

Presentation of the Annual Report and Annual Financial Statements for Financial Year Ended 28 February 2023

At the AGM held on 14 November 2023

(Full Report and AFS available at
www.asbestostrust.co.za)



Establishment of the KRT

- Established in 2006, anticipated life of 20 years and Primary Object to:
 - make payment of grants to beneficiaries as fully, fairly and effectively as its means allow, subject to the qualifications and limitations of the trust deed and the schedule of grants.
- Grants payable to
 - persons who lived at or near and/or were employed at any qualifying operation, at any time during the qualifying period, and who had significant exposure to asbestos dust and/or fibre at that time and place, and who have contracted an asbestos related disease.
 - the dependents of such persons, who died of asbestos related lung cancer or mesothelioma but who did not receive a grant during their lifetimes.
- Qualifying operations and qualifying period: asbestos mining and milling operations in South Africa, owned and/or operated by the Asbestos Investment Group from 1 January 1952 to 30 September 1981.



Operations and Governance

- The trust has no employees.
 - Day-to-day administration of the Trust is outsourced to the Asbestos Relief Trust.
 - Dual Exposure:
 - Where a claimant qualifies for a benefit from both the ART and the KRT, which is a regular occurrence, the costs of the benefit are shared between them.
 - Since the establishment of the KRT in 2006, ~64% of grants were paid to claimants with “dual” exposure.
 - Current trustees: Dr Markus Heitz, Richard Spoor and Brian Gibson, who serves as chairperson.
 - The AR and AFS of the KRT are published annually and lodged with the Master of the High Court.
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Benefits Paid Since Inception

- The KRT has made 1533 grant payments to the value of R118 537 168 to 1474 claimants, 59 of whom received a second payment when their disease progressed.
- 84% of all successful claimants had occupational exposure and 16% had environmental exposure to asbestos.
- The successful environmental claimants have experienced either “domestic” exposure (e.g. from a relative who was exposed at a qualifying operation); or “vicinity” exposure (e.g. they lived at or near a qualifying mine), during the qualifying period.
- The KRT will be wound up in February 2026 unless, as allowed in the trust deed, there are extraordinary reasons to extend its life (by up to a maximum of five years).
- Over the past decade there has been a steady decline in the number of claims being registered and adjudicated, with nine claims being processed in the past financial year.

Future Workload

- Estimated 95% of the ~18 000 potential occupational claimants for whom the KRT has records have already registered with the trust.
- The average age of successful claimants against the KRT was 68, and the estimated age of surviving occupational claimants is now well over 70. The likelihood of competing causes of disease and/or mortality increases with age.
- That said, the average age of successful claimants against the KRT with mesothelioma was only 63.
- There is also a degree of uncertainty about the likely number of future claims for diseases associated with environmental exposure to asbestos pollution at or near the qualifying operations.
- The historical data suggest that the trustees should anticipate having to compensate 15-16 successful occupational and environmental claimants a year over the remaining three years of the trust.

Provisions and End-date

- Out of an abundance of caution - and recognising the need to preserve the scarce diagnostic and administration resources currently available to the trust - the trustees will provide for up to 20 successful claims a year.
- Due mainly to the satisfactory investment returns on the initial capital (R150 million) donated by the founder, funds available at the financial year end for the payment of future grants, medical and administration costs, and social projects, totalled R48 542 020.
- The trustees are therefore satisfied that the Trust can continue to meet its obligations over the remaining life of the Trust to February 2026.
- According to the trust deed, any residual funds must then be donated to a suitable charity serving the needs of the KRT beneficiaries and their communities.

Claim Statistics for FYE 2023

- Grants to the value of R3 566 133 paid to 13 claimants (compared to R2 365 988 paid to 18 claimants in the previous financial year).
 - 9 were ARD4 (mesothelioma) payments, compared to 10 for the previous year.
 - 3 of the ARD4 claims paid were for environmental exposure, while 6 were due to occupational exposure.
 - ARD4 claims accounted for 69% of the claimants and 93% of the benefits paid.
 - 31% of the claims paid were “dual” claims and the payments accordingly apportioned with the ART.
 - Of the 13 claimants paid, 4 had previously lodged a claim that had initially not been accepted and their certification changed on receipt of new medical information. They collectively received R1 016 220.

Breakdown of Claims Paid

Categories of Disease

Compensation Category	Number of Claims Paid	Amount paid
ARD1	3	R61 946
ARD2	0	0
ARD3	1	R175 382
ARD4	9	R3 328 805
	13	R3 566 133

Including 4 “Progressions”

Previous Medical Certification	New Medical Certification	Number of Claims	Amount paid
No ARD	ARD1	2	R49 970
No ARD	ARD4	2	R966 250
		4	R1 016 220

Social Projects

R12 million in 17 years

- During the financial year under review, the KRT spent R1 134 584 on social projects:
 - The Asbestos Interest Group (AIG), whose community engagement programme ensures that residents are educated about the dangers of environmental asbestos exposure and that prospective claimants are informed about the work of the trust. The AIG annually hosts more than 25 community information sessions at schools and villages in the Kgalagadi district. Community education and outreach programs will be intensified in the remaining years of the trust.
 - The Kuruman Palliative Care Project, where full time trust employees, Sister Phemelo Magabanyane and Sister Gomolemo Moetsi, continue to offer a compassionate and effective service to cancer sufferers. In addition to their palliative care, the trust representatives help prospective claimants with their applications, facilitate hospital and clinic visits, including transport, counsel ex-workers and their families and interact with local NGOs and CBOs. In addition, the Palliative Care team support the AIG's community engagements events.

Social Projects (cont.)

- The Cancer Charity Workers (CCW) organisation in Kuruman, which has an active education and support programme for all cancer sufferers.
- Medical Support for ARD2/3/4 Sufferers, where the trust funds extra health check-ups (consisting of a medical exam, chest x-ray and lung function test) and supportive or palliative treatment for claimants who suffer from and ARD2/3/4.
- Continuing Professional Education Workshops in the greater Kuruman area aimed at improving the ARD diagnostic ability of local medical health professionals.

Financial FYE 2023 (audited)

- Trust income on cash balances and on investments for the year = R4 102 357
- The 18% increase on investment income from the R3 483 583 the previous year was attributable to the significant improvement in the investment climate since 2020.
- Operating expenditure, including expenses related to claims management, Increased by 6% to R 1 984 163 (R1 864 090 in the previous year).
- R3 566 133 was paid to 13 claimants and payments pending amounted to R762 000
- Funds available at the financial year end for the payment of future claims, administration costs and social projects totalled R48 542 020

Engagement with MBOD & CCOD

- The trust continues to collaborate with State actors to help ensure that qualifying claimants receive the statutory compensation to which they are entitled.
- This includes information sharing on claimant data bases, community outreach programmes and cross-referral of potential claim applications.

Thank you

Find us at
www.asbestostrust.co.za

