

**ASBESTOS RELIEF TRUST  
(REGISTRATION NUMBER IT 1734/2003)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019**

**accounting · tax · statutory**

JOHANNESBURG | CAPE TOWN | DURBAN

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**Asbestos Relief Trust**  
**(Registration number: IT 1734/2003)**  
**Annual Financial Statements for the year ended 28 February 2019**

**General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Type of trust</b>	To provide compensation to claimants that qualify, as defined in the trust deed, in respect of asbestos-related diseases as fully, fairly and effectively as its means allow
<b>Trustees</b>	P.A. Van Zyl J.J. De Bruyn Dr. I.P. Jood-Molaolwe M.T. Silinda A.C.G. Molusi
<b>Registered office</b>	Eton Building Sherborne Square 5 Sherborne Road Parktown 2193
<b>Business address</b>	Eton Building Sherborne Square 5 Sherborne Road Parktown 2193
<b>Postal address</b>	PO Box 52172 Saxonwold 2132
<b>Bankers</b>	Nedbank Limited
<b>Trust registration number</b>	IT 1734/2003
<b>Tax reference number</b>	1534/291/14/9
<b>Level of assurance</b>	These Annual Financial Statements have been audited in compliance with the applicable requirements of the Local legislation over Trust.
<b>Preparer</b>	The Annual Financial Statements were internally compiled by: 1.2.3. Consulting Proprietary Limited: represented by B. Szoke, Professional Accountants (S.A.)
<b>Issued</b>	30 September 2019



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## Asbestos Relief Trust

(Registration number: IT 1734/2003)

Annual Financial Statements for the year ended 28 February 2019

### Trustees' Responsibilities and Approval

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The Trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Annual Financial Statements fairly present the state of affairs of the Trust as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the Annual Financial Statements.

The Annual Financial Statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

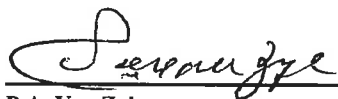
The Trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the Trust and place considerable importance on maintaining a strong control environment. To enable the Trustees to meet these responsibilities, the board of Trustees sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Trust and all employees are required to maintain the highest ethical standards in ensuring the Trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Trust is on identifying, assessing, managing and monitoring all known forms of risk across the Trust. While operating risk cannot be fully eliminated, the Trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Trustees have reviewed the Trust's cash flow forecast for the year to 29 February 2020 and, in the light of this review and the current financial position, They are satisfied that the Trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Trust's Annual Financial Statements. The Annual Financial Statements have been examined by the Trust's external auditors and their report is presented on pages 4 - 5.

The Annual Financial Statements set out on pages 6- 22, which have been prepared on the going concern basis, were approved by the board of Trustees on 30 September 2019 and were signed on its behalf by:

  
P.A. Van Zyl

  
A.C.G. Molusi



## Independent Auditor's Report

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### To the Trustees of Asbestos Relief Trust

#### Opinion

We have audited the Annual Financial Statements of Asbestos Relief Trust set out on pages 8 to 19, which comprise the Statement of Financial Position as at 28 February 2019, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Annual Financial Statements, including a summary of significant accounting policies.

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of Asbestos Relief Trust as at 28 February 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Local legislation over Trusts.

#### Basis for opinion

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

#### Other information

The Trustees are responsible for the other information. The other information comprises the Trustees' Report and the Detailed Income Statement as required by the Local legislation over trusts, which we obtained prior to the date of this report. Other information does not include the Annual Financial Statements and our auditor's report thereon.

Our opinion on the Annual Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

#### Responsibilities of the Trustees for the Annual Financial Statements

The Trustees are responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Local legislation over Trusts., and for such internal control as the Trustees determine is necessary to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

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

## Independent Auditor's Report

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### Auditor's responsibilities for the audit of the Annual Financial Statements

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

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

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

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



**TGS South Africa Incorporated**

**D. Odendaal**

**Director**

**Chartered Accountants (SA)**

**Registered Auditors**

**30 September 2019**

**Johannesburg**

**Asbestos Relief Trust**  
**(Registration number: IT 1734/2003)**  
**Annual Financial Statements for the year ended 28 February 2019**

**Trustees' Report**

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The Trustees have pleasure in submitting their report on the Annual Financial Statements of Asbestos Relief Trust for the year ended 28 February 2019.

**1. Nature of business**

Asbestos Relief Trust was formed in South Africa with interests in the Investment holding industry. The Trust operates in South Africa.

