

**ASBESTOS RELIEF TRUST**  
(Registration number IT 1734/2003)  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2017**

## Asbestos Relief Trust

(Registration number IT 1734/2003)

Annual Financial Statements for the year ended 28 February 2017

### 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>	P.O. Box 86 Parklands 2121
<b>Bankers</b>	Nedbank Limited
<b>Auditor's</b>	Quantum Auditors Incorporated 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 Local legislation over trusts.
<b>Preparer</b>	The annual financial statements were independently compiled by: 1.2.3. Consulting Proprietary Limited: represented by B. Szoke, Professional Accountant (SAIPA)
<b>Issued</b>	31 October 2017

## **Asbestos Relief Trust**

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Annual Financial Statements for the year ended 28 February 2017

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## Asbestos Relief Trust

(Registration number IT 1734/2003)

Annual Financial Statements for the year ended 28 February 2017

### 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's 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 are 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 2018 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.

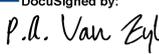
The external auditor's are responsible for independently auditing and reporting on the Trust's annual financial statements. The annual financial statements have been examined by the Trust's external auditor's and their report is presented on page 4.

The annual financial statements set out on pages 6 to 20, which have been prepared on the going concern basis, were approved by the board of Trustees on 31 October 2017 and were signed on its behalf by:

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**Dr. I.P. Jood-Molaolwe**

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**P.A. Van Zyl**



## 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 2017, 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 2017, 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 (IRBA Code) and other independence requirements applicable to performing audits of 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 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, 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.

## Independent Auditor's Report

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### 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.

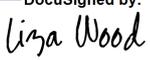
### Auditor's responsibilities for the audit of the Annual Financial Statements

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.

DocuSigned by:  
  
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**L.J. Wood**  
**Quantum Auditors Incorporated**  
**Chartered Accountants (S.A.)**  
**Registered Auditors**

**31 October 2017**

# Asbestos Relief Trust

(Registration number IT 1734/2003)

Annual Financial Statements for the year ended 28 February 2017

## 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 2017.

### 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 beneficiary of the Trust during the accounting year and up to the date of this report is 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 R 23,700,800 were approved of which R 6,366,007 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.A. Van Zyl	
P. Camay	Deceased 01 October 2016
J.R.P. Doidge	Resigned 15 November 2016
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.

## **Asbestos Relief Trust**

(Registration number IT 1734/2003)

Annual Financial Statements for the year ended 28 February 2017

### **Trustees' Report**

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#### **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.

#### **8. Auditors**

Quantum Auditors Incorporated continued in office as auditors for the Trust for 2017.

They will continue in office for the 2018 financial year.

#### **9. 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.

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

The annual financial statements have been authorised for issue by the Trustees on 13 November 2017. 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 2017

**Statement of Financial Position as at 28 February 2017**

	Note(s)	2017 R	2016 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	4 026 908	4 303 395
Other financial assets	3	280 202 186	277 825 768
		<b>284 229 094</b>	<b>282 129 163</b>
<b>Current Assets</b>			
Trade and other receivables	4	83 118	163 354
Cash and cash equivalents	5	6 324 532	13 719 329
		<b>6 407 650</b>	<b>13 882 683</b>
<b>Total Assets</b>		<b>290 636 744</b>	<b>296 011 846</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Trust capital	6	300	300
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Funds available for distribution	7	283 293 871	287 975 398
<b>Current Liabilities</b>			
Trade and other payables	8	7 266 096	7 945 622
Provisions	9	76 477	90 526
		<b>7 342 573</b>	<b>8 036 148</b>
<b>Total Liabilities</b>		<b>290 636 444</b>	<b>296 011 546</b>
<b>Total Equity and Liabilities</b>		<b>290 636 744</b>	<b>296 011 846</b>

**Asbestos Relief Trust**

(Registration number IT 1734/2003)

Annual Financial Statements for the year ended 28 February 2017

**Statement of Comprehensive Income**

	Note(s)	2017 R	2016 R
Revenue	10	468 873	418 600
Other income	11	(316 539)	(4 920 159)
Operating expenses		(8 514 513)	(7 288 047)
<b>Operating deficit</b>	12	<b>(8 362 179)</b>	<b>(11 789 606)</b>
Investment revenue	13	20 454 533	17 138 176
Social project expenses	14	(460 720)	(482 447)
<b>Surplus for the year</b>		<b>11 631 634</b>	<b>4 866 123</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>11 631 634</b>	<b>4 866 123</b>

## Asbestos Relief Trust

(Registration number IT 1734/2003)

