

KGALAGADI RELIEF TRUST: ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2017

1) INTRODUCTION

A total of R4 731 413 was paid to 28 KRT claimants in the financial year, compared to R3 419 234 paid to 35 claimants in the previous financial year.

The benefits paid during the financial year ended February 2017 included an inflation-based increase of 6.5%, effective from 1 March 2016.

As at end February 2017, a total of R95 393 298 had been paid by the trust to 1 432 claimants. Funds available for the payment of future claims amounted to R50 807 414.

An important development since the financial year end was a decision of the trustees to reintroduce a more generous interpretation of the diagnostic criteria for ARD1s. In March 2010 the trustees introduced a slightly more conservative approach to ensure that the available funds were not overwhelmed by the projected number of ARD1s. The most recent projection for ARD1s for the life of the trust to 2026, when viewed opposite the actuarial valuation, indicates that the ARD1 diagnostic criteria can once again be relaxed without major risk to future beneficiaries.

The trustees have planned for an average 12-14 successful ARD4 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

a) Grant Applications Received

A total of 29 new grant applications (claims)¹ were received by the trust in the financial year, compared to 19 in the previous year. Of these, 25 were for occupational exposure and four for environmental exposure.

b) Claims Paid by Category

Of the 28 claimants paid in the financial year 20 were ARD4 claimants, compared to 15 for the previous year. Eight of the ARD4 mesothelioma claims paid were for environmental exposure. ARD4 claims accounted for 89% of the benefits paid in the financial year.

Compensation Category ²	Number of Claims Paid	R-amount paid
ARD1	2	R31 041
ARD2	4	R198 976
ARD3	2	R294 716
ARD4	20	R4 206 680
	28	R4 731 413

c) Claims Evolution

Of the 28 claimants compensated during the financial year, seven had previously lodged a claim with the KRT. Their medical certification changed on receipt of new information as follows:

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.

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.

Previous Medical Certification	New Medical Certification	Number of Claims	R-amount paid
No ARD ³	ARD1	1	R1 742
No ARD	ARD3	1	R210 000
No ARD	ARD4	2	R448 350
ARD1	ARD3	1	R84 716
ARD1	ARD4	2	R251 330
		7	R996 138

3) TRACKING CLAIMANTS

As previously advised, in November 2015 the trustees approved a project to track 120 potential claimants that had, prior to the creation of the KRT, instructed Ntuli Noble & Spoor (NNS) to lodge claims against the Kuruman Cape Blue Asbestos and/or Danielskuil Cape Blue Asbestos mines. The purpose of the exercise is to determine if these NNS clients qualify for a benefit from the trust. As at February 2017, 96 NNS clients has been traced, on whose behalf 43 claims had been lodged, of which 24 had no ARD, 23 were non-qualifying, six were paid, and 24 are still being processed.

4) SOCIAL PROJECTS

As allowed by the Trust Deed, the KRT spent R516 584, a portion of income earned on investments, on a number of social projects in the 2016/17 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;
- The Kuruman Palliative Care Project, where Sister Phemelo Magabanyane continues to offer a compassionate and effective service to cancer sufferers;
- The Neil White Bursary, awarded to Ms Mpho Ramatsekisa, a student registered for Masters of Public Health (MPH) in the field of Occupational Hygiene, in the School of Public Health at Wits. Ms Ramatsekisa's research topic is Asbestos Exposure Risk In Motor Mechanics at Eskom Rotek Industries.
- A research grant to Dr Michel Muteba who is conducting research into "Mesothelioma Incidence and Mortality in South Africa from 2003 to 2013" towards a Master's degree in Epidemiology and Biostatistics. His research has been submitted for examination and he is preparing a paper for submission to a scientific journal. He presented the results of his analysis at the Northern Cape
- Workshops in the greater Kuruman area aimed at improving the ARD diagnostic ability of medical health professionals; and
- The preparation of a leaflet on workers' compensation, which has been delayed while the trusts seek clarity on the availability of post mortem services by the State in the Kuruman area.
- The trustees are collaborating with the leadership of the Moffat Mission in Kuruman to determine on the most appropriate manner in which to invest the R50 000 per annum set aside by the KRT for an education fund to celebrate the life of our former chairman, Mr Phirsohaw Camay, who passed away on 1 October 2016.

5) FINANCIAL RESULTS

Trust income on cash balances and on investments increased by a pleasing 14% to R6 126 977 (compared R5 297 507 the previous year). Annual expenditure, including claims related expenses, increased by 12% to R1 317 219 (compared to R1 173 137 in the previous financial year). The increase of R149 555 in costs was attributable mainly to an 8% increase in the standard

³ No ARD = No Asbestos Related Disease

administration fees charged by the Asbestos Relief Trust (ART); and also to R82 216 expended on the NNS tracking project.

6) RECOGNITION

Subsequent to the financial year end, the ART and KRT took leave of Tina da Cruz who had served as the ART Trust Manager since its inception, and thus rendered a similar service to the KRT since 2006. Tina fulfilled her duties in an exemplary manner and can take credit for the excellent systems and procedures that help the trustees of both funds fulfil their fiduciary responsibilities. Her sharp legal mind and insistence on due process was always underpinned by her compassion for the suffering of the trust beneficiaries.

The KRT trustees welcome Sumaya Moosa, who took over Tina's duties in June 2017. She is already demonstrating her administrative and interpersonal skills.

I am indebted to my fellow trustees, Dr Markus Heitz and Richard Spoor, for their support and diligence; and also thank the trustees and staff of the ART for working in close partnership with the KRT as we strive jointly to fulfil the obligations of the respective Trust Deeds.

Brian Gibson

Chairman