Asbestos Relief Trust was formed to provide compensation to claimants that qualify, as defined in the Trust Deed, in respect of asbestos related diseases as fully and effectively as it means allow..

There have been no material changes to the nature of the Trust's business from the prior year.

**2. Review of financial results and activities**

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Trust are set out in these Annual Financial Statements.

**3. Beneficiaries**

The beneficiaries of the Trust during the accounting year and up to the date of this report are as follows:

- Qualifying claimants for the life of the trust.

To the extent that upon the expiry of the life of the Trust, the assets left in the Trust may be donated to any charitable organisation having as one of its principal objectives the promotion of welfare of persons or communities detrimentally affected by asbestos mining.

All payments made to beneficiaries are limited to the funds available for distribution as per the settlement accounts.

**4. Distributions to beneficiaries**

During the year under review, claims to the value of R37 116 224 were approved of which R 14 594 730 still has to be paid out subsequent to year end.

**5. Trustees**

The Trustees in office at the date of this report are as follows:

**Names**

P.A. Van Zyl  
J.J. De Bruyn  
Dr. I.P. Jood-Molaolwe  
M.T. Silinda  
A.C.G. Molusi

**6. Property, plant and equipment**

There was no change in the nature of the property, plant and equipment of the Trust or in the policy regarding their use.

At 28 February 2019 the trust's investment in property, plant and equipment amounted to R3 595 948 (2018:R3 781 097), of which R244 128 (2018: R190 224) was added in the current year through additions.

**7. Going concern**

The Trustees believe that the Trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the Annual Financial Statements have been prepared on a going concern basis. The Trustees have satisfied themselves that the Trust is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Trustees are not aware of any new material changes that may adversely impact the Trust. The Trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Trust.



**Asbestos Relief Trust**  
**(Registration number: IT 1734/2003)**  
**Annual Financial Statements for the year ended 28 February 2019**

**Trustees' Report**

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**8. Auditors**

TGS South Africa Incorporated continued in office as auditors for the Trust for 2019.

They will continue in office for the 2020 financial year.

**9. Duration of the Trust**

The Trust shall endure for 25 years from date of registration (2003), which can be extended or reduced by 5 years in the discretion of the Trustees.

**10. Date of authorisation for issue of Annual Financial Statements**

The Annual Financial Statements have been authorised for issue by the Trustees on Monday, 30 September 2019. No authority was given to anyone to amend the financial statements after the date of issue.

**11. Founders**

The founders of the Trust are Gencor Limited, The Griqualand Exploration and Finance Company Limited and Msauli Asbes Beperk. The funds provided by the founders are detailed in note 3 of the financial statements.

The founders, in terms of a settlement agreement, have agreed to settle fully and finally and without any admission of liability, all disputes arising out of, or in connection with exposure to asbestos dust and the contraction of asbestos-related diseases by any occupational, environmental or dependant claimant, as defined in the Trust Deed at any of the founders' operations. In terms of this settlement agreement funds were paid to the Trust for compensation of the qualifying claimants. These funds will be used to settle the obligation to the beneficiaries of the Trust. Accordingly the Trust's assets represent an obligation to the beneficiaries of the Trust. The income generated by the Trust from these assets represents income of the Trust. The Trust will apply this income to meet the expenses of the Trust.

Any income, in excess of the expenses of the Trust will be for the benefit of the beneficiaries. The Gencor settlement account is specifically utilised by the Trustees to make awards to the following beneficiaries:

- All persons who have contracted an asbestos related disease with a lung function impairment who had occupational exposure to asbestos dust at the qualifying operations solely during the period 1965 to 1988 inclusive.
- All persons who have contracted an asbestos related disease with a lung function impairment who had environmental (non-occupational exposure) to asbestos dust in the vicinity of any of the qualifying operations and who have no prior history of any occupational exposure to asbestos dust at any time.
- All persons who have contracted mesothelioma or asbestos related lung cancer who had occupational exposure to asbestos dust at any time of the qualifying operations partly during 1965 to 1988 and partly outside this period.
- The dependants of persons who have died and a cause of death is mesothelioma or asbestos related lung cancer in circumstances where it is satisfied that the deceased had asbestos dust exposure at a qualifying operation or, as the case may be, environmental exposure to asbestos dust in the vicinity of any of the qualifying operations and who had no history of any occupational exposure to asbestos dust at any time.





