| ANNUAL REPORT | 2009

Healthcare for Professionals

PROFMED

NOTICE of Annual General Meeting

Notice to members

Notice is hereby given that the 39th Annual General Meeting ("the meeting") of the members of Profmed will be held at 15 Eton Road, Parktown, Johannesburg on Thursday 3 June 2010, at 15h30.

Agenda:

1. To receive and adopt the annual financial statements for the year ended 31 December 2009 (including the reports of the trustees and the auditors of Profmed).

2. To re-appoint PricewaterhouseCoopers Inc. as the auditors of Profmed for 2010/11 in terms of rule 27 of the Rules of Profmed.

3. To confirm the 2009 remuneration of the trustees.

4. To announce the election of two trustees in accordance with the Rules of Profmed.

5. To transact such other business as may be transacted at the Annual General Meeting (subject to the Rules of Profmed, and in particular rule 28.1.6, and the provisions of the Medical Schemes Act No. 131 of 1998, as amended).

By order of the Board of Trustees.

Graham R Anderson
Principal Officer

CONTENTS

This Annual Report includes the annual financial statements presented to members.

CHAIRMAN'S REPORT

Time for change

I took up the reins as Chairman of Profmed seven years ago. They have been seven memorable years, which have seen transformation at Profmed. But the time has come to usher in fresh, innovative leadership on the Board. I will therefore be vacating the Chair at the next annual general meeting and believe it is opportune for me to take stock and reflect on the years that have been, and to share my vision of Promed's future with you.

On reflection

Profmed is 51 years old. In 1959, PPS first offered medical cover to its members, a development that was formalised ten years later when Profmed was officially registered as a medical scheme in 1969. In 2000, Profmed became an independent body in terms of the Medical Schemes Act, but continued to be managed and administered by PPS. Due to a lack of understanding and knowledge of the medical scheme industry at that time, and only after the appointment of trustees with the appropriate skills and knowledge, did Profmed's dire circumstances become apparent. Profmed's administration was inefficient and the benefit design inappropriate.

When I was elected chairman in 2003, Profmed was in crisis. Service levels were dismal, membership numbers were steadily declining and Profmed's solvency had plunged to 8,3% – far below the 25% minimum statutory requirement. The Board had to act fast and decisively. Graham Anderson was appointed as Principal Officer, a business plan was implemented and a new administrator was appointed.

The present

Over time, Profmed took control of its destiny and has consolidated. We have direct control over our investments, and sales and marketing, our solvency is now at healthy levels, membership is growing and Profmed's management and administration is much more efficient. Our Executive Office is independent and, under the direction of the Board, maintains autonomous oversight of the management of the entire Scheme and its administration.

Profmed is now a multi-million-rand organisation. Being a trustee is an onerous and demanding responsibility. The Board is striving for diversity of demographics, gender and race as well as a balanced representation of skills. This balance of skills is vital to lead Profmed boldly and astutely into the future.

Governance

The Board continues to take the governance of the Scheme seriously. The GSR (Governance, Strategy and Risk) Committee assists the Board in implementing comprehensive charters and governance policies, and facilitates an annual strategy session. Trustees receive training in matters of governance and industry-related issues. The Board recently adopted the King III code, in addition to already established and implemented governance legislation and best practices. But compliance comes at a cost, both financial and in human resources.

Medical

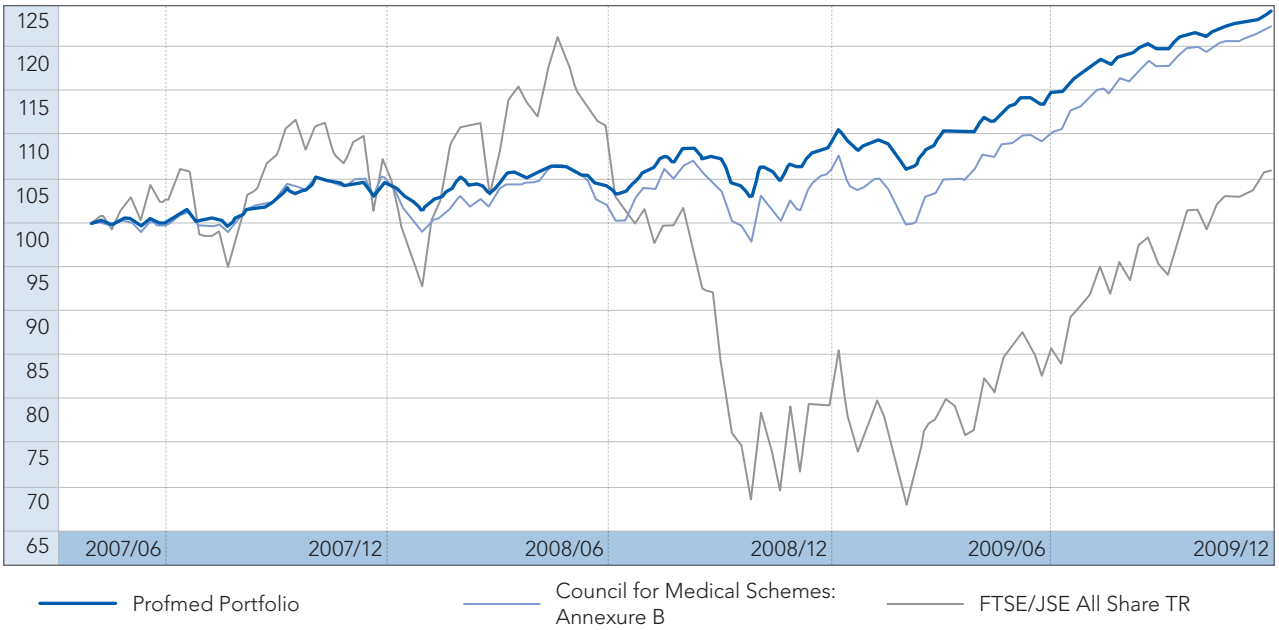
Profmed's Medical Committee is running most efficiently. The biggest challenge remains the high cost of medicines and hospitalisation. Our managed care partners are invaluable in assisting with the management of these costs.

Management of the Scheme's health risk is vital to its sustainability and the Preventative Care benefit went some way in managing and mitigating the risk of illness to members and the Scheme. At the beginning of this year, we took a step further in managing our risk by introducing the Multiply Wellness Programme. This risk management programme is aimed at encouraging members to lead a healthier lifestyle and then rewarding them for the achievement of improved wellness. I urge you to take advantage

of this wellness programme, which is undoubtedly in the best interest of you, your family, and the Scheme as a whole. Good health and wellness is invaluable!

Finances

Although the global economic downturn has taken its toll on Profmed's investment returns, the Board's conservative approach to the investment of your funds has proved to be a shield to the extremities of the impact the downturn could have had on the Scheme. Most of the funds are held in cash and cash equivalents, while equities are well managed and are recovering remarkably, thanks to the efforts of our investments managers. The graph below shows the performance of Profmed's investment portfolio.



Profmed's accounts are in good shape. The Statement of Financial Position is healthy, solvency levels are stable, our impaired receivables are virtually non-existent and Profmed's credit rating remained at A+. Profmed has once again received an unconditional audit, thanks to the experience and expertise of our Principal Officer, the Chief Financial Officer of our administrator, and the Chairman of the Audit Committee.

Administration

We are delighted that we have contained our non-healthcare costs as a percentage of gross contributions to 13.27%. This figure is below that of Profmed's competitors in the industry. With the anticipated increased growth in membership, economies of scale will further reduce administration costs.

The administration of the Scheme is continually improving and the Board is committed to ensuring that service levels are not only maintained at acceptable levels, but that measures are implemented to ensure the constant enhancement of service to you, our valued members.

Strategy

Membership growth and financial viability remain the focus of the attention of the Board. The average age of Profmed's membership is 51, higher than that of the industry. This increases our risk profile, which in turn impacts the financial sustainability of the Scheme. It is therefore essential that we attract younger professionals to the Scheme, as well as to the Board of Trustees. The Board continues to pursue all viable avenues within its means to attain this objective.

National Health Insurance (NHI)

Although this is receiving the Board's attention, it is difficult to put a strategy in place to deal with this matter until there is greater clarity on how and when NHI will be implemented. There is unquestionably a need for accessible, affordable healthcare for all in South Africa, and we must not under-estimate the political need and drive to see NHI implemented. But lack of

infrastructure, personnel and efficient management, as well as division amongst the relevant players on the means of funding this initiative continue to be issues of contention.

Benefit design

The benefit options are reviewed regularly, not only to ensure value for money for our members but also to remain competitive. The current options may have to be drastically redesigned to accommodate NHI. In the meantime, we strive to keep a balance between the needs of members and the viability of the Scheme.

Of concern is an unfortunate misunderstanding by some members and providers that funds are infinite. Sadly, the 80/20% principle applies – the minority jeopordises the rights and needs of the majority, but as trustees we must and will continue to preserve and manage your funds to the optimal benefit of all members and will ensure that the Scheme is not exploited.

Staff

The devotion and loyalty to Profmed of Graham Anderson, our Principal Officer, his keen entrepreneurial spirit and his experience in both the health delivery system and the medical scheme industry are a source of comfort and support to me and the Board of Trustees. For this we thank him. The daily running of the Executive Office is carried out efficiently by Beverley Carrozzo, the Scheme Manager, and the rest of the team enthusiastically supports and assists in achieving the goals of the office, the Scheme and the trustees.

Trustees

Each trustee brings to the Board a unique set of skills and talent. Collectively, these skills are a formidable asset to Profmed. A foundation has been laid in attaining a measure of diversity in race and gender on the Board, a foundation which I hope will be expanded to reflect the true demographics of our membership and our nation!

The future

As I step down, I would like to assure members that Profmed is in excellent hands. As a body of professional members, you are blessed with a body of professional trustees who bring to the Board a wealth of talent, experience and enthusiasm. They are all members themselves and truly have your and the Scheme's best interest at heart.

Profmed is the only medical scheme run by us, for us!

Dr EJ Thorburn
Chairman

REPORT of the Board of Trustees

The Board of Trustees hereby presents its report for the year ended 31 December 2009.

Registration number: 1194

1. Description of the medical scheme

1.1 Terms of registration

Profmed is a not-for-profit restricted medical scheme registered in terms of the Medical Schemes Act 131 of 1998 (the Act), as amended.

1.2 Healthcare options within Profmed

During the year the following Scheme options were available exclusively to graduate professionals:

- ProPinnacle
- ProSecure Plus
- ProSecure
- ProActive Plus
- ProActive.

2. Management

2.1 Board of Trustees in office during the year under review

Dr EJ Thorburn	Chairman
Mrs EL Prins-Van den Berg	Vice-Chairman
Dr AD Behrman	(elected 30 June 2009)
Dr JB Bekker	
Dr MM Bhikhoo	
Dr SA Craven	(term expired 30 June 2009)
Mr E Huggett	
Dr E Nkosi	
Dr RD Shuttleworth	(term expired 30 June 2009)
Mr A Tait	(elected 30 June 2009)
Mr RN Theunissen	
Dr HS van Riet.	

Board proceedings

The Board met six times during 2009 (2008: six times). The trustees have full and unrestricted access to relevant information. The trustees are elected or appointed from the Profmed membership.

