

**ASBESTOS RELIEF TRUST**  
(Registration number IT 1734/2003)  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2015**

**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 2015

## 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 Auditing PLC
<b>Published</b>	18 August 2015

# 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 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 2016 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 18 August 2015 and were signed on its behalf by:

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**P. Camay**

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**P. Van Zyl**

# Independent Auditors' Report

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## To the trustees of Asbestos Relief Trust

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 2015, 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 requirements of the Trust Deed, 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 Asbestos Relief Trust as at 28 February 2015, 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**

**Fourways**  
**18 August 2015**

# Asbestos Relief Trust

(Registration number IT 1734/2003)

Annual Financial Statements for the year ended 28 February 2015

## 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 2015.

### 1. Nature of business

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 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 R25,724,964 were approved of which R12,378,509 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

P. Van Zyl

P. Camay

J. Doidge

J. De Bruyn

Dr. I.P. Jood-Molaolwe

M. Silinda

C. Molusi

There have been no changes to the trustees for the period under review.

### 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 2015 the trust's investment in property, plant and equipment amounted to R4 119 719 (2014:R4 503 766), of which R16 259 (2014: R47 317) was added in the current year through additions.

# Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2015

## Trustees' Report

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### 7. Events after the reporting period

Judgement was delivered in the application to prevent the Master of the North Gauteng High Court from releasing confidential claims-related and medical information of beneficiaries on 02 July 2015. The Judge ruled in favour of the trust and overturned the decision of the Master.

### 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 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 2015.

They will continue in office for the 2016 financial year.

### 10. Duration and dissolution 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.

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

The annual financial statements have been authorised for issue by the trustees on 18 August 2015. No authority was given to anyone to amend the financial statements after the date of issue.

### 12. 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 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 2015

### Trustees' Report

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#### 13. Meeting attendance

The trustees attendance at quarterly meetings for the 2015 financial year are as follows:

<u>Trustee:</u>	<u>20 May 2014</u>	<u>19 August 2014</u>	<u>18 November 2014</u>	<u>17 February 2015</u>
P. Van Zyl	Present	Present	Present	Present
P. Camay	Present	Present	Present	Present
J. Doidge	Absent	Present	Present	Present
J. De Bruyn	Present	Present	Present	Present
Dr. I.P. Jood-Molaolwe	Absent	Present	Present	Present
M. Silinda	Present	Present	Present	Present
C. Molusi	Absent	Present	Absent	Absent

# Asbestos Relief Trust

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## Statement of Financial Position as at 28 February 2015

	Note(s)	2015 R	2014 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	4 119 719	4 503 766
Other financial assets	4	291 472 848	293 992 306
		<u>295 592 567</u>	<u>298 496 072</u>
<b>Current Assets</b>			
Trade and other receivables	5	145 211	242 803
Cash and cash equivalents	6	13 547 051	14 230 585
		<u>13 692 262</u>	<u>14 473 388</u>
<b>Total Assets</b>		<u><b>309 284 829</b></u>	<u><b>312 969 460</b></u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Trust capital	7	<u>300</u>	<u>300</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Funds available for distribution	3	<u>296 478 132</u>	<u>305 615 930</u>
<b>Current Liabilities</b>			
Trade and other payables	9	12 705 302	7 224 211
Provisions	8	101 095	129 019
		<u>12 806 397</u>	<u>7 353 230</u>
<b>Total Liabilities</b>		<u><b>309 284 529</b></u>	<u><b>312 969 160</b></u>
<b>Total Equity and Liabilities</b>		<u><b>309 284 829</b></u>	<u><b>312 969 460</b></u>

## Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2015

### Statement of Comprehensive Income

	Note(s)	2015 R	2014 R
Revenue	10	325 899	354 864
Other income	11	705 748	8 051 486
Operating expenses		(8 566 884)	(8 834 796)
<b>Operating deficit</b>	12	<b>(7 535 237)</b>	<b>(428 446)</b>
Investment revenue	13	17 728 764	16 267 170
Social project expenses		(656 335)	(508 684)
<b>Surplus for the year</b>		<b>9 537 192</b>	<b>15 330 040</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 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 01 March 2014</b>	<b>300</b>	-	<b>300</b>
<b>Surplus for the year</b>	-	<b>9 537 192</b>	<b>9 537 192</b>
Transfer of surplus to trust capital	-	<b>(9 537 192)</b>	<b>(9 537 192)</b>
<b>Balance at 28 February 2015</b>	<b>300</b>	-	<b>300</b>
Note	7		

# Asbestos Relief Trust

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## Statement of Cash Flows

	Note(s)	2015 R	2014 R
<b>Cash flows from operating activities</b>			
Cash used in operations	17	(2 523 023)	(6 938 985)
Transfer of surplus to funds available for distribution		(9 537 192)	(15 330 039)
<b>Net cash from operating activities</b>		<b>(12 060 215)</b>	<b>(22 269 024)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(16 259)	(47 317)
Sale of property, plant and equipment	2	-	28 282
Net movement in financial assets		2 801 974	5 371 764
Interest Income		15 550 094	14 002 888
Dividends received		2 178 670	2 264 282
<b>Net cash from investing activities</b>		<b>20 514 479</b>	<b>21 619 899</b>
<b>Cash flows from financing activities</b>			
Net movement in funds available for distribution		(9 137 798)	172 051
<b>Net cash from financing activities</b>		<b>(9 137 798)</b>	<b>172 051</b>
<b>Total cash movement for the year</b>		<b>(683 534)</b>	<b>(477 074)</b>
Cash at the beginning of the year		14 230 585	14 707 659
<b>Total cash at end of the year</b>	6	<b>13 547 051</b>	<b>14 230 585</b>

# Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2015

## 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 2015

## 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 2015

## 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.

# Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2015

## Notes to the Annual Financial Statements

	2015			2014		
	R			R		
<b>2. Property, plant and equipment</b>						
	2015			2014		
	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	(2 200 113)	2 682 351	4 882 464	(1 867 229)	3 015 235
Furniture and fixtures	344 891	(263 210)	81 681	339 884	(228 926)	110 958
Motor vehicles	151 285	(151 285)	-	151 285	(151 285)	-
Office equipment	102 050	(102 613)	(563)	102 050	(101 729)	321
IT equipment	270 600	(245 886)	24 714	259 348	(213 632)	45 716
Computer software	538 527	(538 527)	-	538 527	(538 527)	-
<b>Total</b>	<b>7 621 353</b>	<b>(3 501 634)</b>	<b>4 119 719</b>	<b>7 605 094</b>	<b>(3 101 328)</b>	<b>4 503 766</b>

### Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Land	1 331 536	-	-	1 331 536
Buildings	3 015 235	-	(332 884)	2 682 351
Furniture and fixtures	110 958	5 006	(34 283)	81 681
Office equipment	321	-	(884)	(563)
IT equipment	45 716	11 253	(32 255)	24 714
	<b>4 503 766</b>	<b>16 259</b>	<b>(400 306)</b>	<b>4 119 719</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>

