



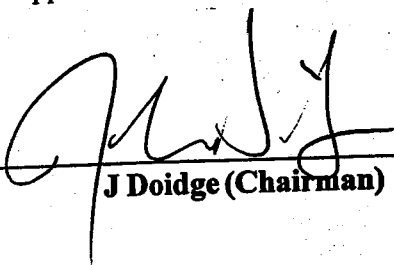
Asbestos Relief Trust
(IT. 1734/2003)

Financial Statements
for the period 1 July 2004 to 28 February 2005


| <i>Contents</i> | <i>Page</i> |
|---|-------------|
| Report of the independent auditors | 2 |
| Trustees' report | 3 - 4 |
| Balance sheet | 5 |
| Income statement | 6 |
| Statement of changes in trust capital and accumulated funds | 7 |
| Cash flow statement | 8 |
| Notes to the financial statements | 9 - 13 |

Trustees' approval of the financial statements

The financial statements for the for the period 1 July 2004 to 28 February 2005 are set out on pages 3 to 13 were approved by the trustees on 15 September 2005 and are signed on its behalf by –



J Doidge (Chairman)



J De Bruyn

} **Trustees**



KPMG Inc
KPMG Crescent
85 Empire Road, Parktown, 2193
Private Bag 9, Parkview, 2122, South Africa

Telephone +27 (11) 647 7111
Fax +27 (11) 647 8000
DoceX 472 Johannesburg
Internet <http://www.kpmg.co.za/>

Report of the independent auditors

To the trustees of Asbestos Relief Trust

We have audited the financial statements of Asbestos Relief Trust set out on pages 3 to 13 for the period 1 July 2004 to 28 February 2005. These financial statements are the responsibility of the trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the trust at 28 February 2005 and the results of its operations and cash flows for the period ended 28 February 2005 then ended in accordance with South African Generally Accepted Accounting Practice and in the manner required by the Trust Deed dated 12 March 2003.

KPMG Inc.
Registered Accountants and Auditors
Chartered Accountants (SA)

Per N Keshav
Director
15 September 2005



Asbestos Relief Trust

Trustees' report

for the period 1 July 2004 to 28 February 2005

The trustees have pleasure in presenting their report for the period 1 July 2004 to 28 February 2005.

1. Objective of the trust

The primary object of the trust is 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.

2. Founders of the trust

The founders of the trust are Gencor Limited ("Gencor"), Griqualand Exploration and Finance Company Limited ("Gefco") and Msauli Asbes Beperk ("Msauli"). The funds provided by the founders are detailed in Note 5 to 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 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 during the period 1965 to 1988 inclusive. In terms of this settlement agreement funds were paid to the trust for compensation to 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 whom 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 whom 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 whom 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 a 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.

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Asbestos Relief Trust

Trustees' report

for the period 1 July 2004 to 28 February 2005 (continued)

Beneficiaries

Beneficiaries of the trust are:

- 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 any charitable organisation having as one of its principal objectives the promotion of welfare of persons or communities detrimentally affected by asbestos mining.

Financial results

The financial statements reflect the financial position of the trust at 28 February 2005 and the results of its activities for the period 1 July 2004 to 28 February 2005.

Trustees at 28 February 2005

J Doidge (Chairman)
J de Bruyn
Dr S Kisting
C Moni
P van Zyl

Administrators

Maitland Trust Limited
1st Floor,
1 Protea Place
Sandown
2196

KPMG Inc.