2.2 Principal Officer

Mr GR Anderson

2.3 Registered office address and postal address

15 Eton Road	P.O. Box 1004
Parktown	Houghton
Johannesburg	2041

2.4 Medical Scheme administrator during the year

Professional Medical Scheme Administrators (Proprietary) Limited
(Name was changed from PPS Medical Scheme Administrator (Proprietary) Limited on 30 November 2009.)
(Accreditation number: Admin 37)

269 Von Willigh Avenue	Private Bag X1031
Block D, Corporate Park 66	Lyttelton
Die Hoewes	0140
Centurion	

2.5 Auditors

PricewaterhouseCoopers Inc.

32 Ida Street	P.O. Box 35296
Menlo Park	Menlo Park
Pretoria	0102

2.6 Investment managers

Investec Private Bank
(Financial Service Provider number: 8102)

100 Grayston Drive	P.O. Box 785700
Sandown	Sandton
Sandton	2146

2.7 Actuaries

NMG Consultants and Actuaries (Proprietary) Limited

NMG House	P.O. Box 3075
411 Main Avenue	Randburg
Randburg	2125

3. Investment policy of the Scheme

The Scheme's investments are subject to Regulation 30 of the Medical Schemes Act, read with Annexure B and the Scheme's investment strategy complies with these regulations. The investment strategy is regularly reviewed by the Board of Trustees and was reviewed, revised and approved during the financial year after recommendations from an ad hoc Investment Committee comprising three of the trustees and the Principal Officer. The targeted investment growth is CPI + 3% measured on a rolling three-year period and it was agreed that the Scheme's annual operating budget should not be funded by more than 1% of total investments, based on investment growth of CPI + 1%. Currently the Scheme's operations are being funded by more than 1% of the total investments but in order to ensure the sustainability of the Scheme, this is not desirable.

The ad hoc Investment Committee also considered written and oral presentations from four asset managers and recommended that Investec Private Bank continue as asset managers.

Money market portfolio

The Scheme invested 60% to 80% in a money market portfolio for the year under review. This portfolio invests in bonds and cash instruments.

The investments are subject to a credit rating of at least a F1+ Short Term credit rating and a Long term credit rating of A or higher.

For diversification purposes corporate bonds, Government bonds, Parastatals and Securitisation bonds are allowed per the Act, but the maximum is limited.

The performance of the portfolio has been measured against the Alexander Forbes Short Term Fixed Interest Money Market Index (known as the Stefi Index). This is a composite index consisting of four different sector indices which represents a maturity spectrum over three, six, nine and 12 months.

Equity portfolio

The Scheme's investment manager's mandate has been to invest in a fully discretionary equity portfolio.

The portfolio may only be invested in South African equities, with cash held as working capital only. The portfolio is prohibited from investing in PPS Insurance Company Ltd or its subsidiaries.

The assets of the portfolio must be invested in accordance with Annexure B of the Regulations of the Medical Schemes Act 131 of 1998.

4. Management of 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. 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, 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 any one year may vary from those estimated with established statistical techniques. There have been no changes to assumptions used to measure insurance assets and liabilities that have a material effect on the 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 per benefit option

2009	ProPinnacle	ProSecure Plus	ProSecure	ProActive Plus	ProActive	Total Scheme
Number of members at year-end	2 623	2 139	7 230	2 743	9 811	24 546
Average number of members for the year	2 655	2 091	7 209	2 546	9 853	24 354
Number of beneficiaries at year-end	5 683	4 674	18 344	6 108	27 185	61 994
Average number of beneficiaries for the year	5 797	4 559	18 333	5 670	27 398	61 757
Dependant ratio at year-end	1.17	1.19	1.54	1.23	1.77	1.53
Average net contributions per beneficiary per month	R2 163	R1 306	R1 038	R623	R526	R898
Average relevant healthcare expenditure per beneficiary per month	R2 395	R1 510	R1 095	R479	R268	R824
Average non-healthcare expenditure per beneficiary per month	R138	R139	R119	R136	R109	R119
Relevant healthcare expenditure as percentage of gross contributions (claims ratio)	110.73%	115.63%	105.46%	76.95%	50.97%	91.78%
Non-healthcare expenditure as a percentage of gross contributions	6.40%	10.61%	11.44%	21.79%	20.68%	13.27%
Average age of beneficiaries per option	49.6	42.4	40.4	33.8	32.2	39.7
Pensioner ratio per benefit option	25.69%	16.24%	12.96%	4.24%	5.05%	10.05%

2008	ProPinnacle	ProSecure Plus	ProSecure	ProActive Plus	ProActive	Total Scheme
Number of members at year-end	2 774	1 927	7 081	2 065	10 092	23 939
Average number of members for the year	2 809	1 892	7 097	1 918	10 177	23 893
Number of beneficiaries at year-end	6 135	4 236	18 351	4 627	28 207	61 556
Average number of beneficiaries for the year	6 273	4 302	18 471	4 316	28 498	61 860
Dependants ratio at year-end	1.21	1.20	1.59	1.24	1.79	1.57
Average net contributions per beneficiary per month	R1 878	R1 095	R909	R550	R461	R789
Average relevant healthcare expenditure per beneficiary per month	R1 888	R1 188	R907	R388	R302	R711
Average non-healthcare expenditure per beneficiary per month	R117	R115	R101	R117	R94	R101
Relevant healthcare expenditure as percentage of gross contributions (claims ratio)	100.52%	108.48%	99.78%	70.65%	65.61%	90.19%
Non-healthcare expenditure as a percentage of gross contributions	6.25%	10.53%	11.08%	21.19%	20.33%	12.84%
Average age of beneficiaries per option	47.8	41.3	39.0	31.7	32.3	36.4
Pensioner ratio per benefit option	24.04%	15.63%	12.23%	4.34%	4.53%	9.52%

5.2 Operational statistics for the Scheme

	2009	2008
Average accumulated funds per member	R12 324	R12 661
Investment income as a percentage of investments	8.87%	10.20%
Impairment losses as a percentage of investments	–	(4.90%)
Realised gains as a percentage of investments – net gain position	0.41%	–

5.3 Results of operations

The Report of the Board of Trustees is one of the important documents that is presented together with, and accompanies, the annual financial statements. Accordingly, references have been made directly to the page numbers, figures, notes and other statistics contained in the accompanying financial statements. In addition, the same abbreviations for certain names have been used consistently in this report and in the financial statements.

The results of the Scheme's operations are set out on page 18 of the annual financial statements.

In the period under review, the ratio of relevant healthcare expenditure as a percentage of net contribution income was 91.78% (2008: 90.19%). Managed care service expenses were 2.30% of net contribution income (2008: 2.05%), while administration expenditure (inclusive of impairment losses) was 10.35% of net contribution income (2008: 10.29%). Although certain administration costs have escalated, these costs are closely monitored by the Board of Trustees.

It should be noted that the impairment losses incurred in the equity markets in 2008 had the effect of a R17 million impairment loss recognised on the Statement of Comprehensive Income of that year. In 2009 the equity markets recovered and the fair value adjustment in 2009 was written directly to the reserves and is excluded from the calculation of the solvency ratio. International Accounting Standard 39 stipulates that the reversal of impairment losses on equity instruments should be written to reserves and not reversed through profit or loss.

5.4 Accumulated funds ratio

The accumulated funds ratio is calculated as follows:

	2009 R'000	2008 R'000
Total members' funds per Statement of Financial Position	318 382	301 528
Less: Reserve for unrealised investment gains	(18 222)	–
Accumulated funds per Regulation 29 of the Act	300 160	301 528
Annual contribution income per Statement of Comprehensive Income	665 555	585 472
Accumulated funds ratio calculated as the ratio of accumulated funds/gross annual contributions x 100	45.10%	51.50%
Minimum ratio required by Regulation 29 of the Act	25.0%	25.0 %

Premium increases with effect 1 January were as follows:

	2010	2009	2008
ProPinnacle	16.00%	14.00%	15.00%
ProSecure Plus	16.00%	14.00%	14.30%
ProSecure	14.00%	14.00%	9.40%
ProActive Plus	12.00%	14.00%	9.40%
ProActive	12.00%	14.00%	9.50%

5.5 Members' funds and reserve accounts

Movements in the members' funds and reserve accounts are set out in the Statement of Changes in Funds and Reserves on page 20. There were no unusual movements for the trustees to explain.

5.6 Outstanding claims

Movements in the outstanding claims provision are set out in Note 9 to the financial statements. The outstanding claims provision is made up of estimated claims incurred before and up to 31 December 2009 that had not been reported to the Scheme as at that date.

6. Actuarial valuation

The Scheme's actuaries have been consulted regarding the determination of the contribution and benefit levels. They have also assisted in determining the assumptions used in the calculation of the outstanding claims provision noted above. This is fully explained in the notes to the financial statements.

7. Outsourcing of the Scheme's administration

Professional Medical Scheme Administrators (Proprietary) Limited continued to perform the administration function of the Scheme for the current year.

8. Attendance at trustee and committee meetings

The following schedule sets out Board of Trustee and committee meeting attendances. Trustee remuneration is disclosed in note 18 to the annual financial statements.

Name	Board Meetings		Executive Committee		Audit Committee		Governance, Strategy and Risk Committee		Medical Committee		Remuneration Committee		Ad Hoc Meetings
	A	B	A	B	A	B	A	B	A	B	A	B	B
Dr EJ Thorburn*	6	6	6	6			4	3	4	4	1	1	11
Mrs EL Prins-Van den Berg*	6	6	6	5			4	4					18
Dr AD Behrman*	4	4							2	1			2
Dr JB Bekker*	6	6							4	4			2
Dr MM Bhikhoo*	6	6	6	6			2	2	4	4			18
Mr M Brown					3	3					1	1	3
Dr SA Craven*	2	2							2	2			1
Mr E Huggett*	6	5			3	3							1
Mr KG Mockler	1	1			3	3					1	1	14
Dr E Nkosi*	6	6					4	4					2
Dr Y Omar Carrim					3	2							
Dr RD Shuttleworth*	2	2							2	2			3
Mr A Tait*	4	3					2	2					2
Mr RN Theunissen*	6	6	6	6	3	3	4	4					18
Dr HS van Riet*	6	5							4	4			4

A – Total possible number of meetings that could have been attended
B – Actual number of meetings attended
* Trustee

9. Non-compliance with Medical Schemes Act 131 of 1998 and Regulations

9.1 Contribution income not received after three days of becoming due

In terms of Section 26(7) of the Medical Schemes Act 131 of 1998, contribution income shall be received within three days of becoming due. There were instances where the Scheme did not receive all contributions within three days of becoming due. This is mainly as a result of members paying contributions after the third day of it becoming due, members having insufficient funds in their bank accounts at the time of collection and members resigning without informing the Scheme. Contributions not received within three days are actively pursued.

9.2 Financial soundness of benefit options

In terms of Section 33(2) of the Medical Schemes Act 131 of 1998 each benefit option shall be self-supporting in terms of membership and financial performance and be financially sound. For the year, three of the options had deficits. This was addressed by reviewing the contribution rates and business plan for the 2010 benefit year with the Scheme moving in the direction of options being self-supporting. The limitations placed on contribution increases by the Council for Medical Schemes, together with consideration of the potential impact on members and the Scheme in terms of buy-down risk and loss of members, will result in this being achieved over a number of years.

9.3 Claims paid after 30 days of receipt

In terms of Section 59(2) of the Medical Schemes Act 131 of 1998, a medical scheme is required, where an account has been rendered, to pay a member or service provider within 30 days after the date on which the claim in respect of such benefit was received by the medical scheme. There were instances where the claims were paid after the 30 days as required. This was primarily due to the implementation of a new hospital claims switch.