### 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

	2015 R	2014 R
<b>3. Funds available for distribution</b>		
Gencor settlement fund	(293 045 697)	(301 657 299)
Gefco settlement fund	(2 479 104)	(3 005 680)
Msauli settlement fund	(953 331)	(952 951)
	<b>(296 478 132)</b>	<b>(305 615 930)</b>
<b>Gencor settlement fund</b>		
Opening balance	301 657 299	302 218 607
Net surplus/(deficit) for the period	9 170 009	14 739 829
Claims paid	(12 558 886)	(16 057 379)
Transfer to claims payable	(11 200 565)	(6 506 338)
Reversal of prior year claims payable	6 506 338	7 262 580
Prior year correction of allocation	(528 498)	-
	<b>293 045 697</b>	<b>301 657 299</b>
<b>Gefco settlement fund</b>		
Opening balance	3 005 680	2 102 358
Net surplus/(deficit) for the period	244 631	393 219
Claims Paid	(681 143)	(190 455)
Transfer to claims payable	(1 087 031)	(418 147)
Reversal of prior year claims payable	418 147	118 705
Contribution by founder	-	1 000 000
Prior year correction of allocation	578 820	-
	<b>2 479 104</b>	<b>3 005 680</b>
<b>Msauli settlement fund</b>		
Opening Balance	952 951	1 122 914
Net surplus/(deficit) for the period	122 553	196 992
Claims paid	(106 426)	(421 869)
Transfer to claims payable	(90 913)	(125 488)
Reversal of prior year claims payable	125 488	57 651
Contribution by founder	-	120 000
Income accrual transfer	-	2 751
Prior year correction of allocation	(50 322)	-
	<b>953 331</b>	<b>952 951</b>

# Asbestos Relief Trust

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## Notes to the Annual Financial Statements

	2015 R	2014 R		
<b>4. Other financial assets</b>				
<b>At fair value</b>				
Investment portfolio - Taquanta Asset Managers	149 251 896	140 151 978		
Investment portfolio - Prescient Investment Management	142 220 952	140 630 640		
Investment portfolio - Investec Asset Management	-	13 209 688		
	<b>291 472 848</b>	<b>293 992 306</b>		
<b>Non-current assets</b>				
At fair value	291 472 848	293 992 306		
The fair values of listed or quoted investments are based on the quoted market price at reporting period date.				
<b>Taquanta Asset Managers</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Book Value</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Market Value</b>
Domestic equity investments	21 202 954	21 113 030	23 030 906	24 566 353
Fixed interest investments	26 377 222	15 522 729	26 769 730	16 339 718
Cash investments	100 857 725	98 265 975	99 451 260	99 245 907
Accrued income	911 371	1 291 298	-	-
	<b>149 349 272</b>	<b>136 193 032</b>	<b>149 251 896</b>	<b>140 151 978</b>
<b>Prescient Investment Management</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Book Value</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Market Value</b>
Domestic equity investments	30 976 093	29 080 710	59 433 124	52 664 590
Fixed interest investments	79 112 462	83 028 951	80 312 248	83 322 128
Cash investments	2 465 836	4 629 251	2 475 580	4 643 922
Accrued income	9 745	14 672	-	-
	<b>112 564 136</b>	<b>116 753 584</b>	<b>142 220 952</b>	<b>140 630 640</b>
<b>Investec Asset Management</b>	<b>2015</b>	<b>2014</b>	<b>2015 Market</b>	<b>2014 Market</b>
	<b>Book Value</b>	<b>Book Value</b>	<b>Value</b>	<b>Value</b>
Cash investments	-	13 209 688	-	13 209 688
<b>5. Trade and other receivables</b>				
Trade receivables			11 345	28 027
Deposits			45 950	45 950
VAT			40 539	51 392
KRT receivables			47 377	40 773
Interest receivable - SARS			-	76 661
			<b>145 211</b>	<b>242 803</b>

# Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2015

## Notes to the Annual Financial Statements

	2015 R	2014 R	
<b>6. Cash and cash equivalents</b>			
Cash and cash equivalents consist of:			
Cash on hand	2 382	2 500	
Bank balances	302 091	175 981	
Other cash and cash equivalents	13 242 578	14 052 104	
	<b>13 547 051</b>	<b>14 230 585</b>	
<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 - 2015</b>			
	Opening balance	Reversed during the year	Total
Provisions for employee benefits	129 019	(27 924)	101 095
<b>Reconciliation of provisions - 2014</b>			
	Opening balance	Reversed during the year	Total
Provisions for employee benefits	155 769	(26 750)	129 019
<b>9. Trade and other payables</b>			
Trade payables	70 496	58 381	
Claims payable	12 378 509	7 049 973	
Trustee's fees payable	217 752	76 152	
Deposits received	38 545	39 705	
	<b>12 705 302</b>	<b>7 224 211</b>	
<b>10. Revenue</b>			
Rental Income	325 899	354 864	
<b>11. Other income</b>			
Fair value adjustment	282 516	7 338 812	
Administration fee income	360 000	360 000	
Sundry income	-	319 738	
SIMRAC projects	-	71 170	
Other income	63 232	(38 234)	
	<b>705 748</b>	<b>8 051 486</b>	

# Asbestos Relief Trust

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## Notes to the Annual Financial Statements

	2015 R	2014 R
<b>12. Operating deficit</b>		
Operating deficit for the year is stated after accounting for the following:		
Property, plant and equipment	-	833
Other financial assets	282 516	7 337 979
Depreciation on property, plant and equipment	400 304	407 398
Employee costs	2 066 929	2 385 323
	<u>2 750 755</u>	<u>3 181 533</u>
<b>13. Investment revenue</b>		
<b>Dividend revenue</b>		
Investment portfolio - Taquanta Asset Managers	724 094	624 931
Investment portfolio - Prescient Investment Management	1 454 576	1 639 351
	<u>2 178 670</u>	<u>2 264 282</u>
<b>Interest revenue</b>		
Investment portfolio - Taquanta Asset Managers	8 499 606	7 987 012
Investment portfolio - Prescient Investment Management	6 025 423	4 435 351
Investment portfolio - Investec Asset Management	378 207	610 261
Interest earned - Corporate Saver Account	519 621	486 821
S24J Interest - Taquanta Asset Managers	127 237	483 443
	<u>15 550 094</u>	<u>14 002 888</u>
	<u>17 728 764</u>	<u>16 267 170</u>
<b>14. Social Project Expenses</b>		
<b>Project expenses/(refunds)</b>		
Asbestos History Book	-	53 971
Asbestos Interest Group (AIG)	120 000	114 000
Asbestos Research (DR FIG)	7 500	-
Cancer Charity Workers (CCW)	30 000	18 000
Kuruman Palliative Care Nurse Project (KPCNP)	242 735	222 713
Mesothelioma Incidence Near Kuruman Study (MINKS)	131 100	-
Neil White Bursary (NWB)	25 000	-
SA Meso Interest Group (SAMIG)	100 000	100 000
	<u>656 335</u>	<u>508 684</u>
<b>15. Taxation</b>		
<i>No provision has been made for 2015 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>16. Auditors' remuneration</b>		
Fees	142 500	166 212

# Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2015

## Notes to the Annual Financial Statements

	2015 R	2014 R
<b>17. Cash used in operations</b>		
Surplus before taxation	9 537 192	15 330 040
<b>Adjustments for:</b>		
Depreciation and amortisation	400 304	407 398
Fair value adjustment	(282 516)	(7 338 812)
Dividends received - investment	(2 178 670)	(2 264 282)
Interest received - investment	(15 550 094)	(14 002 888)
Movements in provisions	(27 924)	(26 750)
<b>Changes in working capital:</b>		
Trade and other receivables	97 592	1 289 147
Trade and other payables	5 481 093	(332 838)
	<b>(2 523 023)</b>	<b>(6 938 985)</b>

## 18. Contingencies

The trust brought an application against the Master of the North Gauteng High Court to prevent him from releasing confidential claims-related and medical information of beneficiaries to the Premier of the Northern Cape, who in turn indicated that she would release the information to the public. This application is pursuant to a complaint by a Kuruman-based community group who claim that its members qualified for but were wrongfully denied compensation by the trust. Further, it claims that its members have a right to receive compensation because they were part of the litigation that led to the creation of the trust, regardless of whether they meet the claims criteria as per the Trust Deed and qualify for compensation.