Asbestos Relief Trust

Balance sheet at 28 February 2005

| | Note | 2005 R | 2004 R |
|---|------|--------------------|--------------------|
| Assets | | | |
| Non-current assets | | | |
| Investments | 2 | 353 019 674 | 342 804 408 |
| Equipment | 3 | 462 113 | 46 938 |
| | | 41 799 588 | 68 618 052 |
| Current assets | | | |
| Accounts receivable | | 5 178 971 | 7 955 602 |
| Cash at bank | 4 | 36 620 617 | 60 662 450 |
| | | 395 281 375 | 411 469 398 |
| Total assets | | | |
| Trust capital and liabilities | | | |
| Trust capital | | | |
| Contribution made by a founder | | 300 | 300 |
| Non current liabilities | | | |
| Available for distribution to beneficiaries | 5 | 389 338 469 | 396 159 689 |
| | | 5 942 606 | 15 309 409 |
| Current liabilities | | | |
| Approved claims payable | 5 | 2 876 906 | 229 491 |
| Accounts payable | | 941 065 | 711 796 |
| Taxation payable | | 2 124 635 | 14 368 122 |
| | | 395 281 375 | 411 469 398 |
| Total trust capital and liabilities | | | |

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Asbestos Relief Trust

Income statement

for the period 1 July 2004 to 28 February 2005

| | Note | 8 months ended 28 February 2005 R | 2004 * R |
|--|------|---|--------------|
| Income | | 17 321 579 | 42 445 259 |
| Interest received | | 4 952 608 | 35 088 555 |
| Dividends received | | 14 252 692 | 8 142 158 |
| less: Portfolio fees | | (1 883 721) | (785 454) |
| | | (6 460 038) | (2 235 654) |
| Expenditure | | 2 192 397 | 532 000 |
| Claim handlers | | 1 161 128 | 177 246 |
| Medical practitioners | | 1 185 854 | 428 119 |
| Administration fees | | 106 355 | 127 605 |
| Accounting fees | | 41 895 | 179 265 |
| Actuarial fees | | 2 565 | 14 018 |
| Advertising and promotions | | 111 610 | 45 600 |
| Auditors remuneration | | 70 000 | 45 600 |
| Current year | | 41 610 | - |
| Prior year under provision | | 4 791 | 5 598 |
| Bank charges | | 28 437 | 12 335 |
| Computer expenses | | 17 653 | 2 506 |
| Depreciation of computer equipment | | 190 | - |
| Depreciation – office equipment | | 6 665 | - |
| – motor vehicles | | 446 | - |
| – office furniture | | 704 | - |
| Electricity | | 57 130 | - |
| Expenditure on equipment written off | | 13 838 | - |
| Insurance | | 61 560 | - |
| Internal audit fees | | 35 838 | 9 776 |
| Legal expenses | | 8 496 | 8 475 |
| Meals and refreshments | | - | 43 389 |
| Medical equipment cost expensed | | 7 222 | - |
| Petty cash expenses | | 64 551 | 28 951 |
| Printing and stationery | | 247 142 | 218 052 |
| Professional fees for setting up systems and procedures | | 314 646 | - |
| Professional fees – Trustees | | 104 651 | 8 556 |
| Rental expenses | | 35 563 | 3 114 |
| Repairs and maintenance | | - | 15 732 |
| Research expenses | | 229 974 | - |
| Social awareness campaign | | 50 917 | - |
| Telephone | | 2 000 | - |
| Training | | 234 020 | 175 317 |
| Travel and accommodation | | 131 800 | 200 000 |
| Trustees fees | | - | - |
| Net income in excess of expenditure before taxation | | 10 861 541 | 40 209 605 |
| Taxation | 6 | 341 905 | (14 368 122) |
| Net income in excess of expenditure for the period | | 11 203 446 | 25 841 483 |

* Comparatives are for the period 17 March 2003 (date of registration) to 30 June

KPMG Inc.



