	R	R	R	R	R	R
< 26	Net	29 337 324	6 390 428	3 653 970	12 077 515	36 802 078	5 275 469	93 536 784
26 - 35	Net	21 362 079	3 116 234	2 711 541	8 824 170	22 313 665	2 296 068	60 623 757
36 - 50	Net	48 256 504	9 667 466	7 643 243	23 263 539	48 531 372	4 586 060	141 948 184
51 - 65	Net	34 417 203	5 964 035	4 724 336	17 768 898	36 223 350	2 958 657	102 056 479
> 65	Net	23 059 590	3 992 932	4 140 661	10 295 509	30 990 997	1 187 070	73 666 759
Total current year claims	Net	156 432 700	29 131 095	22 873 751	72 229 631	174 861 462	16 303 324	471 831 963

General practitioner benefits cover the cost of all visits by members to general practitioners and of the procedures performed by them.

Specialist benefits cover the cost of all visits by members to specialists and in and out of hospital procedures performed by specialists. Specialist benefits also include radiology and pathology benefits provided to members.

Dentistry benefits cover the cost of all visits by members to dental practitioners and the procedures performed by them, up to a prescribed annual limit per member.

Optometry benefits cover the cost of all visits by members to optometrists, the cost of prescribed glasses and contact lenses and the cost of procedures performed by optometrists, up to a prescribed annual limit per member.

Medicine benefits cover the cost of all medicines prescribed to members, up to a prescribed annual limit per beneficiary.

Hospital benefits cover all costs incurred by members, while they are in hospital to receive pre-authorised treatment for certain medical conditions.

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

The strategy is set out in the annual business plan, which specifies the benefits to be provided, the preferred target market and demographic split thereof.

All the contracts are annual in nature and the Scheme has the right to change the terms and conditions of the contract at renewal. Management information, including contribution income and claims ratios by option, target market and demographic split, is reviewed monthly. There is also an underwriting review programme that reviews a sample of contracts on a quarterly basis to ensure adherence to the Scheme's objectives.

20. CAPITAL MANAGEMENT

The Scheme's objective is to manage its capital in such a way that the annual contribution increase to members is as low as possible, and if possible in line with the participating employer's salary increases. The Scheme therefore decided to use some of its investment income to fund deficits that might occur as a result of operational losses.

Capital adequacy risk is the risk that there may be insufficient reserves to provide for adverse variations on actual and future experience. The Scheme monitors capital using a solvency ratio, which is accumulated funds divided by gross contributions.

The Medical Schemes Act requires the Scheme to maintain a solvency ratio of 25%. The Scheme's solvency ratio as at 31 December 2025 was 134.6% (2024: 133.1%), which is well above this required minimum.

This measure of capital is consistent with the prior year, and there have been no changes in the Scheme's objectives, policies and procedures for managing capital from 31 December 2024 to 31 December 2025.

21. FINANCIAL RISK MANAGEMENT

The Scheme’s activities expose it to a variety of financial risks, including the effects of changes in equity market prices, foreign currency exchange rates and interest rates. The Scheme’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potentially adverse effects on the financial performance of the investments that the Scheme holds to meet its obligations to its members. The most important components of these financial risks are market risk and credit risk.

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

	2025	2024
	R	R
Financial assets at fair value through profit and loss	608 784 765	531 755 323
Cash and cash equivalents	300 120 302	260 360 974
Trade and other receivables	97 717	107 951
Liability to members for future benefits	881 068 063	764 094 201
Insurance contract liability	26 415 408	26 617 487
Trade and other payables	1 519 313	1 512 560

Financial risk management strategy and policy

Risk management and investment decisions are made under the guidance and policies approved by the Board of Trustees. The Trustees identify, evaluate and economically hedges (where appropriate) financial risks associated with the Scheme’s investment portfolio. They provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investing excess liquidity.

The investment objectives are to maximise the return on its investments on a long-term basis at minimal risk. The investment strategy takes into consideration both constraints imposed by legislation and those imposed by the Board of Trustees.

Market risk

Interest rate risk

The Scheme’s investment policy is to hold the majority of investments in interest bearing instruments. The majority of the Scheme’s investments are exposed to changes in market interest rates.