**Asbestos Relief Trust**  
**(Registration number: IT 1734/2003)**  
**Annual Financial Statements for the year ended 28 February 2019**

**Statement of Financial Position as at 28 February 2019**

Figures in Rand	Note(s)	2019	2018
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	3 595 948	3 781 097
Other financial assets	3	267 883 201	277 126 143
		<b>271 479 149</b>	<b>280 907 240</b>
<b>Current Assets</b>			
Trade and other receivables	4	86 319	94 919
Cash and cash equivalents	5	6 917 925	8 621 168
		<b>7 004 244</b>	<b>8 716 087</b>
<b>Total Assets</b>		<b>278 483 393</b>	<b>289 623 327</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Trust capital	6	300	300
Reserves	7	262 731 978	279 019 258
		<b>262 732 278</b>	<b>279 019 558</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	15 582 381	10 488 639
Provisions	9	168 734	115 130
		<b>15 751 115</b>	<b>10 603 769</b>
<b>Total Equity and Liabilities</b>		<b>278 483 393</b>	<b>289 623 327</b>



**Asbestos Relief Trust**  
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**Annual Financial Statements for the year ended 28 February 2019**

**Statement of Comprehensive Income**

Figures in Rand	Note(s)	2019	2018
Revenue	10	411 486	355 677
Other income	11	1 717 150	2 823 401
Operating expenses		(10 994 167)	(9 873 168)
<b>Operating deficit</b>	12	<b>(8 865 531)</b>	<b>(6 694 090)</b>
Investment revenue	13	20 709 826	21 339 761
Social project expenses		(727 709)	(492 647)
Finance costs	15	-	(1 009)
<b>Total comprehensive income for the year</b>		<b>11 116 586</b>	<b>14 152 015</b>



**Asbestos Relief Trust**  
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**Statement of Changes in Equity**

Figures in Rand	Trust capital	Funds available for distribution	Accumulated surplus	Total equity
<b>Balance at 01 March 2017</b>	<b>300</b>	<b>283 293 872</b>	<b>-</b>	<b>283 294 172</b>
<b>Surplus for the year</b>	<b>-</b>	<b>-</b>	<b>14 152 015</b>	<b>14 152 015</b>
Transfer of surplus to trust capital	-	(4 274 614)	(14 152 015)	(18 426 629)
<b>Total changes</b>	<b>-</b>	<b>(4 274 614)</b>	<b>(14 152 015)</b>	<b>(18 426 629)</b>
<b>Balance at 01 March 2018</b>	<b>300</b>	<b>279 019 258</b>	<b>-</b>	<b>279 019 558</b>
<b>Surplus for the year</b>	<b>-</b>	<b>-</b>	<b>11 116 586</b>	<b>11 116 586</b>
Transfer of surplus to trust capital	-	(16 287 280)	(11 116 586)	(27 403 866)
<b>Total changes</b>	<b>-</b>	<b>(16 287 280)</b>	<b>(11 116 586)</b>	<b>(27 403 866)</b>
<b>Balance at 28 February 2019</b>	<b>300</b>	<b>262 731 978</b>	<b>-</b>	<b>262 732 278</b>
Note	6	7		



**Asbestos Relief Trust**  
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**Statement of Cash Flows**

Figures in Rand	Note(s)	2019	2018
<b>Cash flows from operating activities</b>			
Cash used in operations	17	(4 008 017)	(3 501 307)
Portfolio Fees		1 018 730	-
Finance costs		-	(1 009)
<b>Net cash from operating activities</b>		<b>(2 989 287)</b>	<b>(3 502 316)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(244 128)	(190 224)
Sale of financial assets		9 242 942	3 076 043
Interest Income		17 367 116	19 738 168
Dividends received		2 323 980	1 601 593
<b>Net cash from investing activities</b>		<b>28 689 910</b>	<b>24 225 580</b>
<b>Cash flows from financing activities</b>			
Net movement in funds available for distribution		(16 287 281)	(4 274 613)
Transfer of surplus to funds available for distribution		(11 116 585)	(14 152 015)
<b>Net cash from financing activities</b>		<b>(27 403 866)</b>	<b>(18 426 628)</b>
<b>Total cash movement for the year</b>		<b>(1 703 243)</b>	<b>2 296 636</b>
Cash at the beginning of the year		8 621 168	6 324 532
<b>Total cash at end of the year</b>	5	<b>6 917 925</b>	<b>8 621 168</b>



**Asbestos Relief Trust**  
**(Registration number: IT 1734/2003)**  
**Annual Financial Statements for the year ended 28 February 2019**

**Accounting Policies**

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**1. Basis of preparation and summary of significant accounting policies**

The Annual Financial Statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The Annual Financial Statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

**1.1 Significant judgements and sources of estimation uncertainty**

**Critical judgements in applying accounting policies**

In preparing the Annual Financial Statements, management is required to make adjustments, estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements.