Asbestos Relief Trust

Statement of changes in trust capital and accumulated funds for the period 1 July 2004 to 28 February 2005

| | Trust capital R | Accumulated funds R | Total R |
|---|--------------------|---------------------------|--------------|
| 2004 | | | |
| Founders contribution of trust capital | 300 | | 300 |
| Net income in excess of expenditure for the period | | 25 841 483 | 25 841 483 |
| Net income in excess of expenditure for the period transferred available for distribution to beneficiaries (Refer note 5) | | (25 841 483) | (25 841 483) |
| Balance at 30 June 2004 | 300 | - | 300 |
| 2005 | | | |
| Balance at 1 July 2004 | 300 | - | 300 |
| Net income in excess of expenditure for the period | | 11 203 446 | 11 203 446 |
| Net income in excess of expenditure for the period transferred available for distribution to beneficiaries (Refer note 5) | | (11 203 446) | (11 203 446) |
| Balance at 28 February 2005 | 300 | - | 300 |

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Asbestos Relief Trust

Cash flow statement

for the period 1 July 2004 to 28 February 2005

| | 8 months ended 28 February 2005 R | 2004 * R |
|--|---|--------------------|
| Net income in excess of expenditure before taxation | 10 861 541 | 40 209 605 |
| Adjustment | | |
| – Depreciation of equipment | 24 954 | 2 506 |
| – Decrease/(increase) in accounts receivable | 2 776 631 | (7 955 602) |
| – Increase in accounts payable | 229 269 | 711 796 |
| – Increase in approved claims payable | 2 647 415 | 229 491 |
| Cash generated by operations | 16 539 810 | 33 192 790 |
| – Taxation paid | A (11 901 582) | – |
| Net cash inflow from activities | 4 638 228 | 33 197 796 |
| Acquisition of investments | (10 655 395) | (342 804 408) |
| Initial investment | – | 342 804 408 |
| Dividends, interest net of portfolio fees reinvested | (17 385 330) | – |
| Realisation of investments | 7 170 064 | – |
| Acquisition of equipment | (440 129) | (49 444) |
| Cash effect of amounts available to beneficiaries | (18 024 666) | 370 318 506 |
| Contribution by founder to trust capital | – | 300 |
| Contributions by founders | 1 938 340 | 380 951 053 |
| Claims paid | (19 963 006) | (10 632 847) |
| Decrease in cash and cash equivalents for the period | (24 041 833) | 60 662 450 |
| Cash and cash equivalents at beginning of period | 60 662 450 | – |
| Cash and cash equivalents at end of period | 36 620 617 | 60 662 450 |
| Notes to the cash flow statement | | |
| A Taxation paid | | |
| Taxation payable at beginning of period | 14 368 122 | – |
| Tax charge per income statement | (341 905) | 14 368 122 |
| Taxation payable at end of period | (2 124 635) | (14 368 122) |
| | 11 901 582 | – |

* Comparatives are for the period 17 March 2003 (date of registration) to 30 June.

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Asbestos Relief Trust

Notes to the financial statements

for the period 1 July 2004 to 28 February 2005

1. Accounting policies

The financial statements have been prepared on the historical cost basis and incorporate the following principal accounting policies.

1.1 Statement of compliance

The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice.

1.2 Financial instruments

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets

The principal financial assets are investments, accounts receivable and bank and cash.

Investments are classified as held to maturity financial instruments and are carried at amortised cost.

Accounts receivable are stated at their nominal value and reduced by an appropriate allowance for estimated irrecoverable amounts.

Bank and cash are stated at fair value.

Financial liabilities

Comprise available for distribution to beneficiaries, approved claims payable and accounts payable.

Available for distribution to beneficiaries represents the contributions made by founders, adjusted for claims paid and payable and net income in excess for the period. This is carried at amortised cost.

Approved claims payable and accounts payable are stated up normal value.

1.3 Equipment

Equipment is stated at cost less accumulated depreciation and impairment losses.

The following depreciation rates are used –

| | |
|--------------------|--------|
| Motor vehicles | 20% |
| Computer equipment | 33,33% |
| Office equipment | 20% |
| Office furniture | 10% |
| Software | 50% |

1.4 Interest income

Interest income is recognised as a time apportioned basis.

1.5 Dividends income

Dividends are recognised when the right to receive payment is established.