10. Board committees

10.1 Audit Committee

The Scheme has an established Audit Committee, which was set up in accordance with Section 36 of the Medical Schemes Act 1998, as amended. The Audit Committee is mandated by the Board of Trustees by means of written

terms of reference, which determine its membership, authority and duties. The main functions and responsibilities of the Audit Committee include assisting the Board of Trustees in carrying out its duties relating to the Scheme's accounting policies, internal control systems and financial reporting practices. The external auditors formally report to the Committee on critical findings arising from auditing activities.

The majority of the members, including the chairman, are not officers of the Scheme or its administrator. The Committee met on three occasions during the course of the year.

The Scheme's Principal Officer, Financial Manager, Internal and External auditors attend the Committee meetings by invitation and have unrestricted access to the chairman of the Committee.

The Audit Committee discharged its responsibilities for the year under review as follows:

- Reviewed the effectiveness of the internal control systems, accounting policies, information systems and auditing processes and was satisfied with the effectiveness of the processes and controls in place;
- Evaluated the annual financial statements accompanying this report;
- Reviewed the Scheme's compliance with the Medical Schemes Act and Regulations;
- Reviewed the performance and independence of the auditors.

The Audit Committee comprises:

Mr KG Mockler (Chairman)	Independent member
Mr M Brown	Independent member
Mr E Huggett	Trustee
Dr Y Omar Carrim	Independent member
Mr RN Theunissen	Trustee.

10.2 Governance, Strategy and Risk Committee

The Scheme has an established Governance, Strategy and Risk Committee. The Committee is mandated by the Board of Trustees by means of written terms of reference, which determine its membership, authority and duties. The main functions and responsibilities of the Committee include assisting the Board of Trustees in their implementation of governance processes, the setting of strategic intent and the assessment and management of risks and the impact thereof to the Scheme.

The Governance, Strategy and Risk Committee comprises:

Mr RN Theunissen (Chairman)	Trustee
Dr MM Bhikhoo	Trustee (outgoing 30 June 2009)
Dr E Nkosi	Trustee
Mrs EL Prins-Van den berg	Trustee
Mr A Tait	Trustee (incoming 1 July 2009).

The Governance, Strategy and Risk Committee discharged its responsibilities for the year under review as follows:

- Ensured that appropriate governance processes were in place and ensured compliance with all relevant legislative and regulatory requirements;
- Monitored the implementation of the strategy compiled by the Board and scheduled strategic planning sessions as and when appropriate at the instruction of the Board;
- Identified and categorised industry and other business risks and monitored the management of the risks.

10.3 Executive Committee

The Scheme has an established Executive Committee. The Committee is mandated by the Board of Trustees by means of written terms of reference, which determine its membership, authority and duties. The main functions and responsibilities of the Committee include assisting the Board of Trustees in ensuring the quality, integrity and reliability of the management of the Scheme and performing functions of the Board of Trustees in between Board meetings. It also supports the Principal Officer in the day-to-day management of the Scheme.

The Executive Committee comprises the Chairman and Vice-Chairman of the Board and the chairpersons of the Medical Committee and the Governance, Strategy and Risk Committee, as follows:

Dr EJ Thorburn (Chairman)	Trustee and Chairman: Board of Trustees
Dr MM Bhikhoo	Trustee and Chairman: Medical Committee
Mrs EL Prins-Van den Berg	Trustee and Vice-Chairman: Board of Trustees
Mr RN Theunissen	Trustee and Chairman: Governance, Strategy and Risk Committee.

The Executive Committee discharged its responsibilities for the year under review as follows:

- Reviewed the performance of the administrator and other outsourced parties to assess their efficiency, appropriateness and cost-effectiveness;
- Reviewed nominations received from members nominating trustees to the Board and ascertained whether such nominees were eligible and "fit and proper" to hold the position of trustee;
- Considered general operational issues in order to provide support to the Principal Officer and the Executive Office;
- Ensured proper communication strategies to, *inter alia*, members, potential members, brokers, regulators, service providers and outsourced partners;
- Managed reserves to ensure the solvency ratio remained within the targets set by the Board and the statutory requirements;
- Maintained oversight of the functions of the Executive Office and ensured compliance with the requirements of the Medical Schemes Act, Rules of the Scheme, instructions of the Board and any other statutory/regulatory requirements;
- Reviewed urgent matters pending referral to the Board of Trustees for ratification and assisted the Principal Officer to recommend such decisions to the Board;
- Proposed and monitored the investment strategy to be adopted by the Board and reviewed the performance of the asset managers and compliance with Schedule B to the Regulations in terms of the Act;
- Reviewed the performance of the Principal Officer and the remuneration of the Principal Officer as recommended by the Remuneration Committee.

10.4 Medical Committee

The Scheme has an established Medical Committee. The Committee is mandated by the Board of Trustees by means of written terms of reference, which determine its membership, authority and duties. The main functions and responsibilities of the Committee include, *inter alia*, assisting the Board of Trustees in setting clinical protocols and procedures for appropriate and cost-effective funding of benefits.

The Medical Committee comprises:

Dr MM Bhikhoo (Chairman)	Trustee
Dr AD Behrman	Trustee (incoming 1 July 2009)
Dr JB Bekker	Trustee
Dr SA Craven	Trustee (outgoing 30 June 2009)
Dr E Nkosi	Trustee (outgoing 30 June 2009)
Dr RD Shuttleworth	Trustee (outgoing 30 June 2009)
Dr HS van Riet	Trustee.

The Medical Committee discharged its responsibilities for the year under review as follows:

- Reviewed the performance and quarterly reports of the managed healthcare providers and ensured compliance with the service level agreements;
- Reviewed and, where appropriate, approved clinical protocols as proposed by the medical advisor and managed care providers;
- Considered ex gratia requests;
- Participated in the design of benefits to ensure clinical appropriateness, quality of care and cost-effectiveness;
- Considered appeals from member;

- Provided support to the medical advisor;
- Dealt with any other relevant matters referred for its consideration.

10.5 Remuneration Committee

The Scheme has an established Remuneration Committee. The Committee is mandated by the Board of Trustees by means of written terms of reference, which determine its membership, authority and duties.

The main functions and responsibilities of the Committee are to assist the Board of Trustees in setting the policy for the remuneration of the trustees, committee members and the Principal Officer.

The Committee comprises two independent members with relevant expertise and experience, and the Chairman of the Board of Trustees, as follows:

Mr KG Mockler (Chairman)	Independent member
Mr M Brown	Independent member
Dr EJ Thorburn	Trustee and Chairman of the Board.

The Remuneration Committee discharged its responsibilities for the year under review as follows:

- Recommended the general policy on executive management, including the Principal Officer, Board and committee remuneration;
- Recommended the remuneration package of the Principal Officer;
- Recommended the fees and other allowances and the policy with regard to the reimbursement of expenses relating to Board and Board committee members.

11. Events after the reporting period

There have been no adjusting or non-adjusting events that have occurred between the accounting date and the date of this report which affected the 2009 results.

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 Profmed. The annual financial statements, presented on pages 18 to 48, have been prepared in accordance with International Financial Reporting Standards and the Medical Schemes Act of South Africa and include amounts based on judgements and estimates made by management.

The trustees consider that in preparing the annual financial statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all International Financial Reporting Standards that they consider to be applicable have been followed.

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

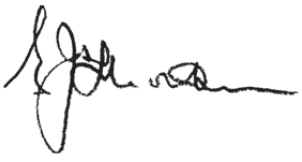
The trustees have responsibility for ensuring that accounting records are kept. The accounting records disclose with reasonable accuracy the financial position of the Scheme to enable the trustees to ensure that the annual financial statements comply with the relevant legislation.

Profmed operated in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures.

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, PricewaterhouseCoopers Inc., have audited the annual financial statements, and their report is presented on page 16.

The annual financial statements were approved by the Board of Trustees on 8 April 2010 and are signed on its behalf by:



Chairman

Trustee

Principal Officer

22 April 2010

STATEMENT OF CORPORATE GOVERNANCE
by the Board of Trustees

Profmed is committed to the principles and practices of fairness, openness, integrity and accountability in all dealings with its stakeholders. The Profmed Charter, which includes the Code of Conduct, has been adhered to. The Scheme is also fully committed to the principles of the Code of Corporate Practices and Conduct set out in the King Report on Corporate Governance. Five of the trustees are elected by the members of the Scheme. The other five are appointed by the Board of Trustees.

King III became effective on 1 March 2010 with some significant additional recommendations on enhanced governance and reporting for entities that subscribe to it. The Board of Trustees has adopted King III and management is in the process of analysing the additional recommendations contained therein and will implement the additional recommendations with effect from the next financial year.

Board of Trustees

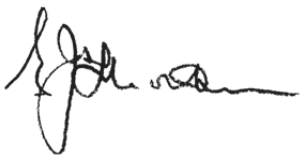
The trustees meet regularly and monitor the performance of the Scheme. They address a range of key issues and ensure that discussion of items of policy, strategy and performance is critical, informed and constructive.

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 administrator of the Scheme maintains internal controls and systems designed to provide reasonable but not absolute assurance as to the integrity and reliability of the annual financial statements and to safeguard, verify and maintain accountability for its assets. 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 would indicate a material breakdown in the functioning of the key internal controls and systems which were in operation during the year under review.



Chairman

Trustee

Principal Officer

22 April 2010

INDEPENDENT AUDITOR'S REPORT
to the Members of Profmed

Report on the financial statements

We have audited the annual financial statements of Profmed Medical Scheme, which comprise the Statement of Financial Position as at 31 December 2009, and the Statements of Comprehensive Income, Changes in Funds and Reserves and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 18 to 48.

Trustees' responsibility for the financial statements

The Scheme's trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Medical Schemes Act, Act 131 of 1998, as amended. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Profmed Medical Scheme as at 31 December 2009, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Medical Schemes Act, Act 131 of 1998, as amended.

Report on other legal and regulatory requirements

As required by the Council for Medical Schemes, we report the following instance of non-compliance with the Medical Schemes Act, which we consider to be material:

We draw attention to Note 29 in the financial statements which indicates that the Scheme did not comply with Section 33(2) of the Medical Schemes Act, Act 131 of 1998, as amended, as some of the benefit options were not self-supporting in terms of membership and financial performance.

PricewaterhouseCoopers Inc.