Interest rate risk - sensitivity analysis

Sensitivity of members’ funds due to changes in the interest rate

The impact has been evaluated by looking at the change to total comprehensive income and total members’ funds based on a decrease of 1% or decrease of 5% in the market interest rates

applicable at 31 December 2025, for each class of financial instrument with all other variables remaining constant as follows:

Sensitivity analysis table at 31 December 2025

	2025 Actual	Interest rate decreases by 1%	Interest rate decreases by 5%
	R	R	R
Change in interest bearing financial assets through profit or loss	207 381 982	(2 073 820)	(10 369 099)
Change in cash and cash equivalents	300 120 302	(3 001 203)	(15 006 015)

	2024 Actual	Interest rate decreases by 1%	Interest rate decreases by 5%
	R	R	R
Change in interest bearing financial assets through profit or loss	194 459 613	(1 944 596)	(9 722 981)
Change in cash and cash equivalents	260 360 974	(2 603 610)	(13 018 049)

The above sensitivity analysis is based on the following assumptions:

- » changes in the market interest rates affect the interest income or expense of variable interest financial instruments; and
- » the financial assets and liabilities at 31 December 2025 remain until maturity or settlement without any action by the Scheme to alter the resulting interest rate exposure.

Equity price risk management

The Scheme is exposed to equity price risks resulting from the equity investments in the underlying policies and portfolios it invests in. The equity instruments are indirectly held by the Scheme in terms of its investment strategy and restrictions exerted by the Medical Schemes Act.

No specific concentration of risk exist for the equity price risk as the investments are diversified to minimise the risk to the Scheme.

The table overleaf details the Scheme's sensitivity to a 1% or 5% decrease/increase in the fair value of the instruments. The sensitivity analysis includes equity backed investments and illustrates the impact on the surplus or deficit and total members' funds at year end.

Equity price risk sensitivity analysis

	2025 Actual	JSE ALSI decreases by 1%	JSE ALSI decreases by 5%
	R	R	R
Change in equity backed by financial assets through profit or loss	401 402 783	(2 513 450)	(12 998 088)
Total comprehensive income for the year	116 973 862	114 460 412	103 975 774
Liability to future members	881 068 063	878 554 613	868 069 975

	2024 Actual	JSE ALSI decreases by 1%	JSE ALSI decreases by 5%
	R	R	R
Change in equity backed by financial assets through profit or loss	337 295 710	(2 196 572)	(10 997 977)
Total comprehensive loss for the year	27 394 800	25 198 228	16 396 823
Liability to future members	764 094 201	761 897 629	753 096 224

The equity price sensitivity analysis is based on the following assumptions:

The sensitivity analysis for equity instruments are based on the assumption that all the shares per the Johannesburg Stock Exchange All Share index (JSE ALSI) decrease by 1% or 5%.

Currency risk

The Scheme operates in South Africa and therefore its cash flows are denominated in South African rand (ZAR). The investment managers invest in a foreign collective investment scheme comprising call accounts and unsettled cash balances, which exposes the Scheme to foreign currency risk resulting from fluctuations in foreign exchange rates during the year.

For purposes of seeking investment diversification, the Scheme has invested 2.64% (2024: 2.60%) of its investable assets in an offshore account. As at 31 December 2025, this equates to R19.0m (2024: R20.3m).

Credit risk

The Scheme's principal financial assets exposed to credit risk are cash and cash equivalents, trade and other receivables and financial assets at fair value through profit and loss. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Cash transactions are limited to high credit quality financial institutions.

The Scheme manages the credit risk, specifically relating to trade and other receivables, by ensuring it applies a strict credit policy.

Cash and cash equivalents

The credit risk on liquid funds is limited because the counter parties are financial institutions with high credit ratings.

