

**ASBESTOS RELIEF TRUST**  
(Registration number IT 1734/2003)  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2014**

**LUCRO AUDITING PLC**  
**Chartered Accountants (S.A.)**  
**Registered Auditors**

# Asbestos Relief Trust

(Registration number IT 1734/2003)

Annual Financial Statements for the year ended 28 February 2014

## 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. Van Zyl P. Camay J. Doidge J. De Bruyn Dr. I.P. Jood-Molaolwe M. Silinda C. Molusi
<b>Business address</b>	Eton Building Sherborne Square 5 Sherborne Road Parktown 2193
<b>Postal address</b>	P.O. Box 86 Parklands 2121
<b>Bankers</b>	Nedbank Limited
<b>Auditors</b>	LUCRO AUDITING PLC Chartered Accountants (S.A.) Registered Auditors
<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 trust deed
<b>Preparer</b>	The annual financial statements were independently compiled by: Lucro Consulting Randburg (Pty) Ltd South African Institute of Professional Accountants
<b>Published</b>	19 August 2014

# Asbestos Relief Trust

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## **Asbestos Relief Trust**

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### **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 auditors are 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 judgements 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 28 February 2015 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 auditors are 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 page 4.

The annual financial statements set out on pages 5 to 22, which have been prepared on the going concern basis, were approved by the board of trustees on 19 August 2014 and were signed on its behalf by:

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**J. Doidge**

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**P. Van Zyl**

# Independent Auditors' Report

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**To the trustees of Asbestos Relief Trust**

## **Report on the Financial Statements**

We have audited the annual financial statements of Asbestos Relief Trust, as set out on pages 8 to 20, which comprise the statement of financial position as at 28 February 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

## **Trustees' Responsibility for the Annual Financial Statements**

The trust's trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on these annual 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 annual 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 annual financial statements present fairly, in all material respects, the financial position of the Asbestos Relief Trust as at 28 February 2014, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the trust deed.

**L.J. Wood**  
**LUCRO AUDITING PLC**  
**Chartered Accountants (S.A.)**  
**Registered Auditors**

**19 August 2014**  
**Fourways**

# Asbestos Relief Trust

(Registration number IT 1734/2003)

Annual Financial Statements for the year ended 28 February 2014

## 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 2014.

### 1. Nature of business

The trust was formed 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 and operates in South Africa.

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 R16,669,702 were approved of which R7,049,973 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:

Trustees	Changes
P. Van Zyl	
P. Camay	
J. Doidge	
J. De Bruyn	
Dr. I.P. Jood-Molaolwe	
M. Silinda	Appointed 05 August 2013
C. Molusi	Appointed 05 August 2013

### 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 2014 the trust's investment in property, plant and equipment amounted to R4 503 766 (2013:R4 891 297), of which R47 317 (2013: R7 444) was added in the current year through additions.

### 7. Events after the reporting period

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

# Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2014

## Trustees' Report

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### 8. 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.

### 9. Auditors

LUCRO AUDITING PLC continued in office as auditors for the trust for 2014.

They will continue in office for the 2015 financial year.

### 10. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the trustees on 19 August 2014. 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 or 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 increase the obligation to 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

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Annual Financial Statements for the year ended 28 February 2014

### Trustees' Report

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#### 12. Meeting attendance

The trustees attendance a meetings for the 2014 financial year are as follows:

<b>Trustees:</b>	<b>21 May 2013</b>	<b>20 August 2013</b>	<b>19 November 2013</b>	<b>18 February 2014</b>
P. Van Zyl	Present	Present	Present	Present
P. Camay	Present	Present	Present	Present
J. Doidge	Present	Present	Present	Present
J. De Bruyn	Present	Present	Present	Present
Dr. I.P. Jood-Molaolwe	Present	Present	Present	Present
M. Silinda	Un-appointed	Present	Present	Present
C. Molusi	Un-appointed	Present	Absent	Present

# Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2014

## Statement of Financial Position as at 28 February 2014

	Note(s)	2014 R	2013 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	4 503 766	4 891 297
Other financial assets	4	293 992 306	292 026 091
		<b>298 496 072</b>	<b>296 917 388</b>
<b>Current Assets</b>			
Trade and other receivables	5	242 803	1 531 950
Cash and cash equivalents	6	14 230 585	14 707 659
		<b>14 473 388</b>	<b>16 239 609</b>
<b>Total Assets</b>		<b>312 969 460</b>	<b>313 156 997</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Trust capital	7	300	300
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Funds available for distribution	3	305 615 930	305 443 879
<b>Current Liabilities</b>			
Trade and other payables	9	7 224 211	7 557 049
Provisions	8	129 019	155 769
		<b>7 353 230</b>	<b>7 712 818</b>
<b>Total Liabilities</b>		<b>312 969 160</b>	<b>313 156 697</b>
<b>Total Equity and Liabilities</b>		<b>312 969 460</b>	<b>313 156 997</b>

## Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2014

### Statement of Comprehensive Income

	Note(s)	2014 R	2013 R
Revenue	10	354 864	262 560
Other income	11	8 051 486	2 799 111
Operating expenses		(8 834 796)	(8 155 054)
<b>Operating deficit</b>	12	<b>(428 446)</b>	<b>(5 093 383)</b>
Investment revenue	13	16 267 170	16 763 860
Social project expenses	14	(508 684)	(562 935)
Finance costs	15	-	(76 661)
<b>Surplus for the year</b>		<b>15 330 040</b>	<b>11 030 881</b>

## Asbestos Relief Trust

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### Statement of Changes in Equity

	Trust capital	Accumulated surplus	Total equity
	R	R	R
<b>Balance at 01 March 2012</b>	<b>300</b>	-	<b>300</b>
<b>Surplus for the year</b>	-	<b>11 030 881</b>	<b>11 030 881</b>
Transfer of surplus to trust capital	-	<b>(11 030 881)</b>	<b>(11 030 881)</b>
<b>Balance at 01 March 2013</b>	<b>300</b>	-	<b>300</b>
<b>Surplus for the year</b>	-	<b>15 330 040</b>	<b>15 330 040</b>
Transfer of surplus to trust capital	-	<b>(15 330 040)</b>	<b>(15 330 040)</b>
<b>Balance at 28 February 2014</b>	<b>300</b>	-	<b>300</b>
Note	7		

# Asbestos Relief Trust

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## Statement of Cash Flows

	Note(s)	2014 R	2013 R
<b>Cash flows from operating activities</b>			
Cash used in operations	18	(6 938 985)	(6 029 835)
Transfer of surplus to funds available for distribution		(15 330 039)	(11 030 881)
<b>Net cash from operating activities</b>		<b>(22 269 024)</b>	<b>(17 060 716)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(47 317)	(7 444)
Sale of property, plant and equipment	2	28 282	445
Net movement in financial assets		5 371 764	9 595 007
Recoupment of VAT		-	443 680
Interest Income		14 002 888	13 598 320
Dividends received		2 264 282	3 165 540
<b>Net cash from investing activities</b>		<b>21 619 899</b>	<b>26 795 548</b>
<b>Cash flows from financing activities</b>			
Repayment of beneficiary loan		172 051	(2 464 721)
Finance costs		-	(76 661)
<b>Net cash from financing activities</b>		<b>172 051</b>	<b>(2 541 382)</b>
<b>Total cash movement for the year</b>		<b>(477 074)</b>	<b>7 193 450</b>
Cash at the beginning of the year		14 707 659	7 514 209
<b>Total cash at end of the year</b>	6	<b>14 230 585</b>	<b>14 707 659</b>

# Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2014

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared 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

In preparing the annual financial statements, management is required to make judgements, 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 are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Costs include 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.

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, which is as follows:

Item	Average useful life
Buildings	20 Years
Furniture and fixtures	10 Years
Office equipment	5 Years
IT equipment	3 Years
Computer software	2 Years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

#### 1.3 Financial instruments

##### Initial measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs, except for financial instruments which are measured at fair value through surplus or deficit.

##### Financial instruments at amortised cost

Debt instruments, as defined in 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.

At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised

# Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2014

## Accounting Policies

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### 1.3 Financial instruments (continued)

#### 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. This includes equity instruments held in unlisted investments.

#### Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

### 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. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

#### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term except in cases where 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 where the payments are structured to increase in line with expected general inflation.

### 1.5 Impairment of assets

The trust assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

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 profit or loss.

### 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 paid vacation leave 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.

Contingent assets and contingent liabilities are not recognised.

# Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2014

## Accounting Policies

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### 1.8 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the trust;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

### 1.9 Borrowing costs

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

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Annual Financial Statements for the year ended 28 February 2014

### Notes to the Annual Financial Statements

	2014			2013		
	R			R		
<b>2. Property, plant and equipment</b>						
	2014			2013		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Land	1 331 536	-	1 331 536	1 331 536	-	1 331 536
Buildings	4 882 464	(1 867 229)	3 015 235	4 882 464	(1 534 345)	3 348 119
Furniture and fixtures	339 884	(228 926)	110 958	375 059	(212 308)	162 751
Motor vehicles	151 285	(151 285)	-	151 285	(151 285)	-
Office equipment	102 050	(101 729)	321	121 978	(108 270)	13 708
IT equipment	259 348	(213 632)	45 716	280 808	(245 763)	35 045
Computer software	538 527	(538 527)	-	538 527	(538 389)	138
<b>Total</b>	<b>7 605 094</b>	<b>(3 101 328)</b>	<b>4 503 766</b>	<b>7 681 657</b>	<b>(2 790 360)</b>	<b>4 891 297</b>

#### Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Depreciation	Total
Land	1 331 536	-	-	-	1 331 536
Buildings	3 348 119	-	-	(332 884)	3 015 235
Furniture and fixtures	162 751	5 235	(21 735)	(35 293)	110 958
Office equipment	13 708	-	(4 805)	(8 582)	321
IT equipment	35 045	42 082	(909)	(30 502)	45 716
Computer software	138	-	-	(138)	-
	<b>4 891 297</b>	<b>47 317</b>	<b>(27 449)</b>	<b>(407 399)</b>	<b>4 503 766</b>

#### Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Disposals	Recoupment of VAT	Depreciation	Total
Land	1 331 536	-	-	-	-	1 331 536
Buildings	4 124 683	-	-	(443 680)	(332 884)	3 348 119
Furniture and fixtures	196 952	3 027	-	-	(37 228)	162 751
Office equipment	33 541	2 000	-	-	(21 833)	13 708
IT equipment	71 739	2 417	(1 398)	-	(37 713)	35 045
Computer software	966	-	-	-	(828)	138
	<b>5 759 417</b>	<b>7 444</b>	<b>(1 398)</b>	<b>(443 680)</b>	<b>(430 486)</b>	<b>4 891 297</b>

#### Details of properties

##### Unit 1, Sherborne Square, Parktown

- Purchase price: 30 June 2008

6 214 000

6 214 000

# Asbestos Relief Trust

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## Notes to the Annual Financial Statements

	2014 R	2013 R
<b>3. Funds available for distribution</b>		
Gencor settlement fund	(301 657 299)	(302 218 607)
Gefco settlement fund	(3 005 680)	(2 102 358)
Msauli settlement fund	(952 951)	(1 122 914)
	<b>(305 615 930)</b>	<b>(305 443 879)</b>
<b>Gencor settlement fund</b>		
Opening balance	302 218 607	306 898 697
Net surplus/(deficit) for the period	14 739 829	11 299 446
Claims paid	(16 057 379)	(15 348 818)
Transfer to claims payable	(6 506 338)	(7 262 580)
Reversal of prior year claims payable	7 262 580	6 414 951
Recovery of funds assigned to Social Projects Grants to settle Gefco deficit	-	772 612
Social Project Grants	-	(555 701)
	<b>301 657 299</b>	<b>302 218 607</b>
<b>Gefco settlement fund</b>		
Opening balance	2 102 358	2 739 638
Net surplus/(deficit) for the period	393 219	145 390
Claims Paid	(190 455)	(19 807)
Transfer to claims payable	(418 147)	(118 705)
Reversal of prior year claims payable	118 705	138 512
Refund to recovery of funds assigned to Social Projects Grants	-	(782 670)
Contribution by founder	1 000 000	-
	<b>3 005 680</b>	<b>2 102 358</b>
<b>Msauli settlement fund</b>		
Opening Balance	1 122 914	1 009 903
Net surplus/(deficit) for the period	196 992	148 980
Claims paid	(421 869)	(104 091)
Transfer to claims payable	(125 488)	(57 651)
Reversal of prior year claims payable	57 651	122 950
Recovery of funds assigned to Social Projects Grants to settle Gefco deficit	-	10 057
Social Project Grants	-	(7 234)
Contribution by founder	120 000	-
Income accrual transfer	2 751	-
	<b>952 951</b>	<b>1 122 914</b>

# Asbestos Relief Trust

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## Notes to the Annual Financial Statements