Annual Financial Statements for the year ended 28 February 2017

### Statement of Changes in Equity

	Trust capital	Accumulated surplus	Total equity
	R	R	R
<b>Balance at 01 March 2015</b>	<b>300</b>	-	<b>300</b>
Surplus for the year	-	4 866 123	4 866 123
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>4 866 123</b>	<b>4 866 123</b>
Transfer of surplus to trust capital	-	(4 866 123)	(4 866 123)
<b>Total changes</b>	<b>-</b>	<b>(4 866 123)</b>	<b>(4 866 123)</b>
<b>Balance at 01 March 2016</b>	<b>300</b>	-	<b>300</b>
Surplus for the year	-	11 631 634	11 631 634
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>11 631 634</b>	<b>11 631 634</b>
Transfer of surplus to trust capital	-	(11 631 634)	(11 631 634)
<b>Total changes</b>	<b>-</b>	<b>(11 631 634)</b>	<b>(11 631 634)</b>
<b>Balance at 28 February 2017</b>	<b>300</b>	-	<b>300</b>
Note	6		

## Asbestos Relief Trust

(Registration number IT 1734/2003)

Annual Financial Statements for the year ended 28 February 2017

### Statement of Cash Flows

	Note(s)	2017 R	2016 R
<b>Cash flows from operating activities</b>			
Cash used in operations	17	(8 229 959)	(11 534 937)
Portfolio fees		(1 442 581)	(1 426 344)
<b>Net cash from operating activities</b>		<b>(9 905 247)</b>	<b>(12 961 281)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(121 133)	(400 225)
Sale of property, plant and equipment	2	-	49 437
Net movement in financial assets		(3 185 077)	8 288 121
Interest Income		21 167 151	15 344 361
Dividends received		232 707	3 220 159
<b>Net cash from investing activities</b>		<b>18 823 611</b>	<b>26 501 853</b>
<b>Cash flows from financing activities</b>			
Net movement in funds available for distribution		(4 681 527)	(8 502 172)
Transfer of surplus to funds available for distribution		(11 631 634)	(4 866 122)
<b>Net cash from financing activities</b>		<b>(16 313 161)</b>	<b>(13 368 294)</b>
<b>Total cash movement for the year</b>		<b>(7 394 797)</b>	<b>172 278</b>
Cash at the beginning of the year		13 719 329	13 547 051
<b>Total cash at end of the year</b>	5	<b>6 324 532</b>	<b>13 719 329</b>

## Asbestos Relief Trust

(Registration number IT 1734/2003)

Annual Financial Statements for the year ended 28 February 2017

### 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.

Cost 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 as follows:

Item	Depreciation method	Average useful life
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).

###### 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

(Registration number IT 1734/2003)

Annual Financial Statements for the year ended 28 February 2017

### 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 - 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 an asset 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 profit or loss.

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 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.

Contingent assets and contingent liabilities are not recognised.

## **Asbestos Relief Trust**

(Registration number IT 1734/2003)

Annual Financial Statements for the year ended 28 February 2017

### **Accounting Policies**

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#### **1.8 Revenue**

Revenue is recognised to the extent that the trust 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

(Registration number IT 1734/2003)

Annual Financial Statements for the year ended 28 February 2017

### Notes to the Annual Financial Statements

	2017			2016		
	R			R		
<b>2. Property, plant and equipment</b>						
	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	1 331 536	-	1 331 536	1 331 536	-	1 331 536
Buildings	4 882 464	(2 599 599)	2 282 865	4 882 464	(2 355 475)	2 526 989
Furniture and fixtures	344 891	(318 545)	26 346	344 891	(293 108)	51 783
Motor vehicles	374 164	(87 305)	286 859	374 164	(12 472)	361 692
Office equipment	102 815	(97 982)	4 833	97 816	(97 816)	-
IT equipment	170 293	(153 571)	16 722	170 293	(138 898)	31 395
Computer software	654 659	(576 912)	77 747	538 527	(538 527)	-
<b>Total</b>	<b>7 860 822</b>	<b>(3 833 914)</b>	<b>4 026 908</b>	<b>7 739 691</b>	<b>(3 436 296)</b>	<b>4 303 395</b>

#### Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Land	1 331 536	-	-	1 331 536
Buildings	2 526 989	-	(244 124)	2 282 865
Furniture and fixtures	51 783	-	(25 437)	26 346
Motor vehicles	361 692	-	(74 833)	286 859
Office equipment	-	4 999	(166)	4 833
IT equipment	31 395	-	(14 673)	16 722
Computer software	-	116 134	(38 387)	77 747
	<b>4 303 395</b>	<b>121 133</b>	<b>(397 620)</b>	<b>4 026 908</b>

#### Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Land	1 331 536	-	-	-	1 331 536
Buildings	2 682 351	-	-	(155 362)	2 526 989
Furniture and fixtures	81 681	-	-	(29 898)	51 783
Motor vehicles	-	374 165	-	(12 473)	361 692
Office equipment	(563)	-	563	-	-
IT equipment	24 714	26 060	-	(19 379)	31 395
	<b>4 119 719</b>	<b>400 225</b>	<b>563</b>	<b>(217 112)</b>	<b>4 303 395</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>