Director: J Prinsloo

Registered Auditor

Pretoria

23 April 2010

STATEMENT OF FINANCIAL POSITION
as at 31 December 2009

	Notes	2009 R'000	2008 R'000
Assets			
Non-current assets		**110 420**	80 454
Office furniture and equipment	2	**904**	1 131
Available-for-sale financial assets	4	**109 516**	79 323
Current assets		**263 797**	277 154
Available-for-sale financial assets	4	**120 112**	121 993
Accounts receivable	5	**2 727**	3 763
Cash and cash equivalents	6	**140 958**	151 398
Total assets		**374 217**	357 608
Funds and Liabilities			
Members' funds and reserves		**318 382**	301 528
Accumulated funds		**300 160**	301 528
Revaluation reserve		**18 222**	–
Current liabilities		**55 835**	56 080
Member savings plan accounts	7	**–**	275
Accounts payable	8	**23 984**	22 031
Outstanding claims provision	9	**31 851**	33 774
Total funds and liabilities		**374 217**	357 608

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2009

	Notes	2009 R'000	2008 R'000
Net contribution income	10	**665 555**	585 472
Relevant healthcare expenditure	11	**(610 862)**	(528 010)
Net claims incurred		**(610 862)**	(528 010)
Claims incurred	11	**(611 167)**	(528 252)
Third party claim recoveries	11	**305**	242
Gross healthcare result		**54 693**	57 462
Managed care: Management services	12	**(15 301)**	(12 008)
Administration expenditure	13	**(68 903)**	(60 289)
Broker service fees	14	**(4 115)**	(2 934)
Net impairment losses on healthcare receivables	25.3	**(25)**	(28)
Reduction in the provision for impaired healthcare receivables	25.3	**40**	70
Net healthcare result		**(33 611)**	(17 727)
Other income		**35 198**	39 776
Investment income	15	**34 483**	38 034
Sundry income	16	**715**	1 742
Other expenditure		**(2 955)**	(18 003)
Net impairment losses on available-for-sale financial assets	4	**–**	(17 168)
Realised loss on the disposal of available-for-sale financial assets	4	**(133)**	–
Asset management fees	17	**(2 822)**	(835)
Net (deficit)/surplus for the year		**(1 368)**	4 046
Other comprehensive income			
Revaluation reserve for available-for-sale financial assets		**18 222**	(1 667)
Fair value adjustment on available-for-sale investments	4	**18 222**	–
Reclassified to loss on impairment of investments		**–**	(1 667)
Total comprehensive income for the year		**16 854**	2 379

STATEMENT OF CHANGES IN FUNDS AND RESERVES
for the year ended 31 December 2009

	Accumulated funds	Revaluation reserve for available-for-sale financial assets	Total members' funds and reserves
	R'000	R'000	R'000
Balance at 1 January 2008	297 482	1 667	299 149
Total comprehensive income for the year	4 046	(1 667)	2 379
Surplus for the year	4 046	–	–
Other comprehensive income	–	(1 667)	(1 667)
Balance at 31 December 2008	301 528	–	301 528
Total comprehensive income for the year	(1 368)	18 222	16 854
Deficit for the year	(1 368)	–	(1 368)
Other comprehensive income	–	18 222	18 222
Balance at 31 December 2009	300 160	18 222	318 382

STATEMENT OF CASH FLOWS
for the year ended 31 December 2009

	Notes	2009 R'000	2008 R'000
Cash flow from operating activities			
Cash utilised from operations	19	(30 500)	(35 641)
Net cash utilised from operating activities		(30 500)	(35 641)
Cash flow from investing activities			
Acquisition of office furniture and equipment	2	(129)	(1 009)
Proceeds on disposal of office furniture and equipment	2	10	–
Capital contribution	4	(58 245)	–
Withdrawals	4	94 000	15 296
Reclassification of investments to cash and cash equivalents		(48 430)	30 832
Interest	15	30 629	36 014
Dividends	15	2 225	2 020
Net cash generated from investing activities		20 060	83 153
Net (decrease)/increase in cash and cash equivalents		(10 440)	47 512
Cash and cash equivalents at beginning of year		151 398	103 886
Cash and cash equivalents at end of year	6	140 958	151 398

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements of the Scheme have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Medical Schemes Act of South Africa. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets to fair values.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Scheme's management to exercise judgement in the process of applying the Scheme's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 9 and Note 26.

1.2 Changes to accounting policy and disclosures

New and amended standards adopted by the Scheme

The Scheme has adopted the following new and amended IFRSs as of 1 January 2009:

- IFRS 7 'Financial Instruments – Disclosures' (amendment)
- IAS 1 'Presentation of Financial Statements' (revised)
- IAS 36 'Impairment of Assets' (amendments).

New and amended standards or interpretations not relevant to the Scheme and amendments to relevant standards where the amendment is not relevant to the Scheme

- IFRS 1 'First-time Adoption of International Financial Reporting Standards'
- IAS 27 'Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'
- IAS 39 'Financial Instruments: Recognition and Measurement' (improvement)
- IFRS 2 'Share-based Payment: Vesting Conditions and Cancellations' (amendment)
- IFRS 8 'Operating Segments'
- IAS 23 'Borrowing Costs' (revised 2007)
- IAS 32 'Financial Instruments: Presentation' (amendments)
- IAS 1 'Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation' (amendments)
- IAS 16 'Property, Plant and Equipment' (amendments)
- IAS 19 'Employee Benefits' (amendments)
- IAS 20 'Government Grants and Disclosure of Government Assistance' (amendments)
- IAS 29 'Financial Reporting in Hyperinflationary Economies' (amendments)
- IAS 31 'Interests in Joint Ventures' (amendments)
- IAS 38 'Intangible Assets' (amendments)
- IAS 40 'Investment Property' (amendments)
- IAS 41 'Agriculture' (amendments)
- IFRIC Interpretation 15 'Agreements for the Construction of Real Estate'
- IFRIC Interpretation 18 'Transfers of Assets from Customers'
- IFRIC 9 'Reassessment of Embedded Derivatives' (amendments) and IAS 39 'Financial Instruments: Recognition and Measurement' (amendments)

- IFRS 3 'Business Combinations' (revised 2008) and IAS 27 'Consolidated and Separate Financial Statements' (amendments)
- IAS 39 'Eligible Hedged Items' (amendments)
- IFRIC Interpretation 17 'Distributions of Non-cash Assets to Owners'
- IFRS 2 'Share-based Payments' (amendments) and IFRS 3 'Business Combinations' (revised)
- IAS 38 'Intangible Assets' (amendments)
- IFRIC 9 'Reassessment of Embedded Derivatives' (amendments)
- IFRIC 16 'Hedges of a Net Investment in a Foreign Operation' (amendments).

Standards or interpretations issued but not yet effective

- IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' (amendments)
- IFRS 8 'Operating Segments' (amendments)
- IAS 1 'Presentation of Financial Statements' (amendments)
- IAS 7 'Statement of Cash Flows' (amendments)
- IAS 17 'Leases' (amendments).

1.3 Office furniture, equipment and leasehold improvements

Office furniture, equipment and leasehold improvements are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the carrying amount when it is probable that future economic benefits associated with the asset will flow to the Scheme and the cost of the item can be measured reliably. Repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation on furniture and equipment is calculated using the straight-line method to allocate their cost over their estimated useful lives. Depreciation on leasehold improvements is calculated using the straight-line method to allocate their cost over the period of the lease agreement.

The estimated maximum useful lives of the assets are:

Office furniture	10 years
Office equipment	3 years
Leasehold improvements	3 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. Gains and losses on disposals are determined by comparing realisable proceeds with carrying amounts. These are included in the Statement of Comprehensive Income as Sundry income.

Where components of an item of furniture and equipment have different useful lives they are accounted for as separate items. There were no changes in the useful lives from prior years.

1.4 Financial instruments

Financial assets and liabilities are recognised when the Scheme becomes party to the contractual provisions of the instrument (the trade date). The Scheme classifies its financial assets into two categories, namely Accounts receivable and Available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. The Scheme determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Initial recognition of financial instruments

All financial instruments are initially recognised at fair value, which represents the consideration receivable or given, plus direct transaction costs. Regular purchases and sales of financial instruments are recognised on trade date, which is the date on which the Scheme commits to purchase or sell the instruments. Subsequent to initial recognition, financial instruments are measured as set out in the following paragraphs.

Accounts receivable

Accounts receivable are non-derivative financial assets that arise from transactions with members and suppliers, and have fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, they are measured at amortised cost, using the effective interest rate method. A provision for impairment is raised when there is objective evidence that the Scheme will not be able to collect all amounts due according to the original terms of receivables.

Accounts receivable from the Road Accident Fund

The timing and monetary value of Road Accident Fund recoveries are considered to be uncertain and therefore debtors are only raised for amounts subsequently received after year-end. Amounts received during the year are deducted from Relevant healthcare expenditure (Note 11) as part of Third party claim recoveries.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the Scheme intends to dispose of them within twelve months of the Statement of Financial Position date. Subsequent to initial recognition, available-for-sale financial assets are carried at fair values. Changes in the fair values of financial assets classified as available-for-sale are recognised directly in the Scheme's revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments previously recognised in accumulated funds are transferred to the Statement of Comprehensive Income and disclosed as realised gains on disposal of 'available-for-sale investments'. Interest on available-for-sale financial assets, calculated using the effective interest method, is recognised as Investment income in the Statement of Comprehensive Income. Dividends on available-for-sale equity instruments are recognised as Investment income in the Statement of Comprehensive Income when the Scheme's right to receive payments is established.

The fair values of quoted financial assets are based on bid prices at Statement of Financial Position date as quoted daily on a regulated exchange. Investments in collective investment schemes are valued at the unit price at year-end. If the market for a financial asset is not active, the Scheme establishes fair value by using valuation techniques.

For financial assets carried at fair value, the allocation of fair value measurements into the fair value hierarchy is reflective of the significant inputs used in making the measurements. The fair value hierarchy is based on the following levels:

Level 1: where inputs are determined directly by reference to published price quotations (unadjusted) in an active market for identical instruments;

Level 2: where inputs other than published price quotations included in level 1 that are observable for assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices) are used;

Level 3: where the fair values are determined using a valuation technique based on assumptions that are not supported by observable market data.

1.5 Impairment of financial assets

The Scheme assesses at each Statement of Financial Position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (loss event) and that loss event has an adverse impact on the estimated cash flows from the asset that can be reliably measured.

An asset is impaired if its carrying amount is greater than its recoverable amount. The recoverable amount of all assets, excluding available-for-sale investments, is the greater of the selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment of available-for-sale financial assets

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as objective evidence that the financial assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from reserves and recognised in the Statement of Comprehensive Income.

Impairment of receivables and other financial assets carried at amortised cost

Objective evidence that a financial asset (or group of financial assets) carried at amortised cost is impaired includes observable data that comes to the attention of the Scheme regarding the following loss events:

- Significant difficulty of service provider or member debtors;
- Breach of contract, such as non-payment of member contributions when due and if these remain unpaid for extended periods;
- Default or delinquency in payments due by service providers and other debtors;
- The absence of an active market for that financial asset due to financial difficulties;
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from other Scheme assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Scheme;
- Adverse changes in the payment status of members of the Scheme; or
- National or local economic conditions that correlate with non-payment of debtor contributions.

If there is objective evidence that an impairment loss on receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the carrying amount and the present value of estimated cash flows, discounted at the asset's effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income within net impairment losses on receivables.

Reversal of impairment

Impairment losses are reversed when there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Subsequent recoveries of receivables previously impaired are recognised through the Statement of Comprehensive Income.

1.6 Derecognition of financial instruments

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred or when on transfer, the Scheme retains the contractual rights to receive the cash flows of the financial asset, but assumes a corresponding liability to transfer these contractual rights to another party and consequently transfers substantially all the risks and benefits associated with the asset.

Where the Scheme retains substantially all the risks and rewards of ownership of the financial asset, the Scheme continues to recognise the financial asset.

If a transfer does not result in derecognition because the Scheme has retained substantially all the risks and rewards of ownership of the transferred asset, the Scheme continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received. In subsequent periods, the Scheme recognises any income on the transferred asset and any expense incurred on the financial 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;

(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.

Financial liabilities are derecognised when the contractual obligations are discharged or cancelled or expire.