Credit risk exposure	Amount	Counter party	Credit rating
2025	R		
<i>Cash and cash equivalents</i>	14 938 109	ABSA	BB-
	627 797	FirstRand	B+
	29 393 711	Investec	BB-
	166 509 523	Nedbank	BB
	73 221 155	Standard Bank	BB-
	13 506 967	Citibank	A+
	1 923 039	Coronation call account	AA+

Credit risk exposure	Amount	Counter party	Credit rating
2024	R		
<i>Cash and cash equivalents</i>	28 001 747	ABSA	BB-
	2 486 985	FirstRand	BB-
	17 831 592	Investec	BB-
	135 717 804	Nedbank	BB-
	69 606 951	Standard Bank	BB-
	4	HSBC	AA-
	2	China Construction Bank	A
	4 517 761	Citibank	A
	2 198 128	Coronation call account	B-

The credit risk exposure on trade and other receivables has been set out on page 54 of these annual financial statements.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations as they fall due in the ordinary course of business. The availability of funding through liquid holding cash positions with various financial institutions ensures that the Scheme has the ability to fund its day-to-day operations.

The table overleaf summarises the Scheme's maturity analysis of insurance and other payables as well as insurance and other receivables and the expected maturity analysis for the outstanding claims provision.

The liquidity risk analysis is based on the following assumptions:

- » The outstanding claims provision is based on an estimate of the payments to be made within the first four months after becoming due, as per the Scheme Rules, or unless otherwise arranged; and
- » The maturity of trade and other payables is based on the pre-defined regulatory contractual terms.

	Up to 1 month	Between 1 and 3 months	More than 3 months	Total
	R	R	R	R
2025				
LIABILITIES				
Current liabilities				
Insurance contract liability to present members	16 090 935	4 320 416	6 004 057	26 415 408
Trade and other payables	1 519 313	-	-	1 519 313
Total current liabilities	17 610 248	4 320 416	6 004 057	27 934 721
ASSETS				
Current assets				
Cash and cash equivalents	300 120 302	-	-	300 120 302
Trade and other receivables	97 717	-	-	97 717
Total current assets	300 218 019	-	-	300 218 019
	282 607 771	(4 320 416)	(6 004 057)	272 283 298

	Up to 1 month	Between 1 and 3 months	More than 3 months	Total
	R	R	R	R
2024				
LIABILITIES				
Current liabilities				
Insurance contract liability to present members	13 678 775	9 875 227	3 063 485	26 617 487
Trade and other payables	1 512 560	-	-	1 512 560
Total current liabilities	15 191 335	9 875 227	3 063 485	28 130 047
ASSETS				
Current assets				
Cash and cash equivalents	260 360 974	-	-	260 360 974
Trade and other receivables	107 951	-	-	107 951
Total current assets	260 468 925	-	-	260 468 925
	245 277 590	(9 875 227)	(3 063 485)	232 338 878

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable.

- » **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- » **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- » **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable market data).

2025

Financial assets at fair value through profit and loss

Sygnia (insurance policy) (recurring)

Total available-for-sale investments

	Level 1	Level 2	Level 3
	R	R	R
Sygnia (insurance policy) (recurring)	-	608 784 765	-
Total available-for-sale investments	-	608 784 765	-

2024

Financial assets at fair value through profit and loss

Sygnia (insurance policy) (recurring)

Total available-for-sale investments

	Level 1	Level 2	Level 3
	R	R	R
Sygnia (insurance policy) (recurring)	-	531 755 323	-
Total available-for-sale investments	-	531 755 323	-

Credit risk - trade and other receivables

	Fully performing	Past due	Impairment	Net
	R	R	R	R
2025				
Insurance receivables	9 623 930	1 190 038	(952 993)	9 860 975
- Insurance outstanding	9 603 517	204 296	(20 034)	9 787 779
- Recoveries from members	9 176	263 108	(271 476)	808
- Supplier overpayments	11 237	722 634	(661 483)	72 388
Other receivables	97 717	-	-	97 717
Cash and cash equivalents	300 120 302	-	-	300 120 302
	309 841 949	1 190 038	(952 993)	310 078 994

2024				
Insurance receivables	9 574 861	1 048 095	(927 118)	9 695 838
- Insurance outstanding	9 490 361	125 687	(73 031)	9 543 017
- Recoveries from members	80 006	253 267	(269 066)	64 207
- Supplier overpayments	4 494	669 141	(585 021)	88 614
Other receivables	107 951	-	-	107 951
Cash and cash equivalents	260 360 974	-	-	260 360 974
	270 043 786	1 048 095	(927 118)	270 164 763

