



Annual Report for the year ended 29 February 2020

1. Introduction

A total of R4 850 011 was paid to 25 KRT claimants in the financial year, compared to R3 335 000 paid to 23 claimants in the previous financial year.

As at end February 2020, a total of R108 02 556 had been paid by the trust to 1 431 claimants. Funds available for the payment of future claims amounted to R52 544 184.

The benefits paid during the financial year ended February 2020 included an inflation-based increase of 6.5% to the compensation benefits, effective from 1 March 2019.

This decision was taken based on the statistical review of the Trust's projected beneficiary pay-outs as well as the financial sustainability of the Trust to 2026. The trustees have planned for an average 12-14 successful ARD4 (mesothelioma) claims a year for the remaining life of the trust. ARD4 claims paid have been slightly higher than projections over the past two years but are expected to reduce to planned levels over the remaining life of the trust.

2. Claim Statistics for the Financial Year

2.1. Grant Applications Received

A total of 7 new grant applications (claims)¹ were received by the trust in the financial year, compared to 23 in the previous year. Of these, 5 were for occupational exposure and 2 for environmental exposure.

2.2. Claims Paid by Category

Of the 25 claimants paid in the financial year; 19 were ARD4 mesothelioma payments, compared to 12 for the previous year. Six of the ARD4 claims paid were for environmental exposure, while the 13 were due to occupational exposure. ARD4 claims accounted for 94% of the benefits paid in the financial year.

¹This figure excludes claims received from beneficiaries who previously applied and either did not qualify to receive a grant or, were compensated for asbestosis and subsequently developed a compensable asbestos related cancer and qualify to receive a second grant.

Compensation Category²	Number of Claims Paid	R-amount paid
ARD1	4	R101 763
ARD2	1	R83 715
ARD3	1	R231 530
ARD4	19	R4 433 003
	25	R4 850 011

2.3. Claims Evolution

Of the 25 claimants compensated during the financial year, 9 had previously lodged a claim with the KRT. Their medical certification changed on receipt of new information as follows:

Previous Medical Certification	New Medical Certification	Number of Claims	R-amount paid
ARD1	ARD4	3	R701 227
No ARD	ARD1	1	R42 550
No ARD	ARD4	5	R805 428
		9	R1 549 205

3. Social Projects

As allowed by the Trust Deed, the KRT spent R997 383, a portion of interest earned on investments, on several social projects in the 2019/20 financial year, some of which were in collaboration with the ART. This included support for:

- The Asbestos Interest Group (AIG), which does important outreach and claims handling work for the trust;
- The Cancer Charity Workers (CCW) in Kuruman;

² ARD1 = Asbestos dust disease (pneumoconiosis) with moderate lung function impairment; ARD2 = Asbestos dust disease (pneumoconiosis) with severe lung function impairment; ARD3 = Asbestos related lung cancer; ARD4 = Mesothelioma.

- The Kuruman Palliative Care Project, where Sister Phemelo Magabanyane and Sister Gomolemo Moetsi continue to offer a compassionate and effective service to cancer sufferers;
- Workshops in the greater Kuruman area aimed at improving the ARD diagnostic ability of medical health professionals;
- Asbestos contamination in schools in Kuruman is alarming and the trust is researching both the problem and exploring possible solutions.

4. 2020 Pandemic

2019 saw the outbreak of the COVID-19 pandemic and South Africa declared a national state of disaster on 27 March 2020. The trust has continued to operate under lockdown regulations. Trustees have further investigated the impact of the pandemic on the financial sustainability of the Trust and are pleased to report that the Trust's investment strategy is able to ensure the financial sustainability of the Trust.

As an addition to the social project portfolio the KRT trustees initiated a national food voucher redemption project on 8 May 2020 to mitigate the effects of the COVID-19 pandemic on surviving beneficiaries and their families.

In response to the COVID-19 hardships, the trustees instituted a food voucher scheme to soften the economic blow of the lockdown on KRT families who are living with an asbestos disease sufferer, or who have lost a loved-one to asbestos.

5. Financial Results

Trust income on cash balances and on investments for the year amounted to R5 688 497 (R5 890 187 the previous year). Annual expenditure, including expenses related to claims management, increased by 9.9% to R1 821 807 (R1 657 864 in the previous year). The increase is attributed to an increase in medical evaluations, claims related expenditure, professional fees and an investigative trip undertaken by the trustees to Kuruman.

The Coronavirus pandemic struck only at the start of the current financial year. I wish to record that the KRT trustees and the management personnel at the Asbestos Relief Trust

continued to fulfil the terms of the trust deed to the fullest extent possible. I extend my thanks to my fellow trustees, and to the trustees and staff of the ART for their continued diligence and support, sometimes under difficult conditions.

Brian Gibson

Chairman