**1.2 Property, plant and equipment**

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

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<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
Buildings	Straight line	20 Years
Furniture and fixtures	Straight line	10 Years
Motor vehicles	Straight line	5 Years
Office equipment	Straight line	5 Years
IT equipment	Straight line	3 Years
Computer software	Straight line	2 Years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

**1.3 Financial instruments**

**Initial measurement**

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**Financial instruments at amortised cost**

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

**Financial instruments at cost**

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.



**Asbestos Relief Trust**  
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**Accounting Policies**

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**1.3 Financial instruments (continued)**

**Financial instruments at fair value**

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through surplus and deficit.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

**1.4 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

**Operating leases - lessor**

Operating lease income is recognised as an income on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

**1.5 Impairment of assets**

The Trust assesses at each reporting date whether there is any indication that assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

**1.6 Employee benefits**

**Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

**1.7 Provisions and contingencies**

Provisions are recognised when the trust has an obligation at the reporting date as a result of a past event; it is probable that the trust will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount 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 the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.



**Asbestos Relief Trust**  
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**Accounting Policies**

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**1.8 Revenue**

Revenue is recognised to the extent that the Trust has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Trust. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Dividends are recognised, in surplus or deficit, when the Trust's right to receive payment has been established.

**1.9 Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.



**Asbestos Relief Trust**  
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**Notes to the Annual Financial Statements**

Figures in Rand	2019	2018
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**2. Property, plant and equipment**

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	1 331 536	-	1 331 536	1 331 536	-	1 331 536
Buildings	4 882 464	(3 087 845)	1 794 619	4 882 464	(2 843 722)	2 038 742
Furniture and fixtures	347 547	(340 740)	6 807	347 547	(339 359)	8 188
Motor vehicles	374 164	(236 970)	137 194	374 164	(162 138)	212 026
Office equipment	314 111	(77 510)	236 601	178 227	(103 916)	74 311
IT equipment	237 220	(180 555)	56 665	188 499	(153 008)	35 491
Computer software	749 022	(716 496)	32 526	731 865	(651 062)	80 803
<b>Total</b>	<b>8 236 064</b>	<b>(4 640 116)</b>	<b>3 595 948</b>	<b>8 034 302</b>	<b>(4 253 205)</b>	<b>3 781 097</b>

**Reconciliation of property, plant and equipment - 2019**

	Opening balance	Additions	Depreciation	Closing balance
Land	1 331 536	-	-	1 331 536
Buildings	2 038 742	-	(244 123)	1 794 619
Furniture and fixtures	8 188	-	(1 381)	6 807
Motor vehicles	212 026	-	(74 832)	137 194
Office equipment	74 311	181 461	(19 171)	236 601
IT equipment	35 491	45 510	(24 336)	56 665
Computer software	80 803	17 157	(65 434)	32 526
	<b>3 781 097</b>	<b>244 128</b>	<b>(429 277)</b>	<b>3 595 948</b>

**Reconciliation of property, plant and equipment - 2018**

	Opening balance	Additions	Depreciation	Closing balance
Land	1 331 536	-	-	1 331 536
Buildings	2 282 865	-	(244 123)	2 038 742
Furniture and fixtures	26 346	2 656	(20 814)	8 188
Motor vehicles	286 859	-	(74 833)	212 026
Office equipment	4 833	75 731	(6 253)	74 311
IT equipment	16 722	34 630	(15 861)	35 491
Computer software	77 747	77 207	(74 151)	80 803
	<b>4 026 908</b>	<b>190 224</b>	<b>(436 035)</b>	<b>3 781 097</b>

**Details of properties**

**Unit 1, Sherborne Square, Parktown**

- Purchase price: 30 April 2008: Land	1 331 536	1 331 536
- Purchase price: 30 April 2008: Building	4 882 464	4 882 464
	<b>6 214 000</b>	<b>6 214 000</b>