	2014 R	2013 R
<b>4. Other financial assets</b>		
<b>At fair value</b>		
Investment portfolio - Taquanta Asset Managers	140 151 978	142 976 980
Investment Portfolio - Prescient Investment Management	140 630 640	136 735 746
Investment Portfolio - Investec Bank Limited	13 209 688	12 313 365
	<b>293 992 306</b>	<b>292 026 091</b>
<b>Non-current assets</b>		
At fair value	293 992 306	292 026 091
The fair values of listed or quoted investments are based on the quoted market price at reporting period date.		
<b>Taquanta Asset Managers</b>		
Domestic Equities	21 634 721	22 070 806
Fixed interest investments	6 291 993	6 418 819
Cash investments	112 225 264	114 487 354
	<b>140 151 978</b>	<b>142 976 979</b>
<b>Prescient Investment Management</b>		
Domestic Equities	67 849 379	65 970 228
Fixed interest investments	26 265 247	25 537 807
Cash investments	46 516 014	45 227 710
	<b>140 630 640</b>	<b>136 735 745</b>
<b>Investec</b>		
Cash investments	13 209 688	12 313 365
<b>5. Trade and other receivables</b>		
Trade receivables	28 027	1 354 347
Deposits	45 950	37 315
VAT	51 392	20 371
Accrued income	40 773	39 150
KRT receivables	-	4 106
Interest receivable - SARS	76 661	76 661
	<b>242 803</b>	<b>1 531 950</b>
<b>6. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	2 500	36
Bank balances	175 981	918 182
Other cash and cash equivalents	14 052 104	13 789 441
	<b>14 230 585</b>	<b>14 707 659</b>

# Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2014

## Notes to the Annual Financial Statements

	2014 R	2013 R	
<b>7. Trust capital</b>			
<b>Capital account / Trust capital</b>			
Balance at beginning of year	300	300	
<b>8. Provisions</b>			
<b>Reconciliation of provisions - 2014</b>			
	Opening balance	Reversed during the year	Total
Provisions for employee benefits	155 769	(26 750)	129 019
<b>Reconciliation of provisions - 2013</b>			
	Opening balance	Additions	Total
Provisions for employee benefits	133 841	21 928	155 769
<b>9. Trade and other payables</b>			
Trade payables	58 381	77 313	
Claims payable	7 049 973	7 438 936	
Accrued expenses	76 152	12 695	
Deposits received	39 705	28 105	
	<b>7 224 211</b>	<b>7 557 049</b>	
<b>10. Revenue</b>			
Rental Income	354 864	262 560	
<b>11. Other income</b>			
Profit and loss on sale of assets and liabilities	7 338 812	1 553 350	
Administration and management fees received	360 000	360 000	
Sundry income	319 738	384 350	
SIMRAC projects	71 170	340 076	
Other income	(38 234)	161 335	
	<b>8 051 486</b>	<b>2 799 111</b>	
<b>12. Operating deficit</b>			
Operating deficit for the year is stated after accounting for the following:			
Property, plant and equipment	833	(953)	
Other financial assets	7 337 979	1 553 350	
Depreciation on property, plant and equipment	407 398	430 486	
Employee costs	2 385 323	3 466 311	

# Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2014

## Notes to the Annual Financial Statements

	2014 R	2013 R
<b>13. Investment revenue</b>		
<b>Dividend revenue</b>		
Investment Portfolio - Taquanta Asset Managers	624 931	790 127
Investment Portfolio - Prescient Investment Management	1 639 351	2 375 413
	<b>2 264 282</b>	<b>3 165 540</b>
<b>Interest revenue</b>		
Investment Portfolio - Taquanta Asset Managers	7 987 012	8 071 929
Investment Portfolio - Prescient Investment Management	4 435 351	3 475 398
Investment Portfolio - Investec Bank Limited	610 261	839 203
Interest earned - Corporate Saver Account	486 821	372 079
SARS Interest recovered	-	76 661
S24J Interest - Taquanta	483 443	756 781
Other interest	-	6 269
	<b>14 002 888</b>	<b>13 598 320</b>
	<b>16 267 170</b>	<b>16 763 860</b>
<b>14. Social Project Expenses</b>		
<b>Project expenses/(refunds)</b>		
Kuruman Palliative Care Nurse Project (KPCNP)	222 713	206 535
Asbestos Interest Group (AIG)	114 000	105 000
Cancer Charity Workers (CCW)	18 000	12 000
Mesothelioma Incidence Near Kuruman Study (MINKS)	-	239 400
SA Meso Interest Group (SAMIG)	100 000	-
Asbestos History Book	53 971	-
	<b>508 684</b>	<b>562 935</b>
<b>15. Finance costs</b>		
SARS interest and penalties	-	76 661
<b>16. Taxation</b>		
<i>No provision has been made for 2014 tax as the trust has no taxable income. In terms of section 25B of the Income Tax Act, the income in excess of expenditure for the year will be taxed in the hands of the beneficiaries.</i>		
<b>17. Auditors' remuneration</b>		
Fees	166 212	153 900

# Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2014

## Notes to the Annual Financial Statements

	2014 R	2013 R
<b>18. Cash used in operations</b>		
Surplus before taxation	15 330 040	11 030 881
<b>Adjustments for:</b>		
Depreciation and amortisation	407 398	430 486
Surplus on sale of assets	(7 338 812)	(1 552 397)
Dividends received	(2 264 282)	(3 165 540)
Interest received - investment	(14 002 888)	(13 598 320)
Finance costs	-	76 661
Movements in provisions	(26 750)	21 928
<b>Changes in working capital:</b>		
Trade and other receivables	1 289 147	82 707
Trade and other payables	(332 838)	643 759
	<b>(6 938 985)</b>	<b>(6 029 835)</b>

# Asbestos Relief Trust

(Registration number IT 1734/2003)

Annual Financial Statements for the year ended 28 February 2014

## Detailed Income Statement

	Note(s)	2014 R	2013 R
<b>Revenue</b>			
Rental Income		354 864	262 560
<b>Other income</b>			
Administration and management fees received		360 000	360 000
Sundry income - Silicosis Project		319 738	384 350
Sundry income - SIMRAC Project		71 170	340 076
Other income		(38 234)	161 335
Dividends received	13	2 264 282	3 165 540
Interest received	13	14 002 888	13 598 320
Gains on disposal of assets		7 338 812	1 553 350
		<b>24 318 656</b>	<b>19 562 971</b>
<b>Expenses (Refer to page 22)</b>		<b>(8 834 796)</b>	<b>(8 155 054)</b>
<b>Operating surplus</b>	12	<b>15 838 724</b>	<b>11 670 477</b>
Finance costs	15	-	(76 661)
Social project expenses		(508 684)	(562 935)
		<b>(508 684)</b>	<b>(639 596)</b>
<b>Surplus for the year</b>		<b>15 330 040</b>	<b>11 030 881</b>

# Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2014

## Detailed Income Statement

	Note(s)	2014 R	2013 R
<b>Operating expenses</b>			
Administration and management fees		(1 494 487)	-
Auditors remuneration	17	(166 212)	(153 900)
Bad debts		-	(660)
Bank charges		(3 840)	(7 342)
Claim processing and related expenses		(114 773)	(98 635)
Communication fees		(178 400)	(19 497)
Computer expenses and database maintenance		(261 686)	(283 353)
Courier and postage fees		(16 707)	(15 369)
Depreciation, amortisation and impairments		(407 398)	(430 486)
Employee costs		(2 385 323)	(3 466 311)
Equipment rental and related expenses		(37 256)	(36 916)
Insurance		(47 493)	(63 113)
Legal expenses		(169 979)	(73 268)
Loss on disposal of assets		-	(953)
Medical evaluation expenses		(141 782)	(216 369)
Meeting expenses		(69 552)	(71 649)
Portfolio expenses		(1 452 113)	(1 449 528)
Printing and stationery		(14 327)	(20 623)
Professional fees - Actuarial fees		(82 935)	(41 268)
Professional fees - Administration fees		(24 550)	(22 761)
Professional fees - Labour relations		(1 399)	(1 343)
Professional fees - Members fees		-	(14 050)
Professional fees - Other		(50 443)	(39 188)
Rental and related expenses		(269 549)	(426 509)
Repairs and maintenance		(29 353)	(10 123)
Seminars and conferences		(39 474)	(30 003)
Subscriptions		(2 774)	(2 438)
Sundry expenses		(8 645)	(2 330)
Telephone and fax		(86 699)	(97 239)
Travel and accommodation		(218 123)	(173 847)
Trustee management fees		(112 500)	(143 691)
Trustee consulting fees		(101 720)	(83 617)
Trustee fees		(845 304)	(658 675)
		<b>(8 834 796)</b>	<b>(8 155 054)</b>