1.7 Offsetting of financial instruments

Where a legally enforceable right of offset exists for recognised financial assets and financial liabilities, and there is an intention to settle the liability and realise the asset simultaneously or to settle on a net basis, all related financial effects are offset.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less which are readily convertible to a known amount of cash and are subject to insignificant risk of change in value.

1.9 Provisions

Provisions are recognised when the Scheme has a present legal or constructive obligation as a result of past events, if it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the present value of the Scheme's best estimate of the cash flows to settle the present obligation for claims (excluding claims from members and providers) and other expenses incurred and notified to the Scheme as at the Statement of Financial Position date.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

Outstanding claims provision

The outstanding claims provision comprises of provisions for the Scheme's estimate of the ultimate cost of settling all claims incurred but not yet reported as at the Statement of Financial Position date. Claims outstanding are determined as accurately as possible based on a number of factors, which include previous experience in claims patterns, claims settlement patterns, changes in the nature and number of members according to trends in claims frequency, changes in the claims processing cycle and variations in the nature and average cost incurred per claim.

Estimated co-payments are deducted in calculating the outstanding claims provision. The Scheme does not discount its provision for outstanding claims since the effect of the time value of money is not considered material.

1.10 Member insurance contracts

Contracts under which the Scheme accepts significant insurance risk from members by agreeing to compensate the member or other beneficiary if a specified uncertain future event (the insured event) adversely affects the member or other beneficiary are classified as insurance contracts. The contracts are issued to compensate the Scheme's members for healthcare expenses incurred.

1.11 Contribution income

Contributions on member insurance contracts are accounted for monthly when their collection in terms of the member insurance contracts are reasonably certain. The earned portion of net contributions receivable is recognised as revenue. Net contributions are earned from the date of attachment of insurance risk, over the

indemnity period on a straight-line basis. Net contributions are shown before the deduction of broker service fees and similar costs.

1.12 Relevant healthcare expenditure

Relevant healthcare expenditure incurred comprises the total estimated cost of settling all claims arising from healthcare events that have occurred in the year and for which the Scheme is responsible, whether or not reported by the end of year.

Net risk claims incurred comprise:

- claims submitted and accrued for services rendered during the year;
- over or under provisions relating to prior year claims accruals;
- amounts paid or to be paid under service provider contracts for services rendered to members; and
- claims incurred but not yet reported.

Net of:

- recoveries from members for co-payments;
- recoveries from third parties; and
- discount received from service providers.

1.13 Expenses for the acquisition of member insurance contracts

These expenses comprise commissions or fees paid to brokers on new member insurance contracts as well as renewal commissions and any other expenses related thereto. These expenses are accounted for on an accrual basis when they become due and payable.

1.14 Investment income

Investment income comprises dividends and interest on cash and cash equivalents and other available-for-sale financial assets.

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

Dividend income on available-for-sale equity investments is recognised when the right to receive payment has been established. This is the ex-dividend date for equity securities. Capitalisation shares received in terms of a capitalisation issue from reserves, other than share premium or a reduction in share capital, are treated as dividend income.

1.15 Retirement benefits

Defined contribution plan

The Scheme's employee pension fund is funded through payments to insurance companies. The Scheme has a defined contribution plan which is a pension plan, governed by the Pensions Fund Act, where the Scheme pays fixed contributions into a separate entity. Once the contributions have been paid, the Scheme has no legal or constructive obligations to pay further contributions if the pension fund does not hold sufficient assets to pay all employees their entitlement. The pension contributions are recognised as staff remuneration when they are due and payable.

1.16 Unallocated funds

Unallocated funds arise on the receipt of unidentified deposits in favour of the Scheme. Unallocated funds that have legally prescribed, that is funds older than three years, are written back and are included in the Statement of Comprehensive Income.

1.17 Segment reporting

No segmental business information is presented as the entire Scheme's business is considered to be one business segment.

1.18 Allocation of income and expenditure to benefit options

The following items are allocated directly to benefit options:

- Contribution income
- Claims incurred.

The remaining items are apportioned based on the average number of principal members on each option:

- Managed care: Management services
- Administration fees
- Broker fees.

2. Office furniture, equipment and leasehold improvements

	Office equipment R'000	Office furniture R'000	Leasehold improvements R'000	Total R'000
Year ended 31 December 2009				
Opening carrying amount	399	439	293	1 131
Acquisitions during the year	106	17	5	128
Disposals during the year	(8)	–	–	(8)
Depreciation charge	(192)	(48)	(107)	(347)
Closing carrying amount	305	408	191	904
Cost or valuation	777	538	320	1 635
Accumulated depreciation	(472)	(130)	(129)	(731)
Carrying amount	305	408	191	904
Year ended 31 December 2008				
Opening carrying amount	157	126	–	283
Acquisitions during the year	356	338	315	1 009
Disposals during the year	(21)	–	–	(21)
Depreciation charge	(93)	(25)	(22)	(140)
Closing carrying amount	399	439	293	1 131
Cost or valuation	682	520	315	1 517
Accumulated depreciation	(283)	(81)	(22)	(386)
Carrying amount	399	439	293	1 131
Year ended 31 December 2007				
Cost or valuation	326	182	–	508
Accumulated depreciation	(169)	(56)	–	(225)
Carrying amount	157	126	–	283

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

	2009 R'000	2008 R'000
Available-for-sale financial assets		
- Non-current	109 516	79 323
- Current	120 112	121 993
Cash and cash equivalents	140 958	151 398
Accounts receivable		
- Loans and receivables	1 572	2 813
- Insurance receivables	1 155	1 090
Accounts payable		
- Financial liabilities measured at amortised cost	1 503	3 314
- Insurance payables	54 331	52 491
- Member saving plan accounts	–	275

4. Available-for-sale financial assets

	Notes	2009 R'000	2008 R'000
Beginning of the year		350 047	349 306
Capital contribution		58 245	–
Withdrawals: Day-to-day cash management		(94 000)	(15 296)
Net realised gains	15	1 629	–
Net realised losses		(133)	–
Asset management fees	17	(2 822)	(835)
Unrealised fair value (loss)/gain: Revaluation reserve		18 222	(1 667)
Net impairment losses: Statement of Comprehensive Income		–	(17 168)
Investment income			
- Interest	15	29 117	33 687
- Dividends	15	2 225	2 020
Fair value at the end of the year		362 530	350 047
Less: Classified as cash and cash equivalents	6	(132 902)	(148 731)
Less: Available-for-sale financial assets - current		(120 112)	(121 993)
Available-for-sale financial assets		109 516	79 323
Classified as:			
Available-for-sale financial assets			
- Non-current: Listed equities		109 516	79 323
Available-for-sale financial assets		109 516	79 323

Available-for-sale financial instruments are denominated in RSA Rand. Money market instruments redeemable in three months or less are classified as cash and cash equivalents. None of the available-for-sale financial assets are past due. At the end of the current financial year there was no objective evidence of impairment of the equity investments. Impairment losses were recognised in the Statement of Comprehensive Income in the previous financial year.

5. Accounts receivable

	2009 R'000	2008 R'000
Contributions outstanding	833	540
Receivable from service providers	261	304
Recoveries from members	161	115
Total receivables arising from insurance contracts	1 255	959
Deposits and prepaid expenses	–	131
Accrued interest	1 572	2 813
Total arising from financial receivables	1 572	2 944
Impairment provision	(100)	(140)
Current portion	2 727	3 763

As at 31 December 2009, the carrying amounts of accounts receivable approximated their fair value. Interest is not charged on overdue balances.

6. Cash and cash equivalents

	Notes	2009 R'000	2008 R'000
Cash at bank and on hand		7 955	2 509
Short-term bank deposits		101	158
Available-for-sale financial assets	4	132 902	148 731
		140 958	151 398

The weighted average effective interest rate on money market instruments was 8.25% (2008: 12.58%) and 6.08% (2008: 8.70%) on current and call account balances.

The current bank account has a general cession of R86 839 with regards to a lease deposit paid in the form of a bank guarantee. On 29 June 2009 the Council for Medical Schemes provided written exemption from Section 35(6)(a) of the Medical Schemes Act 131 of 1998.

7. Member savings plan accounts

	2009 R'000	2008 R'000
Balance at beginning of the year	275	275
Prescribed	(275)	–
Balance due to members as at 31 December	–	275

From 2006 the Scheme no longer had member savings accounts and the identifiable credit balances were repaid four months after year-end when the December 2005 claims were settled.

The balance of R275 000 is in respect of unidentifiable deposits that were incorrectly allocated to the savings plan account prior to 31 December 2005. Attempts to indentify the deposits have been unsuccessful and the balance was recognised as other income in the 2009 financial year after a legal opinion was obtained.

8. Accounts payable

	2009 R'000	2008 R'000
Insurance liabilities		
Net contributions received in advance	733	905
Reported claims not yet paid	20 929	17 770
Member and provider credit balances	102	42
Total liabilities arising from insurance contracts	21 764	18 717
Financial liabilities		
Sundry accounts payable	2 220	3 314
Total arising from financial liabilities	2 220	3 314
Total accounts payable	23 984	22 031

As at 31 December 2009, the carrying amounts of accounts payable approximated their fair value because of the short-term maturities of these liabilities.

9. Outstanding claims provision

	Notes	2009 R'000	2008 R'000
Analysis of movements in outstanding claims			
Balance at beginning of year		33 774	34 100
Payments in respect of prior year	11	(28 610)	(35 486)
Under/over-provision in prior year written back	11	(5 164)	1 386
Adjustment for current year	11	31 851	33 774
Balance at end of year		31 851	33 774

Analysis of movements in provision arising from liability adequacy test
The liability adequacy test was performed and no additional provision was required.

There are some sources of uncertainty that need to be considered in the estimate of the liability that the Scheme will ultimately pay for claims made under insurance contracts. Initial estimates are made relating to the best calculations on reported claims and derived as the claims process develops. All estimates are revised and adjusted at year-end by management.

Process used to determine the assumptions
The process used to determine the assumptions is intended to result in realistic estimates of the most likely or expected outcomes. The sources of data used as inputs for the assumptions are internal, using detailed studies of historical claiming patterns to establish a "claims run-off" period per discipline. More emphasis is placed on recent information, particularly where current claims do not appear to follow prior year trends. Where, in prior years, there is insufficient information to make a reliable best estimate of claims development, prudent assumptions are used.

Notified claims are assessed with due regard to the claim circumstances, medical discipline, anticipated development, and expected seasonal fluctuations. The provisions are best estimates, based on the most recent information available, and may be affected by the different claims run-off periods of the various medical disciplines. The process of estimation

differs by category of claims, such as in-hospital, chronic and day-to-day benefits due to differences in the underlying insurance contracts, claims complexity, the volume of claims, individual severity of claims, and reporting lags.

The cost of outstanding claims is estimated using the Chain Ladder method. This model extrapolates the development of incurred claims for each option and each discipline based upon observed historical development . 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 actual method or blend of methods used varies by benefit year being considered, categories of claims and observed historical claims development. To the extent that historical claims development information is used, it is assumed that the historical claims development pattern will occur again in the future. There are reasons why this may not be the case, which, insofar as they can be identified, have been allowed for by modifying the methods. Such reasons include:

- changes in processes that affect the development/recording of claims paid and incurred;
- changes in composition of members and their dependants;
- random fluctuations, including the impact of large losses;
- legislative changes (e.g. expansion of the definition of a Prescribed Minimum Benefit (PMB)/Chronic Disease List (CDL)).