Asbestos Relief Trust

Notes to the financial statements

for the period 1 July 2004 to 28 February 2005 (continued)

2. Investments

Portfolio analysis

| | | 2005 | | 2004 | |
|---------|--|----------------------------|--------------------|----------------------------|--------------------|
| | | Number of instruments held | Carrying value R | Number of instruments held | Carrying value R |
| PRF001 | Nedbank Preference shares* | 125 000 | 125 000 000 | 125 000 | 125 000 000 |
| PRF003 | ABSA Preference shares* | 100 000 | 100 000 000 | 100 000 | 100 000 000 |
| PRF004 | Investec Preference shares* | 75 000 | 75 000 000 | 75 000 | 75 000 000 |
| IND516 | INDWA Promissory note | 10 000 000 | 9 722 185 | — | — |
| PNI0074 | Nenshelf Promissory note | 10 000 000 | 12 409 885 | — | — |
| PNI0094 | Newshelf Promissory note | 14 000 000 | 17 387 604 | — | — |
| AUT032 | Auto Loan Investments Limited | 10 000 000 | 10 000 000 | — | — |
| AUT041 | Auto Loan Investment Limited | 3 500 000 | 3 500 000 | — | — |
| STB0043 | STB 310804 | — | — | 16 000 000 | 15 000 779 |
| STB0082 | STB 310804 | — | — | 19 000 000 | 17 972 450 |
| PNY124 | Rand Merchant Bank promissory note | — | — | 5 000 000 | 5 000 659 |
| CPB0014 | Eskom Commercial Paper Bill CPB 171104 | — | — | 5 000 000 | 4 830 520 |
| | | | 353 019 674 | | 342 804 408 |

* Held in the name of Nedbank Nominees Limited on behalf of the Trust.

3. Equipment

| | Depreciation rate % | Cost R | Accumulated depreciation R | Carrying amount R |
|--------------------|---------------------|----------------|----------------------------|-------------------|
| 2005 | | | | |
| Motor vehicles | 20,00 | 199 959 | 6 665 | 193 294 |
| Computer equipment | 33,33 | 139 803 | 20 159 | 119 644 |
| Office equipment | 20,00 | 11 394 | 190 | 11 204 |
| Office furniture | 10,00 | 49 819 | 446 | 49 373 |
| Software | 50,00 | 88 599 | — | 88 599 |
| | | 489 574 | 27 460 | 462 114 |

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Asbestos Relief Trust

Notes to the financial statements

for the period 1 July 2004 to 28 February 2005 (continued)

3. Equipment (continued)

| | Net carrying value at beginning of year R | Additions R | Accumulated depreciation R | Carrying value at end of year R |
|--------------------|---|----------------|----------------------------------|--|
| Motor vehicle | – | 199 959 | (6 665) | 193 294 |
| Computer equipment | 46 938 | 90 358 | (17 653) | 119 643 |
| Office equipment | – | 11 394 | (190) | 11 204 |
| Office furniture | – | 49 819 | (446) | 49 373 |
| Software | – | 88 599 | – | 88 599 |
| | <u>46 938</u> | <u>440 129</u> | <u>(24 954)</u> | <u>462 113</u> |
| 2004 | | | | |
| Computer equipment | 33,33 | 49 444 | 2 506 | 46 938 |

4. Cash at bank

Comprises:

Probanker accounts

Probanker account – Gencor
Probanker account – Gefco
Probanker account – Msauli
Administration expense bank accounts

Call accounts

Call balance – Nedbank Limited
Call balance – Nedbank Financial Products – QNED1
Cash balance – Nedbank Financial Products – TRSA01
Fixed deposit – Bank of Taiwan
Call balance – RSA Newshelf
Call balance – QRMBOI
Call balance – Settlement

| | | |
|--|-------------------|-------------------|
| | 10 023 190 | 9 127 807 |
| | 8 767 570 | 8 751 766 |
| | 832 006 | 133 117 |
| | 139 737 | 138 017 |
| | 283 877 | 104 907 |
| | <u>26 597 427</u> | <u>51 534 643</u> |
| | – | 25 534 643 |
| | – | 5 000 000 |
| | – | 14 000 000 |
| | 8 000 000 | 7 000 000 |
| | 923 | – |
| | 18 000 000 | – |
| | 596 504 | – |
| | <u>36 620 617</u> | <u>60 662 450</u> |