The trustees and the trust's lawyers consider the likelihood of the application succeeding as high and have indicated that the total litigation costs as at 28 February 2015 amount to R 328,640.

## 19. Fair value adjustment

### Realised (profit)/loss on investment portfolio

Investment portfolio - Taquanta Asset Managers	626 088	353 559
Investment portfolio - Prescient Investment Management	814 834	(10 070 723)
	<b>1 440 922</b>	<b>(9 717 164)</b>

### Unrealised (profit)/loss on investments portfolio

Investment portfolio - Taquanta Asset Managers	4 056 322	670 048
Investment portfolio - Prescient Investment Management	(5 779 760)	1 708 304
	<b>(1 723 438)</b>	<b>2 378 352</b>

Realised (profit)/loss on investment portfolio	1 440 922	(9 717 164)
Unrealised (profit)/loss on investments portfolio	(1 723 438)	2 378 352
	<b>(282 516)</b>	<b>(7 338 812)</b>

# Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2015

## Detailed Income Statement

	Note(s)	2015 R	2014 R
<b>Revenue</b>			
Rental Income		325 899	354 864
<b>Other income</b>			
Administration fee income		360 000	360 000
Dividends received	13	2 178 670	2 264 282
Fair value adjustment	18	282 516	7 338 812
Interest received	13	15 550 094	14 002 888
Other income		63 232	(38 234)
Sundry income - SIMRAC Project		-	71 170
Sundry income - Silicosis Project		-	319 738
		<b>18 434 512</b>	<b>24 318 656</b>
<b>Expenses (Refer to page 22)</b>		<b>(8 566 884)</b>	<b>(8 834 796)</b>
<b>Operating surplus</b>	12	<b>10 193 527</b>	<b>15 838 724</b>
Social project expenses		(656 335)	(508 684)
<b>Surplus for the year</b>		<b>9 537 192</b>	<b>15 330 040</b>

# Asbestos Relief Trust

(Registration number IT 1734/2003)

Annual Financial Statements for the year ended 28 February 2015

## Detailed Income Statement

	Note(s)	2015 R	2014 R
<b>Operating expenses</b>			
Administration and management fees (medical)		(1 645 436)	(1 494 487)
Auditors remuneration	16	(142 500)	(166 212)
Bank charges		(6 199)	(3 840)
Claim processing and related expenses		(135 352)	(114 773)
Communication fees		(177 369)	(178 400)
Computer expenses		(259 634)	(261 686)
Courier and postage fees		(25 973)	(16 707)
Depreciation, amortisation and impairments		(400 304)	(407 398)
Employee costs		(2 066 929)	(2 385 323)
Equipment rental and related expenses		(37 803)	(37 256)
Insurance		(48 933)	(47 493)
Legal expenses		(183 346)	(169 979)
Medical evaluation expenses		(120 917)	(141 782)
Meeting expenses		(52 760)	(69 552)
Portfolio expenses		(1 481 651)	(1 452 113)
Printing and stationery		(16 738)	(14 327)
Professional fees - Actuarial fees		(39 900)	(82 935)
Professional fees - Administration fees		(24 998)	(24 550)
Professional fees - Labour relations		(1 511)	(1 399)
Professional fees - Other		(103 392)	(50 443)
Rental and related expenses		(287 533)	(269 549)
Repairs and maintenance		(19 182)	(29 353)
Seminars and conferences		-	(39 474)
Subscriptions		(1 593)	(2 774)
Sundry expenses		(1 160)	(8 645)
Telephone and fax		(72 153)	(86 699)
Travel and accomodation		(159 418)	(218 123)
Trustee consulting fees		(27 000)	(101 720)
Trustee fees		(1 027 200)	(845 304)
Trustee management fees		-	(112 500)
		<b>(8 566 884)</b>	<b>(8 834 796)</b>