Registers with details of property, plant and equipment are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

## Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2017

### Notes to the Annual Financial Statements

	2017 R	2016 R
<b>3. Other financial assets</b>		
<b>At fair value</b>		
Investment portfolio - Taquanta Asset Managers	136 591 490	142 055 024
Investment portfolio - Prescient Investment Management	143 610 696	135 770 744
	<b>280 202 186</b>	<b>277 825 768</b>
<b>Non-current assets</b>		
At fair value	280 202 186	277 825 768
The fair values of listed or quoted investments are based on the quoted market price at reporting period date.		
<b>4. Trade and other receivables</b>		
Trade receivables	4 998	5 951
Deposits	48 450	48 450
VAT	-	40 099
Accrued Interest	29 670	68 854
	<b>83 118</b>	<b>163 354</b>
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	2 500	2 500
Bank balances	295 813	414 926
Other cash and cash equivalents	6 026 219	13 301 903
	<b>6 324 532</b>	<b>13 719 329</b>
<b>6. Trust capital</b>		
<b>Capital account / Trust capital</b>		
Balance at beginning of year	300	300

## Asbestos Relief Trust

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### Notes to the Annual Financial Statements

	2017 R	2016 R
<b>7. Funds available for distribution</b>		
Gencor settlement fund	(276 754 418)	(281 616 587)
Gefco settlement fund	(5 552 772)	(5 342 950)
Msauli settlement fund	(986 681)	(1 015 861)
	<b>(283 293 871)</b>	<b>(287 975 398)</b>
<b>Gencor settlement fund</b>		
Opening balance	281 616 588	293 045 697
Net surplus/(deficit) for the period	11 183 817	4 678 776
Claims paid	(16 949 881)	(20 828 968)
Transfer to claims payable	(5 575 588)	(6 479 482)
Reversal of prior year claims payable	6 479 482	11 200 565
	<b>276 754 418</b>	<b>281 616 588</b>
<b>Gefco settlement fund</b>		
Opening balance	5 342 950	2 479 104
Net surplus/(deficit) for the period	298 353	124 817
Claims paid	(206 266)	(530 762)
Transfer to claims payable	(699 505)	(817 240)
Reversal of prior year claims payable	817 240	1 087 031
Contribution by founder	-	3 000 000
	<b>5 552 772</b>	<b>5 342 950</b>
<b>Msauli settlement fund</b>		
Opening balance	1 015 861	953 331
Net surplus/(deficit) for the period	149 467	62 530
Claims paid	(178 646)	-
Transfer to claims payable	(90 914)	(90 913)
Reversal of prior year claims payable	90 913	90 913
	<b>986 681</b>	<b>1 015 861</b>
<b>8. Trade and other payables</b>		
Trade payables	131 649	27 848
VAT	11 150	-
Accrued expenses	174 873	-
Claims payable	6 366 007	7 387 636
Trustee's fees payable	535 752	370 152
Deposits received	46 665	46 665
Other payables	-	113 321
	<b>7 266 096</b>	<b>7 945 622</b>

## Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2017

### Notes to the Annual Financial Statements

	2017 R	2016 R
<b>9. Provisions</b>		
<b>Reconciliation of provisions - 2017</b>		
	Opening balance	Reversed during the year
Provisions for employee benefits	90 526	(14 049)
	<b>76 477</b>	<b>76 477</b>
<b>Reconciliation of provisions - 2016</b>		
	Opening balance	Reversed during the year
Provisions for employee benefits	101 095	(10 569)
	<b>90 526</b>	<b>90 526</b>
<b>10. Revenue</b>		
Rental Income	468 873	418 600
<b>11. Other income</b>		
Administration fee income	492 120	388 800
Fair value adjustment	(808 659)	(5 308 959)
	<b>(316 539)</b>	<b>(4 920 159)</b>
<b>12. Operating deficit</b>		
Operating deficit for the year is stated after accounting for the following:		
Depreciation on property, plant and equipment	397 620	216 549
Employee costs	2 381 388	2 150 656
<b>13. Investment revenue</b>		
<b>Dividend revenue</b>		
Investment portfolio - Taquanta Asset Managers	484 111	722 337
Investment portfolio - Prescient Investment Management	245 852	2 000 565
	<b>729 963</b>	<b>2 722 902</b>
<b>Interest revenue</b>		
Investment portfolio - Taquanta Asset Managers	9 675 791	9 251 110
Investment portfolio - Prescient Investment Management	10 771 906	5 779 776
Interest earned - Corporate Saver Account	719 454	676 298
Portfolio Expenses	(1 442 581)	(1 426 344)
S24J Interest - Taquanta Asset Managers	-	134 434
	<b>19 724 570</b>	<b>14 415 274</b>
	<b>20 454 533</b>	<b>17 138 176</b>

## Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2017

### Notes to the Annual Financial Statements

	2017 R	2016 R
<b>14. Social Project Expenses</b>		
Asbestos History Book	6 309	-
Asbestos Interest Group (AIG)	141 350	129 600
Asbestos Research	5 000	-
Cancer Charity Workers (CCW)	-	33 950
Kuruman Palliative Care Nurse Project (KPCNP)	283 689	265 897
Mesothelioma Incidence Near Kuruman Study (MINKS)	-	28 000
Neil White Bursary (NWB)	24 372	25 000
	<b>460 720</b>	<b>482 447</b>
<b>15. Taxation</b>		
No provision has been made for 2016 tax as the Trust has no taxable income. In terms of section 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>16. Auditor's remuneration</b>		
Fees	340 967	142 500
<b>17. Cash used in operations</b>		
Surplus before taxation	11 631 634	4 866 123
<b>Adjustments for:</b>		
Depreciation and amortisation	397 620	216 549
Profit/Loss on Investments	808 659	5 308 959
Dividends received - investment	(729 963)	(2 722 902)
Interest received	(19 724 570)	(14 415 274)
Movements in provisions	(14 049)	(10 569)
<b>Changes in working capital:</b>		
Trade and other receivables	80 236	(18 143)
Trade and other payables	(679 526)	(4 759 680)
	<b>(8 229 959)</b>	<b>(11 534 937)</b>
<b>18. Fair value adjustment</b>		
<b>Realised (profit)/loss on investment portfolio</b>		
Investment portfolio - Taquanta Asset Managers	(823 279)	2 085 647
Investment portfolio - Prescient Investment Management	2 909 727	(24 348 151)
	<b>2 086 448</b>	<b>(22 262 504)</b>
<b>Unrealised (profit)/loss and reversals on investments portfolio</b>		
Investment portfolio - Taquanta Asset Managers	(696 243)	(146 843)
Investment portfolio - Prescient Investment Management	(581 546)	27 768 307
	<b>(1 277 789)</b>	<b>27 621 464</b>
Realised (profit)/loss and reversals on investment portfolio	2 086 448	(22 262 504)
Unrealised (profit)/loss and reversals on investments portfolio	(1 277 789)	27 621 464
	<b>808 659</b>	<b>5 358 960</b>

## Asbestos Relief Trust

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Annual Financial Statements for the year ended 28 February 2017

### Detailed Income Statement

	Note(s)	2017 R	2016 R
<b>Revenue</b>			
Rental Income		468 873	418 600
<b>Other income</b>			
Administration fee income		492 120	388 800
Realised and Unrealised loss on investments		(808 659)	(5 308 959)
Dividends received	13	729 963	2 722 902
Interest received	13	19 724 570	14 415 274
		<b>20 137 994</b>	<b>12 218 017</b>
<b>Operating expenses</b>			
Administration and management fees (medical)		(1 922 954)	(1 812 300)
Auditors remuneration	16	(340 967)	(142 500)
Bad debts		(49 906)	-
Bank charges		(6 405)	(1 549)
Claim processing and related expenses		(241 972)	(312 953)
Communication fees		(73 001)	(79 262)
Computer expenses		(302 975)	(289 424)
Courier and postage fees		(35 384)	(37 124)
Depreciation, amortisation and impairments		(397 620)	(216 549)
Employee costs		(2 381 388)	(2 150 656)
Equipment rental and related expenses		(40 686)	(41 319)
Health and safety		(49 985)	(12 365)
Insurance		(46 686)	(49 435)
Legal expenses		(59 377)	86 046
Medical evaluation expenses		(268 671)	(198 990)
Meeting expenses		(41 178)	(49 443)
Printing and stationery		(11 043)	(8 846)
Professional fees - Actuarial fees		(31 920)	(93 480)
Professional fees - Administration fees		(23 991)	(21 809)
Professional fees - Labour relations		-	(1 567)
Professional fees - Other		(272 716)	(97 806)
Rental and related expenses		(513 653)	(326 668)
Repairs and maintenance		(61 871)	(49 334)
Subscriptions		(4 747)	(3 156)
Sundry expenses		(3 038)	(4 522)
Telephone and fax		(73 055)	(62 504)
Travel and accommodation		(147 374)	(147 982)
Trustee consulting fees		(29 250)	(57 350)
Trustee fees		(1 082 700)	(1 105 200)
		<b>(8 514 513)</b>	<b>(7 288 047)</b>
<b>Operating surplus</b>	12	<b>12 092 354</b>	<b>5 348 570</b>
Social project expenses		(460 720)	(482 447)
<b>Surplus for the year</b>		<b>11 631 634</b>	<b>4 866 123</b>