Assumptions

The outstanding claims provision is calculated based on claim processing patterns over the previous twenty-four months. Due to the large size of the Scheme membership base, no adjustment to the data is made for large claims. The assumptions that have the greatest effect on the measurement of the outstanding claims provision are the claims run-off periods for the most recent benefit years (split by discipline) for the in-hospital, chronic and day-to-day categories of claims. The run-off factor relates to the emergence and settlement patterns of claims and is expressed as the percentage of claims settled in respect of total claims expected to emerge in a specific service month. This factor is then used to project the remainder of the outstanding claims relating to the specified service month. These are used for assessing the outstanding claims provision for the 2009 benefit year. Due to the fact that 73% of claims are paid within three months of the date of service, no allowance for discounting of claims costs is made.

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. For each sensitivity illustrated, all other assumptions have been left unchanged.

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. Consequently, if for example the estimates of the outstanding portion of claims costs for the year was 1% inaccurate, the impact on the provision would be as follows:

	Change in variable	**Change in liability**	Change in liability
	%	**2009**	2008
		R'000	R'000
Hospitalisation	1% slower	**1 429**	1 375
Chronic medication	1% slower	**208**	222

This analysis has been prepared for a change in run-off factors with other assumptions remaining constant. The change in liability also represents the absolute change in (deficit)/surplus for the period. It should be noted that increases in liabilities will result in decreases in surplus and vice versa. These reasonable possible changes in key variables do not result in any changes directly in reserves.

10. Net contribution income

	2009 R'000	2008 R'000
Net contribution income	665 555	585 472

11. Relevant healthcare expenditure

	Notes	2009 R'000	2008 R'000
Current year claims paid		613 090	528 578
Movement in outstanding claims provision		(1 923)	(326)
Payments in respect of prior year	9	(28 610)	(35 486)
(Under)/over-provision in prior year	9	(5 164)	1 386
Adjustment for current year	9	31 851	33 774
Claims incurred		611 167	528 252
Less: Third party claim recoveries		(305)	(242)
		610 862	528 010

12. Managed care: Management services

	2009 R'000	2008 R'000
Hospital pre-authorisation, case and disease management	7 481	6 526
Pharmacy benefits and clinical risk management services	4 841	3 927
Emergency medical transportation service	483	248
Travel insurance	852	511
Optical management	359	333
Dental benefit management	500	346
Pathology management	573	117
Trauma management	68	–
Medical advisor	144	–
	15 301	12 008

13. Administration expenditure

	2009 R'000	2008 R'000
Audit fees	641	549
Actuarial fees	661	536
Association fees	208	162
Bank charges	572	538
Internal broker consultants	4 651	2 913
Computer expenses	105	103
Council for Medical Scheme expenses	370	330
Depreciation	300	140
Entertainment	14	17
Fees paid to the administrator	44 763	38 814
Internal audit fees	–	33
Legal fees	472	419
Marketing expenses	5 113	4 751
Office rental	723	409
Principal Officer remuneration	1 672	1 195
Printing and stationery	1 635	1 863
Professional fees	54	202
Professional indemnity insurance premiums	153	213
PPS Insurance – other services	205	760
Repairs and maintenance	102	17
Staff cost	3 392	2 878
Telephone, postage and fax	828	736
Travel, accommodation and conferences	178	93
Trustee remuneration and considerations	1 627	1 619
Other expenses	464	999
	68 903	60 289

14. Broker service fees

	2009 R'000	2008 R'000
Broker fees	4 115	2 934
Other distribution costs paid to brokers	–	–
	4 115	2 934

15. Investment income

	2009 R'000	2008 R'000
Available-for-sale – dividend income	2 225	2 020
Interest income	30 629	36 014
- Available-for-sale financial assets	29 117	33 687
- Call and current bank accounts	1 512	2 327
Net realised gains on available-for-sale financial assets	1 629	–
	34 483	38 034

16. Sundry income

	2009 R'000	2008 R'000
Prescribed amounts written to income	714	1 742
Profit on the disposal of equipment	1	–
	715	1 742

17. Asset management fees

	2009 R'000	2008 R'000
Management fees	947	835
Performance fees	1 875	–
Current year expense	2 822	835

This expense is charged as a percentage of the total value of investments managed by the asset management company.

18. Trustee and committee remuneration

The following table records the remuneration and considerations of trustees and committee members during 2009:

31 December 2009	Fees for meeting attendance	Fees for holding of office	Fees for consultancy services	Allowances	Total remuneration	Training**	Conference fees**	Travel and accommo-dation**	Other disbursements and reim-bursements**	**Total considerations**
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Dr AD Behrman*	47 500				47 500	1 500		50 976		**99 976**
Dr JB Bekker*	77 490				77 490			45 603		**123 093**
Dr MM Bhikhoo*	156 298				156 298			4 583		**160 881**
Mr M Brown	21 780				21 780			2 734		**24 514**
Dr SA Craven*	25 090				25 090			29 364		**54 454**
Mr E Huggett*	64 400				64 400			4 759		**69 159**
Mr KG Mockler	31 085		25 980		57 065			11 454		**68 519**
Dr E Nkosi*	79 180				79 180			2 949		**82 129**
Dr Y Omar Carrim	9 800				9 800			1 299		**11 099**
Mrs EL Prins-Van den Berg*	140 550	42 000			182 550		11 421	16 434		**210 404**
Dr RD Shuttleworth*	40 895				40 895			31 398		**72 293**
Mr A Tait*	45 300				45 300	1 100		864		**47 264**
Mr RN Theunissen*	172 315				172 315	1 250		13 409		**186 974**
Dr EJ Thorburn*	182 195	60 000			242 195		13 033	15 948		**271 176**
Dr HS van Riet*	89 465				89 465			55 944		**145 409**
Total	1 183 343	102 000	25 980		1 311 323	3 850	24 454	287 717		**1 627 344**

* Members of the Board of Trustees in office during the year. Trustee appointment, election and resignation dates are disclosed in the Report of the Board of Trustees.
** These are costs incurred by the Scheme and not paid to trustees or committee members.

The following table records the remuneration and considerations of trustees and committee members during 2008:

31 December 2008	Fees for meeting attendance	Fees for holding of office	Fees for consultancy services	Allowances	Total remuneration	Training**	Conference fees**	Travel and accommo-dation**	Other disbursements and reim-bursements**	**Total considerations**
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Dr JB Bekker*	36 500				36 500			23 839		**60 339**
Dr MM Bhikhoo*	175 425				175 425			8 867		**184 292**
Mr M Brown	28 000				28 000			3 888		**31 888**
Dr SA Craven*	73 400				73 400			33 959		**107 359**
Mr E Huggett*	68 400				68 400			8 380		**76 780**
Mr KG Mockler	34 500		31 480		65 980			13 304		**79 284**
Dr E Nkosi*	80 900				80 900			4 367		**85 267**
Dr Y Omar Carrim	13 500				13 500			2 156		**15 656**
Ms EL Prins*	172 105	38 500			210 605	490	4 515	33 245		**248 855**
Dr RD Shuttleworth*	74 400				74 400			37 770		**112 170**
Mr RN Theunissen*	113 980				113 980			4 585		**118 565**
Dr EJ Thorburn*	222 530	55 000			277 530		4 515	33 965		**316 010**
Dr HS van Riet*	75 900				75 900			44 554		**120 454**
Mr G Warrender*	58 900				58 900			3 192		**62 092**
Total	1 228 440	93 500	31 480		1 353 420	490	9 030	256 071		**1 619 011**

* Members of the Board of Trustees in office during the year. Trustee appointment, election and resignation dates are disclosed in the Report of the Board of Trustees.
** These are costs incurred by the Scheme and not paid to trustees or committee members.

19. Cash generated from operations per the Statement of Cash Flows

	Notes	2009 R'000	2008 R'000
Net (deficit)/surplus for the year		(1 368)	4 046
Adjustments for:			
Depreciation	2	347	140
Interest received	15	(30 629)	(36 014)
Dividend income	15	(2 225)	(2 020)
Realised gain on disposal of available-for-sale financial assets	15	(1 629)	–
Realised loss on disposal of available-for-sale financial assets	4	133	–
Profit on the disposal of equipment	16	(1)	–
Decrease in the provision for impairment		(40)	(70)
(Decrease)/increase in outstanding claims provision		1 923	(326)
Cash flows from operations before working capital changes		(33 489)	(34 244)
Changes in working capital		2 989	(1 397)
Decrease/(increase) in accounts receivable	5	1 036	(1 109)
(Decrease)/increase in accounts payable	8	1 953	(288)
Cash utilised in operations		(30 500)	(35 641)

20. (Deficit)/surplus from operations per benefit option

The Scheme offers five benefit options which have the following principal features:

- **ProPinnacle** – Comprehensive in-hospital cover in private wards, and comprehensive chronic and day-to-day cover. GP and specialist costs covered at Profmed Premium Tariff rates (300% of RPL*).
- **ProSecure Plus** – Comprehensive in-hospital cover and private ward rates for maternity confinement. Chronic and day-to-day medical expenses and cover over and above the prescribed minimum benefits. In-hospital GP and specialist costs covered at Profmed Premium Tariff rates (300% of RPL*).
- **ProSecure** – Comprehensive cover in-hospital, and chronic and day-to-day medical expenses and cover over and above the prescribed minimum benefits.
- **ProActive Plus** – Comprehensive in-hospital benefits, and cover for prescribed minimum benefits. In-hospital GP and specialist costs covered at Profmed Premium Tariff rates (300% of RPL*).
- **ProActive** – Comprehensive in-hospital benefits, and cover for prescribed minimum benefits.

*Reference Price List

2009	ProPinnacle	ProSecure Plus	ProSecure	ProActive Plus	ProActive	Total R'000
Net contribution income	150 499	71 468	228 435	42 362	172 791	665 555
Relevant healthcare expenditure	(166 646)	(82 637)	(240 914)	(32 596)	(88 070)	(610 863)
Claims incurred	(166 680)	(82 646)	(240 994)	(32 596)	(88 252)	(611 168)
Third party claim recoveries	34	9	80	–	182	305
Gross healthcare result	(16 147)	(11 169)	(12 479)	9 766	84 722	54 693
Managed care: Management services	(1 668)	(1 314)	(4 529)	(1 600)	(6 190)	(15 301)
Administration expenditure	(7 512)	(5 916)	(20 396)	(7 203)	(27 876)	(68 901)
Broker service fees	(449)	(353)	(1 218)	(430)	(1 665)	(4 115)
Net impairment losses on healthcare receivables	2	1	4	2	6	15
Net healthcare result	(25 774)	(18 751)	(38 617)	535	48 996	(33 611)
Average number of members during the year	2 655	2 091	7 209	2 546	9 853	24 354

The allocation of the non-healthcare expenses across the options are based on the average number of principal members per option during the year.