Age analysis of past due amounts:

	30 days	60 days	90 days +	Net
	R	R	R	R
2025				
Insurance receivables	212 815	31 792	945 431	1 190 038
- Contributions outstanding	155 186	36 110	13 000	204 296
- Recoveries from members	19 611	5 173	238 324	263 108
- Supplier overpayments	38 018	(9 491)	694 107	722 634
	212 815	31 792	945 431	1 190 038

	30 days	60 days	90 days +	Net
	R	R	R	R
2024				
Insurance receivables	158 754	38 170	851 171	1 048 095
- Contributions outstanding	93 333	9 773	22 581	125 687
- Recoveries from members	26 472	12 356	214 439	253 267
- Supplier overpayments	38 949	16 041	614 151	669 141
	158 754	38 170	851 171	1 048 095

22. TAXATION

The Scheme is exempt from income tax in terms of Section 10(1)(d) of the Income Tax Act.

23. CRITICAL ACCOUNTING JUDGEMENTS AND AREAS OF KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Scheme's accounting policies, the Trustees have made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

1. Provision for outstanding claims is made based on various factors as discussed in note 6.
2. The Scheme's financial instruments are measured at fair value as indicated in note 1 and it is usually possible to determine their fair values within a reasonable range of estimates.
3. Provision is made for impairment of debt according to historical trends in the recoverability based on the ageing.

The following amounts are provided for:

- » Arrear contributions older than 120 days;
- » Any amounts due from pensioners, resigned members and deceased members; and
- » Supplier debt over 120 days.

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

24. COMMITMENTS

There were no commitments for capital expenditure as at 31 December 2025 (2024: nil).

25. NON-COMPLIANCE MATTERS

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

Contravention of Section 26(7)

Nature and impact

In terms of Section 26(7) of the Act, contributions must be paid directly to a medical scheme by no later than three business days after payment becomes due. Amounts were received after the prescribed three business days of the month following the last business day on which it became due, as stipulated in the Rules.

Causes for the failure

Premiums reconciliations typically take more than three days to be resolved, and instances of non-compliance might occur. This is common in the industry and is not viewed as material.

Corrective action

The Scheme has strict credit control policies to minimise the risk of non-recovery.

Contravention of Section 35(8)(a) and (c)

Nature and impact

In terms of Section 35(8)(a) and (c) of the Act, a Scheme shall not invest any of its assets in an employer who participates in the medical scheme or any administrator associated with the medical scheme.

Causes for the failure

The Scheme holds indirect investments in Motus Holdings Limited through its linked insurance policy investment with Sygnia Life Limited.

The Scheme also holds indirect investments in Momentum Group Limited (holding company of the administrator), Sanlam Limited and Discovery Holdings (holding companies of medical scheme administrators) through its linked insurance policy investment with Sygnia Life Limited.

Corrective action

The non-compliance is as a result of the Scheme's assets being invested in a linked policy of insurance. The Scheme does not dictate to the asset managers which investment holding to purchase. These investments are part of the total insured portfolio and selling this non-compliant investment would result in the complete sale of the entire portfolio.

A new application for exemption was submitted to the Registrar on 5 May 2025 and approved by the Registrar. The exemption will be valid for a period of three years, effective 1 December 2025 to 30 November 2028.

Contravention of Regulation 30

Nature and impact

In terms of Section 6(a) of Annexure B to Regulation 30 of the Act, a scheme may not hold more than 90% of the sum of its Regulation 29 assets in a policy of insurance.

Causes for the failure

The Scheme utilises a policy of insurance in the name of Sygnia Life for its equity exposure and does not have control over the investment decisions relating to the underlying assets. As a result of increases in the equity market, the Scheme breached the 90% maximum exposure.

Corrective action

The Scheme corrected the non-compliance in December 2025 by rebalancing its investment portfolio.

Contravention of Section 33(2) of the Medical Schemes Act

Nature and impact

In terms of the Medical Schemes Act, each benefit option shall be self-supporting in terms of membership and financial performance and should be financially sound. As at 31 December 2025, both options of the Scheme reported a net healthcare deficit position, thereby contravening Section 33(2) of the Act.