**3. Other financial assets**

**At fair value**

Investment portfolio - Taquanta Asset Managers	122 726 389	133 922 484
Investment portfolio - Prescient Investment Management	145 156 812	143 203 659
	<b>267 883 201</b>	<b>277 126 143</b>





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Figures in Rand	2019	2018
<b>3. Other financial assets (continued)</b>		
<b>Non-current assets</b>		
At fair value	267 883 201	277 126 143
<b>4. Trade and other receivables</b>		
Trade receivables	5 879	8 650
Accrued income	31 990	37 819
Deposits	48 450	48 450
	<b>86 319</b>	<b>94 919</b>
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	2 500	2 500
Bank balances	246 866	294 341
Other cash and cash equivalents	6 668 559	8 324 327
	<b>6 917 925</b>	<b>8 621 168</b>
<b>6. Trust capital</b>		
<b>Capital account / Trust capital</b>		
Balance at beginning of year	300	300
<b>7. Funds available for distribution</b>		
Gencor settlement fund	(256 353 280)	(270 994 265)
Gefco settlement fund	(5 198 063)	(6 907 231)
Msauli settlement fund	(1 180 635)	(1 117 762)
	<b>(262 731 978)</b>	<b>(279 019 258)</b>
<b>Gencor settlement fund</b>		
Opening Balance	270 994 265	276 754 418
Net surplus/(deficit) for the period	10 688 597	13 607 157
Claims paid	(21 293 011)	(15 948 226)
Transfer to claims payable	(13 031 243)	(8 994 672)
Reversal of prior year claims payable	8 994 672	5 575 588
	<b>256 353 280</b>	<b>270 994 265</b>
<b>Gefco settlement fund</b>		
Opening balance	6 907 231	5 552 772
Net surplus/(deficit) for the period	285 143	363 002
Claims paid	(1 148 508)	(81 280)
Transfer to claims payable	(1 472 573)	(626 770)
Reversal of prior year claims payable	626 770	699 507
Contribution by founder	-	1 000 000
	<b>5 198 063</b>	<b>6 907 231</b>



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Figures in Rand	2019	2018	
<b>7. Funds available for distribution (continued)</b>			
<b>Msauli settlement fund</b>			
Opening balance	1 117 762	986 681	
Net surplus/(deficit) for the period	142 848	181 854	
Claims paid	(79 975)	(50 773)	
Transfer to claims payable	(90 914)	(90 914)	
Reversal of prior year claims payable	90 914	90 914	
	<b>1 180 635</b>	<b>1 117 762</b>	
<b>8. Trade and other payables</b>			
Trade payables	35 683	11 195	
Claims payable	14 594 730	9 712 355	
Deposits received	37 806	42 107	
Trustees fees payable	902 952	713 352	
Value Added Taxation	11 210	9 630	
	<b>15 582 381</b>	<b>10 488 639</b>	
<b>9. Provisions</b>			
<b>Reconciliation of provisions - 2019</b>			
	Opening balance	Additions	Total
Provisions for employee benefits	115 130	53 604	168 734
<b>Reconciliation of provisions - 2018</b>			
	Opening balance	Additions	Total
Provisions for employee benefits	76 477	38 653	115 130
<b>10. Revenue</b>			
Rental income	411 486	355 677	
<b>11. Other income</b>			
Administration and management fees received	480 852	526 560	
Other income	55 720	131 581	
Profit on sale of assets and liabilities	1 180 578	2 165 260	
	<b>1 717 150</b>	<b>2 823 401</b>	
<b>12. Operating deficit</b>			
Operating deficit for the year is stated after accounting for the following:			
Depreciation on property, plant and equipment	429 277	436 035	
Employee costs	2 701 194	2 257 101	
<b>13. Investment revenue</b>			
<b>Dividend revenue</b>			
Dividend received - Taquanta	1 178 194	548 797	
Dividend received - Prescient	1 145 786	1 052 796	
	<b>2 323 980</b>	<b>1 601 593</b>	



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**Notes to the Annual Financial Statements**