2008	ProPinnacle	ProSecure Plus	ProSecure	ProActive Plus	ProActive	Total R'000
Net contribution income	141 342	56 506	201 575	28 482	157 567	585 472
Relevant healthcare expenditure	(142 076)	(61 299)	(201 136)	(20 121)	(103 378)	(528 010)
Claims incurred	(142 119)	(61 303)	(201 289)	(20 121)	(103 420)	(528 252)
Third party claim recoveries	43	4	153	–	42	242
Gross healthcare result	(734)	(4 793)	439	8 361	54 189	57 462
Managed care: Management services	(1 412)	(950)	(3 567)	(964)	(5 115)	(12 008)
Administration expenditure	(7 088)	(4 773)	(17 906)	(4 839)	(25 683)	(60 289)
Broker service fees	(345)	(232)	(872)	(236)	(1 249)	(2 934)
Net impairment losses on healthcare receivables	5	3	13	3	18	42
Net healthcare result	(9 574)	(10 745)	(21 893)	2 325	22 160	(17 727)
Average number of members during the year	2 809	1 892	7 097	1 918	10 177	23 893

The allocation of the non-healthcare expenses across the options are based on the average number of principal members per option during the year.

21. Related party transactions

The Scheme is controlled by the Board of Trustees, fifty percent of whom are elected by the members of the Scheme and fifty percent are appointed by the Board of Trustees.

Parties with significant influence over the Scheme

Administration fees were paid to the administrator, Professional Medical Scheme Administrators (Proprietary) Limited, a wholly-owned subsidiary of PPS Insurance Company Limited.

The administrator has significant influence over the Scheme as the administrator participates in the Scheme's financial and operating policy decisions, but does not control the Scheme. The administrator provides administration services.

Administration fees were charged in line with market-related rates on an arms-length basis.

Transactions with entities that have significant influence over the Scheme

	Notes	2009 R'000	2008 R'000
Statement of Comprehensive Income			
Professional Medical Scheme Administrators	13	**44 763**	38 814
PPS Insurance Company Ltd: Other services	13	**205**	760
Statement of Financial Position			
Balance due to Professional Medical Scheme Administrators		**45**	1 417
Balance due to PPS Insurance Company Ltd		**–**	15

The terms and conditions of the transactions with entities with significant influence over the Scheme were as follows:

Administration agreement
The administration agreement is in terms of the Rules of the Scheme and in accordance with instructions given by the Board of Trustees. The agreement is automatically renewed each year unless notification of termination is received or following the cancellation of the administrator's accreditation or the issue of a lawful directive to this effect by the Council for Medical Schemes in terms of the Medical Schemes Act 131 of 1998, as amended. The outstanding balance bears no interest and is due within 30 days.

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 disclosure deals with full-time personnel that are compensated on a salary basis (Principal Officer), and part-time personnel that are compensated on a fee basis (Board of Trustees).

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

Transactions with related parties key management personnel (Board of Trustees and Principal Officer) and their close family members:

	2009 R'000	2008 R'000
Statement of Comprehensive Income		
Remuneration	**3 411**	2 899
Contributions received	**337**	251
Claims incurred	**(307)**	(167)
Statement of Financial Position		
Contribution debtors	**–**	–
Claims reported not yet paid	**–**	–

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 on 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, as applicable to other members.
Contribution debtor	This constitutes outstanding contributions receivable. The amounts are due immediately. No impairment provisions have been raised on these amounts.
Claims reported not yet paid	These are claims that have been reported, but not yet paid due to the fact that the Scheme's year-end fell between the claims payment runs. All claims are settled within 30 days of being received, as applicable to third parties or other members.

22. Commitments

The Scheme had not made any commitments for future capital or lease payments as at year-end.

23. Events after the reporting period

There have been no adjusting or non-adjusting events requiring reporting that have occurred between the accounting date and the date of this report which affected the 2009 results.

24. Guarantees

The Scheme did not receive guarantees from third parties in terms of Section 33(3) of the Medical Schemes Act.

25. Financial risk management

25.1 Financial risk factors

The Scheme's activities expose it to a variety of financial risks, including the effects of changes in the equity market price and interest rates. In particular the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. The most important components of this financial risk are liquidity risk, credit risk, interest rate risk and market risk. 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, which the Scheme holds to meet its obligations to its members.

Risk management and investment decisions are carried out by the Board, under the guidance and policies approved by the Board of Trustees. The Board identifies and evaluates financial risks associated with the Scheme's investment portfolio.

The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and investing excess liquidity. The Board of Trustees approves all of these written policies.

The Scheme only dealt with financial institutions with National Long Term ratings of A and higher. At year-end the major financial institutions the Scheme contracted with had the following credit ratings:

- ABSA Bank AAA (ZAF)
- Firstrand Holdings AA- (ZAF)
- Investec Private Bank A+ (ZAF).

25.2 Market risk

a) Interest rate risk

Interest rate risk is the exposure that the Scheme has to changes in interest rates. The main exposure to the Scheme would be a reduction in interest income on investments if interest rates were to decrease.

The Scheme is exposed to interest rate risk as it places funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate investments within the Scheme's money market investment portfolio as well as additional fixed deposit investments.

The Scheme invested 60% to 80% in a money market portfolio for the year under review. This portfolio invests in bonds and cash instruments.

The table below summarises the Scheme's exposure to interest rate risk. Included in the table are the Scheme's money market securities, fixed deposits, deposits on call and current bank accounts at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	Up to one month	1-3 months	4-12 months	1-5 years	Total
2009					
Total exposure – R'000	26 530	227 949	–	1 515	255 994
2008					
Total exposure – R'000	160 962	37 516	74 913	–	273 391

The above amounts are classified as follows:

	Notes	**2009** **R'000**	2008 R'000
Available-for-sale financial assets			
- Non-current	4	**109 516**	–
- Current	4	**120 112**	121 993
Cash and cash equivalents	6	**132 902**	151 398
		362 530	273 391

Interest rate risk sensitivity analysis:
A change of 100 basis points in interest rates at the reporting date would have (decreased)/increased accumulated funds and the surplus by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed from the date that the current asset managers were appointed.

	Deficit or surplus (R'000)		Accumulated funds (R'000)	
	100bp increase	100bp decrease	100bp increase	100bp decrease
2009				
Available-for-sale financial assets	1 111	(3 847)	302 456	297 864
2008				
Available-for-sale financial assets	6 858	1 234	304 340	298 716

b) Currency risk

All of the Scheme's investments and benefits are Rand-denominated and therefore does not have significant net currency risk.

c) Price risk

The Scheme is exposed to equity securities price risk, because of investments held by the Scheme and classified on the Statement of Financial Position as Available-for-sale financial assets. The Scheme is not exposed to commodity risk. To manage the price risk arising from investment in equity securities, the Scheme diversifies its portfolio within the limits prescribed by the Medical Schemes Act and Regulations.

The table below summarises the Scheme's exposure to equity securities price risk.

	Up to one month	1-3 months	4-12 months	1-5 years	Total
2009					
Total exposure – R'000	377	–	6 213	108 000	114 590
2008					
Total exposure – R'000	–	–	–	79 323	79 323

25.3 Credit risk

Credit risk is the risk of loss arising from the inability of a third party to service their debt obligations.

The Scheme's principal financial assets are cash and cash equivalents, accounts receivable and investments. The Scheme's credit risk relates primarily to its accounts receivable.

The receivables are in respect of:

- receivables for contributions due from members; and
- receivables for amounts recoverable from service providers and accrued interest.

The Scheme manages credit risk by:

- actively pursuing all contributions not received after three days of becoming due, as required by Section 26(7) of the Medical Schemes Act 131 of 1998, as amended;
- suspending benefits on all member accounts when contributions have not been received for 30 days;
- terminating benefits on all member accounts when contributions have not been received for 60 days; and
- ageing and pursuing unpaid accounts on a monthly basis.

The amounts presented in the Statement of Financial Position are net of provision for impairment, estimated by the Scheme's management, based on prior experience and the current economic environment.

The credit risk on liquid funds is limited because the counter-parties are banks with high credit ratings assigned by international credit rating agencies.

There is no significant concentration of credit risk with respect to receivables, as the Scheme has a large number of members who are nationally dispersed.

Exposure to credit risk:
For the disclosure of the maximum exposure to credit risk on Accounts receivable, Available-for-sale financial assets and Cash and cash equivalents, please refer to Note 3.

Accounts receivable that are less than sixty days past due are not considered impaired. The ageing analysis of these receivables is as follows:

	Notes	2009 R'000	2008 R'000
Fully performing		1 572	2 944
Past due: 4 – 30 days		693	800
Past due: 31 days and older		462	19
Past due and impaired		100	140
Total accounts receivable	5	2 827	3 903
Net impairment losses on healthcare receivables		25	28

Movements on the impairment provision of accounts receivable are as follows:

	Notes	2009 R'000	2008 R'000
At 1 January		140	210
Reduction in the provision for receivable impairment		(40)	(70)
At 31 December	5	100	140

25.4 Liquidity risk

The Scheme manages liquidity risk by monitoring cash flows. The Scheme is exposed to daily calls on its available cash resources mainly from claims. Liquidity risk is the risk that cash may not be available to pay obligations when they are due at a reasonable cost.

The availability of funding through liquid holding cash positions with various financial institutions ensures that the Scheme has the ability to fund the day-to-day operations of the Scheme. The Scheme has complied with the requirements regarding the nature and categories of assets as prescribed by Section 35 and Regulation 30 of the Medical Schemes Act 131 of 1998, as amended.

25.5 Capital management

The Scheme's objectives when managing capital are to maintain the capital requirements of the Medical Schemes Act 131 of 1998, as amended, and to safeguard the Scheme's ability to continue as a going concern in order to provide benefits for its stakeholders.

The risk is that there are insufficient reserves to provide for adverse variations on actual and future experience. The Medical Schemes Act 131 of 1998, as amended, requires a minimum ratio of accumulated funds expressed as a percentage of gross premiums to be 25%. The Scheme's accumulated funds ratio was 45.10% as at 31 December 2009 and 51.50% at 31 December 2008:

	2009 R'000	2008 R'000
The accumulated funds ratio is calculated as follows:		
Total members' funds per Statement of Financial Position	318 382	301 528
Less: Reserve for unrealised investment gains	(18 222)	–
Accumulated funds per Regulation 29 of the Act	300 160	301 528
Annual contribution income per Statement of Comprehensive Income	665 555	585 472
Accumulated funds ratio calculated as the ratio of accumulated funds/gross annual contributions x 100	45.10%	51.50%

25.6 Investment risk

Investment risk is the risk that the investment returns on accumulated assets will not be sufficient to cover future liabilities. Continuous monitoring takes place to ensure that appropriate assets are held where the Scheme's liabilities are dependent upon the performance of the investment portfolio and that a suitable match of assets exists for all liabilities.

The performance of this portfolio is measured against the JSE All Share Index. The following table indicates the sensitivity of the (deficit)/surplus of the Scheme to movement in the JSE All Share Index, assuming that the movement of the market is realised.

	Deficit or surplus (R'000)					
	Increase in market			Decrease in market		
	30%	15%	5%	5%	15%	30%
2009						
Equity portfolio	28 906	13 468	3 177	(7 114)	(17 407)	(32 844)
2008						
Equity portfolio	28 970	17 615	10 275	(2 935)	(4 405)	(15 415)

Fair values of financial assets by hierarchy level:

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Reclassification
2009				
Available-for-sale financial assets	–	362 530	–	–

For financial assets carried at fair value the allocation of fair value measurements into the fair value hierarchy is reflective of the significant inputs used in making the measurements. The fair value hierarchy is based on the following levels:

Level 1: where inputs are determined directly by reference to published price quotations (unadjusted) in an active market for identical instruments.

Level 2: where inputs other than published price quotations included in Level 1 that are observable for assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices) are used.