5. Obligation to beneficiaries

| | Gencor settlement account R | Gefco settlement account R | Msauli settlement account R | Total R |
|---|--------------------------------------|----------------------------------|--------------------------------------|--------------------|
| Opening balance | 381 102 749 | 9 984 627 | 5 072 313 | 396 159 689 |
| Contributions received | – | – | 1 935 360 | 1 935 360 |
| Donations | 2 865 | 77 | 38 | 2 980 |
| Net income in excess of expenditure for the period | 10 780 274 | 282 009 | 141 163 | 11 203 446 |
| Claims paid | (12 984 527) | (2 925 417) | (1 176 156) | (17 086 100) |
| Amounts transferred to approved claims payable | <u>(2 303 824)</u> | <u>(514 861)</u> | <u>(58 221)</u> | <u>(2 876 906)</u> |
| Closing balance | <u>376 597 537</u> | <u>6 821 435</u> | <u>5 914 497</u> | <u>389 338 469</u> |



Asbestos Relief Trust

Notes to the financial statements

for the period 1 July 2004 to 28 February 2005 (continued)

| | 2005 R | |
|---|--------------------------------|---|
| 6. Taxation | | |
| South African normal taxation | | |
| Current year | | |
| Net income in excess of expenditure before taxation | | 10 861 541 |
| Less: awarded to beneficiaries | | <u>(10 861 541)</u> |
| Income retained | | - |
| Less: portion of dividend exempt | | <u>-</u> |
| Taxable income | | <u>-</u> |
| Tax at rate of 40% of taxable income | | <u>-</u> |
| Prior year adjustment | | |
| | Restated 2005 R | Previously reported 2004 R |
| Net income in excess of expenditure before taxation | 40 209 605 | 40 209 605 |
| Less: awarded to beneficiaries | <u>(3 597 053)</u> | <u>(2 742 288)</u> |
| Income retained | 36 612 552 | 37 467 317 |
| Less: portion of dividend exempt | <u>(1 547 010)</u> | <u>(1 547 010)</u> |
| | <u>35 065 542</u> | <u>35 920 307</u> |
| Term rate of 40% of taxable income | <u>14 026 217</u> | <u>14 368 122</u> |
| Difference – overstatement of taxation in 2004 | <u>341 905</u> | |
| Total taxation charge for 2005 | <u>341 905</u> | |

7. Investments risk management

7.1 Management of risk

The trustees have mandated Taquanta Asset Managers (TAM), a division of Nedbank, to manage the investment portfolio on behalf of the trust.

Although TAM has discretion in managing the portfolio they are only required to invest in institutions with a Fitch IBCA (or equivalent) credit rating of AI and instruments issued by specific identified entities. TAM is required not to invest in instruments that could result in a capital loss by changes in the capital value through movements in the market value of the underlying investments.

TAM indemnifies the trust against any losses, liabilities, costs, charges or expenses caused by the negligence, default, fraud or dishonesty of its representatives.

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Asbestos Relief Trust

Notes to the financial statements

for the period 1 July 2004 to 28 February 2005 (continued)

| | 2005 R | 2004 R |
|---|--------------------|--------------------|
| 7. Investments risk management (continued) | | |
| 7.2 Reconciliation of Taquanta Assets Managers statement | | |
| Disclosed as: | | |
| Investments | 353 019 674 | 342 804 408 |
| Call accounts in cash at bank | 26 597 427 | 51 534 643 |
| Interest and dividend accrual included in accounts receivable | 5 133 962 | 7 851 994 |
| Balance per statement at 28 February 2005 (30 June 2004) | <u>384 751 063</u> | <u>402 191 045</u> |

Winn Inc.