Figures in Rand	2019	2018
<b>13. Investment revenue (continued)</b>		
<b>Interest revenue</b>		
Interest received - Taquanta	7 267 763	8 303 689
Interest received - Prescient	10 703 466	10 998 374
Interest received	414 617	433 033
Other interest	-	3 072
	<b>18 385 846</b>	<b>19 738 168</b>
	<b>20 709 826</b>	<b>21 339 761</b>
<b>14. Fair value adjustments</b>		
<b>Realised (profit)/loss on investment assets</b>		
Investment portfolio - Taquanta Asset Managers	(124 475)	(2 525 083)
Investment portfolio - Prescient Investment Management	1 428 433	(147 685)
	<b>1 303 958</b>	<b>(2 672 768)</b>
<b>Unrealised (profit)/loss and reversals on investment portfolio</b>		
Investment portfolio - Taquanta Asset Managers	(117 147)	(980 169)
Investment portfolio - Prescient Investment management	(2 367 390)	1 487 676
	<b>(2 484 537)</b>	<b>507 507</b>
Realised (profit)/loss and reversals on investment portfolio	1 303 958	(2 672 768)
Unrealised (profit)/loss and reversals on investment portfolio	(2 484 537)	507 507
	<b>(1 180 579)</b>	<b>(2 165 261)</b>
<b>15. Finance costs</b>		
Interest paid	-	1 009
<b>16. Taxation</b>		
<b>Major components of the tax expense</b>		
No provision has been made for 2019 tax as the trust has no taxable income. In terms of S25B of the Income Tax Act, the income in excess of expenditure for the year will be taxed in the hands of the beneficiaries.		
<b>17. Cash used in operations</b>		
Surplus before taxation	11 116 586	14 152 015
<b>Adjustments for:</b>		
Depreciation and amortisation	429 277	436 035
Dividends received	(2 323 980)	(1 601 593)
Interest received	(18 385 846)	(19 738 168)
Finance costs	-	1 009
Movements in provisions	53 604	38 653
<b>Changes in working capital:</b>		
Trade and other receivables	8 600	(11 801)
Trade and other payables	5 093 742	3 222 543
	<b>(4 008 017)</b>	<b>(3 501 307)</b>



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**Notes to the Annual Financial Statements**

Figures in Rand	2019	2018
<b>18. Social project expenses</b>		
Asbestos History book	-	8 730
Asbestos Interest Group (AIG)	225 398	161 680
Cancer Charity Workers (CCW)	24 084	22 500
Kuruman Palliative care Nurse Project (KPCNP)	478 228	299 376
Neil White Bursary (NWB)	-	361
	<b>727 710</b>	<b>492 647</b>



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**Detailed Income Statement**

Figures in Rand	Note(s)	2019	2018
<b>Revenue</b>			
Rental Income		411 486	355 677
<b>Other income</b>			
Administration fee income		480 852	526 560
Dividends received	13	2 323 980	1 601 593
Interest received	13	18 385 846	19 738 168
Fair value adjustments		1 180 578	2 165 260
Other income		55 720	131 581
		<b>22 426 976</b>	<b>24 163 162</b>
<b>Operating expenses</b>			
Administration and management fees		2 185 355	2 049 544
Advertising		-	25 308
Auditors remuneration		170 033	80 028
Bank charges		2 702	3 647
Claim processing and related expenses		916 802	261 161
Communication fees		18 204	10 952
Computer expenses		373 065	361 749
Courier and postage fees		33 656	29 660
Depreciation, amortisation and impairments		429 277	436 035
Employee costs		2 701 194	2 257 101
Equipment rental and related expenditure		18 335	31 801
Insurance		39 925	35 349
Legal expenses		13 139	13 263
Medical evaluations		369 079	161 625
Meeting expenditure		33 669	49 501
Motor vehicle expenses		211 615	-
Office and related expenses		576 468	554 319
Portfolio management fees		1 018 730	1 394 959
Printing and stationery		14 436	41 405
Professional fees - actuarial fees		109 250	34 200
Professional fees - administration fees		26 419	26 117
Professional fees - labour relations fees		23 652	5 326
Professional fees - other		133 638	524 065
Repairs and maintenance		196 489	124 108
Staff training		13 922	9 450
Subscriptions		5 417	1 934
Sundry expenses		10 461	4 417
Telephone and fax		63 308	74 784
Travel - local		186 327	155 999
Trustee consulting fees		103 600	161 600
Trustees Fees		996 000	932 400
Workshops and seminars		-	21 361
		<b>10 994 167</b>	<b>9 873 168</b>
<b>Operating surplus</b>	12	<b>11 844 295</b>	<b>14 645 671</b>
Finance costs	15	-	(1 009)
Social project expenditure		(727 709)	(492 647)
		<b>(727 709)</b>	<b>(493 656)</b>
<b>Surplus for the year</b>		<b>11 116 586</b>	<b>14 152 015</b>