The Scheme reported a net healthcare deficit of R50.9 million as at 31 December 2025 (2024 deficit: R63.5 million).

Causes for the failure

In an attempt to reduce the high solvency ratio, as calculated per CMS Regulations, the Scheme introduced the General Benefit with effect from 1 January 2024 and continued to offer this benefit during 2025.

Corrective action

No corrective action is required, as the Trustees believe that the Scheme has sufficient funds in cash and investments. The Scheme reported a healthy reserve ratio of 134.6% for the year ending 31 December 2025 (December 2024: 133.1%) when calculated as per CMS Regulations. The Trustees continue to monitor the reserves of the Scheme.

26. EVENTS AFTER REPORTING DATE

At the date of finalisation of the annual financial statements there were no material events that occurred subsequent to the reporting date that required adjustments to the amounts recognised in the annual financial statements.

27. GOING CONCERN

The Trustees have made an assessment of the ability of the Scheme to continue as a going concern based on an actuarial analysis. The Trustees believe the Scheme will be a going concern in the year ahead.

TRUSTEE NOMINATION FORM

IMPERIAL AND MOTUS MEDICAL AID

The Board of Trustees consists of six Trustees, three of whom are appointed by Imperial Logistics (Pty) Ltd and Motus Holdings Limited, and three elected by the members of Imperial Motus Med. One of the member-elected Trustees, Ms A Sarria, has reached the end of her term of office and is not available for re-election, as she tendered her resignation as a member-elected Trustee.

PLEASE NOTE THAT ONLY ONE NOMINATION IS REQUIRED PER NOMINEE.

PLEASE USE BLOCK LETTERS.

I nominate _____ to fill the position of Trustee
PLEASE PRINT FULL NAME AND SURNAME

on the Board of Trustees of the Imperial and Motus Medical Aid for the ensuing period.

Signature of **NOMINEE**: _____

NOMINEE'S membership number: _____

PROPOSING MEMBER'S name: _____

PROPOSING MEMBER'S membership number: _____

Signature of **PROPOSING MEMBER**: _____

SECONDING MEMBER'S name: _____

SECONDING MEMBER'S membership number: _____

Signature of **SECONDING MEMBER**: _____

Date _____ 2026

NOTE:

1. Please return the completed nomination form and an abbreviated curriculum vitae (CV)* of the nominated person to:

The Principal Officer
Imperial and Motus Medical Aid
No 1 South Park
66 South Road
Linden Extension
Gauteng
2194

OR email it to proxy@tmsmeetings.co.za by no later than **Tuesday, 7 July 2026**.

2. Omission of any of the above-mentioned information will invalidate this nomination form.
3. Please provide a telephone number and email address for the nominee to facilitate the provision of relevant documentation:

Telephone number of **NOMINEE**: _____

Email address of **NOMINEE**: _____

* The abbreviated CV should contain the following information:

- » contact details;
- » current position and company;
- » any previous experience with regard to medical schemes; and
- » qualifications.

Only one nomination per nominee is required.

Voting takes place at the AGM and the number of votes at the AGM and proxies received will determine who is appointed as the new member-elected Trustee.

IMPORTANT NOTE:

The closing date for Trustee nominations is at close of business on Tuesday, 7 July 2026. No nominations after this date will be accepted.

PROXY FORM

IMPERIAL AND MOTUS MEDICAL AID

I, _____, being a member of Imperial and Motus Medical Aid, do hereby appoint _____, who is a member of this Scheme or, failing him/her, the Chairman of the meeting, as my proxy to attend and vote on my behalf at the Annual General Meeting convened for Wednesday, 15 July 2026 at 15:00.

Dated this _____ day of _____ 2026.

Signature of **MEMBER**: _____


MEMBER'S membership number: _____

Signature of **PROXY**: _____

PROXY'S membership number: _____

Please return this proxy by email to proxy@tmsmeetings.co.za to reach the Principal Officer, through The Meeting Specialist (Pty) Ltd, by 12:00 on Monday, 13 July 2026, which is 48 hours before the actual meeting on 15 July 2026 at 15:00.



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