Level 3: where the fair values are determined using a valuation technique based on assumptions that are not supported by observable market data.

26. Critical accounting judgements and areas of key sources of estimation uncertainty

The Scheme makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year, are discussed below.

26.1 Outstanding claims provision

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

27. Insurance risk management

The primary insurance activity carried out by the Scheme relates to assuming the risk of loss from members and their dependants as a result of claims that are directly subject to the risk. These risks relate to the insured healthcare events of the Scheme's members. As such the Scheme is exposed to the uncertainty surrounding the timing and severity of claims under the contracts. The Scheme also has exposure to market risk through its insurance and investment activities.

The Board of Trustees has developed and approved a documented policy for the acceptance and management of insurance risk to which the Scheme is exposed. Reference has also been made to the requirements of the Medical Schemes Act 131 of 1998, as amended, in compiling the insurance risk management policy. This policy is reviewed annually and the benefit options provided to the members are structured to fall within the acceptable insurance risk levels specified. The annual business plan is structured around the insurance risk management policy.

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, as well as the monitoring of emerging legislative, environmental and actuarial 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, comparison of budgeted versus actual claims on a regular basis, sensitivity analyses, scenario analyses and stress testing. The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts, using established actuarial principles. The principal risk is that the frequency and severity of claims is greater than expected. Insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

The following table summarises 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. Where appropriate, prescribed minimum benefits (PMB) and non-PMB claims have been split.

Concentration of insurance risk

Claims incurred for 2009 service year:

Age grouping (in years)	In-hospital R'000	Chronic R'000	Day-to-day R'000	Other R'000	Total R'000
< 26	51 773	4 890	23 250	3 454	83 367
26 – 34	27 686	2 685	8 438	793	39 602
35 – 49	63 179	8 446	21 031	3 241	95 897
50 – 64	125 491	24 633	40 653	9 472	200 249
> 65	131 773	24 836	29 901	7 345	193 855
Total	399 902	65 490	123 273	24 305	612 970
Movement in the outstanding claims provision					(1 923)
Rectified benefits					120
Claims refund					(305)
Relevant healthcare expenditure (Note 11)					610 862

Claims incurred for 2008 service year:

Age grouping (in years)	In-hospital R'000	Chronic R'000	Day-to-day R'000	Other R'000	Total R'000
< 26	46 584	3 682	20 092	3 749	74 107
26 – 34	24 666	2 854	7 489	983	35 992
35 – 49	58 347	7 073	19 411	3 115	87 946
50 – 64	103 213	20 047	35 399	7 865	166 524
> 65	111 307	20 218	26 700	5 759	163 984
Total	344 117	53 874	109 091	21 471	528 553
Movement in the outstanding claims provision					(326)
Rectified benefits					25
Claims refund					(242)
Relevant healthcare expenditure (Note 11)					528 010

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

Chronic benefits cover the cost of certain prescribed conditions or medicines consumed by members for chronic conditions/diseases, such as high blood pressure, cholesterol and asthma.

Day-to-day benefits cover the cost (up to 100% of the Reference Price List tariff) of all out-of-hospital medical attention, such as visits to general practitioners and dentists and prescribed non-chronic medicines.

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 the variability of the outcome is reduced.

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

All the contracts are annual in nature and the Scheme has the right to change the terms and conditions of the contracts 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.

The table below indicates how sensitive the Scheme's results are to changes in the claims experience:

	Change in variable %	2009 R'000	2008 R'000
Actual (deficit)/surplus		**(1 368)**	4 046
Surplus after change in claims experience	1% lower	**4 741**	9 326
Deficit after change in claims experience	1% higher	**(7 477)**	(1 234)

Risk transfer arrangements

The Scheme did not reinsure any of the risks it underwrites in order to control its exposures to losses and protect capital resources. The Scheme did not have any capitation agreements with any providers of service.

Claims development

Claims development tables have not been presented as the uncertainty regarding the amounts and timing of claims payments is typically resolved within a year. In the majority of cases, claims are resolved within four months from the

time they are reported to the Scheme. At year-end, a provision is made for those claims outstanding that have not yet been reported. Details on the subsequent development in respect thereof for the last two years are shown in Note 9.

28. Contingent asset

The Scheme grants assistance to its members in defraying expenditure incurred in connection with rendering of any relevant health service. Such expenditure may be in connection with a claim that is also made to the Road Accident Fund (RAF), administered in terms of the Road Accident Fund Act No. 56 of 1996 (RAFA). If the member is reimbursed by the RAF, they are obliged contractually to cede that payment to the Scheme to the extent that they have already been compensated. The outstanding amount at year-end amounts to R3 921 237 (2008: R3 950 866).

29. Non-compliance matters

In terms of Section 26(7) of the Medical Schemes Act 131 of 1998, contribution income shall be received within three days of becoming due. There were instances where the Scheme did not receive all contributions within three days of becoming due.

In terms of Section 33(2) of the Medical Schemes Act 131 of 1998, each benefit option shall be self-supporting in terms of membership and financial performance, and be financially sound. At the end of the year, three of the options had deficits.

In terms of Section 59(2) of the Medical Schemes Act 131 of 1998, a medical scheme is required, where an account has been rendered, to pay a member or service provider within 30 days after the date on which the claim in respect of such benefit was received by the medical scheme. There were instances where the claims were paid after the 30 days as required.

ELECTION of Trustees 2010

The Board of Trustees has accepted five nominations to fill the two vacancies for the terms of office which will expire at the Annual General Meeting on 3 June 2010. As more nominations were received than the number of vacancies that exist, a ballot vote must be taken.

The following nominees have made themselves available for election:

Mr Mahomed Asif Abdool Sakoor Essa

BA, MA (Law), HDip (Taxation), Dip (Company Law)

Mr Essa is currently in private legal practice. He serves on various committees of the Law Society of South Africa and also on the National Executive Committee of the National Association of Democratic Lawyers. He is currently Councillor of the KwaZulu-Natal Law Society. He has previously served as a Justice of the Peace and as a Small Claims Court Commissioner.

Mr Etienne Huggett

B Iuris, MBL

Mr Huggett is standing for his second term of office as a trustee of Profmed. He was Chief Executive of PPS and Principal Officer of Profmed for 15 years. Mr Huggett was a director of PPS until 2005 and is currently the Deputy Chairman of the PPS Retirement Annuity Fund. Mr Huggett was previously the Chief Executive of two other large South African companies and legal adviser to three others. He is currently in private legal practice.

Dr Richard Dalton Shuttleworth

MBChB, FCS (SA), FRCS (Edinburgh)

Dr Shuttleworth was a trustee of Profmed from 2006 to 2009 and is standing for his second term of office. He is now retired but practised as a general surgeon for 28 years, both in private practice and in the public health sector. He was lecturer and surgeon at the medical schools of both the University of Cape Town and Stellenbosch University. He is a member of various medical associations, and has served at branch and national level with SAMA.

Dr Hendrik Johannes Smit

BSc, MBChB

Dr Smit is a medical practitioner in private practice since 1977. He has worked as an emergency physician in the public service and he also collaborated extensively with the Department of Health in the establishment of unattached loose theatres. He currently consults in and manages the administration and finances of an established private practice and day clinic.

Dr Helligaard Steyn van Riet

MBChB

Dr Van Riet is standing for his fourth term of office as a trustee of Profmed. He is in private practice in Hermanus and was the Chairman of the Worcester State Hospital. He has served on various SAMA committees and is National Councillor of the Medical Association of South Africa. He has served as the medical advisor to the Institute for the Blind and the Institute for the Deaf, as well as for various industrial organisations.

Cast your vote on the Ballot Form on page 50. Visit our website at www.profmed.co.za to download a ballot form. Alternatively, call Client Services on 0860 679 200. A ballot form will be e-mailed or faxed to you.

Completed and signed ballot forms must be returned to the office of the Principal Officer by **15h00 on Thursday 20 May 2010** to fax 086 586 3578 or e-mailed to profmedelections@nmg.co.za. Ballot forms can also be returned to fax 012 429 0888 or e-mailed to profmedelections@za.pwc.com.

The results will be announced at the Annual General Meeting on 3 June 2010.

BALLOT FORM for the election of Trustees

I, _____ , membership no. _____ ,

being a current and fully-paid member of Profmed, hereby cast my vote as follows:

Nominee	☒
Mr Mahomed Asif Abdool Sakoor Essa	
Mr Etienne Huggett	
Dr Richard Dalton Shuttleworth	
Dr Hendrik Johannes Smit	
Dr Helligaard Steyn van Riet	

Indicate your vote by way of a cross ☒ in the relevant space provided above for **not more than two (2)** candidates.

Notes

1. The completed ballot form must be signed, dated and returned by e-mail to profmedelections@nmg.co.za or faxed to 086 586 3578. Alternatively, forms can be e-mailed to profmedelections@za.pwc.com or faxed to 012 429 0888.

2. The ballot form must be received by the office of the Principal Officer by **15h00 on Thursday 20 May 2010**. Hand-delivered or posted submissions will not be accepted.

3. The ballot form will be considered invalid if:
   - more than two (2) votes have been cast on the form;
   - the form is received after the closing date;
   - voting is not submitted on this prescribed ballot form.

Signed this _____ day of _____ 2010.

Signature: _____

FORM OF PROXY

for the Profmed Annual General Meeting to be held at 15h30 on Thursday 3 June 2010.

I, _____ , membership no. _____ ,

being a current and fully-paid member of Profmed, hereby appoint _____ ,

membership no. _____ , or failing him the Chairman of the meeting, as my proxy to attend, and speak, and vote on a poll for me and on my behalf at the meeting of Profmed to be held at 15 Eton Road, Parktown, Johannesburg, and at any adjournment thereof, as follows:

No.	Business	In favour of	Against	Abstain
1.	Resolution for the adoption of the Annual Financial Statements for the year ended 31 December 2009 (including the reports of the trustees and the auditors)			
2.	Resolution for the re-appointment of the auditors			
3.	Confirmation of remuneration of trustees			

Indicate instruction to proxy by way of a cross ☒ in the relevant space provided above.

Signed this _____ day of _____ 2010.

Signature: _____

Notes

1. A member entitled to attend and vote is entitled to appoint a proxy to attend, speak and, on a poll, vote in his stead, provided such proxy is also a current and fully-paid member of Profmed.
2. Resolutions referred to in this form are those that must, in accordance with the Rules of Profmed, be taken at an annual general meeting and voted upon by all those present at such an annual general meeting.
3. The proxy form must be signed, dated and e-mailed to profmedproxy@nmg.co.za or faxed to 086 586 3578 by **12h00 on Wednesday 2 June 2010**, the day prior to the scheduled annual general meeting. Alternatively, proxy forms can be e-mailed to profmedproxy@gt.co.za or faxed to 086 295 1701. Hand-delivered or posted submissions will not be accepted.
4. The signatory may insert the name of any Profmed member whom the signatory wishes to appoint as his/her proxy in the blank spaces provided for that purpose at the top of the proxy form.
5. The completion and lodging of this Form of Proxy will not preclude the signatory from attending the meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof should such signatory wish to do so.
6. If the signatory does not indicate in the appropriate place on the face of this form how he/she wishes to vote in respect of any resolution, his/her proxy shall be entitled to vote as he/she deems fit in respect of that resolution whether or not express reference is made to the nature of such a resolution in this form.

15 Eton Road
Parktown
Johannesburg
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www.profmed.co.za