



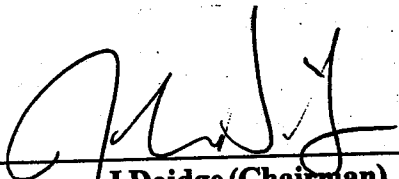
Asbestos Relief Trust
(IT. 1734/2003)

Financial Statements
for the year ended 30 June 2005

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Trustees' approval of the unaudited financial statements

The unaudited financial statements for the year ended 30 June 2005 are set out on pages 3 to 10 were approved by the trustees on 15 September 2005 and are signed on its behalf by –



J Doidge (Chairman)



J De Bruyn

} **Trustees**



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Report of the independent auditors

To the trustees of Asbestos Relief Trust

We have performed the procedures agreed with the Trustees of Asbestos Relief Trust and described below with respect to financial statements set out on pages 3 to 10 for the year ended 30 June 2005.

Our engagement was undertaken in accordance with the International Standard on Related Services 4400 Engagements to perform agreed-upon procedures regarding financial information. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of the Trustees of Asbestos Relief Trust. Our procedures were performed solely to assist the Trustees in presenting financial statements for the year ended 30 June 2005.

We extracted the financial information from the management accounts and performed no further procedures in this regard. We further confirm that the financial statements for the year ended 30 June 2005 are in agreement with the management accounts.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the information provided.

Had we performed additional procedures or had we performed an audit or review of the financial statements of Asbestos Relief Trust for the year ended 30 June 2005 in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

KPMG Services (Proprietary) Limited

Per N Keshav
Director, Consumer Markets
15 September 2005



Asbestos Relief Trust

Trustees' report

for the year ended 30 June 2005

The trustees have pleasure in presenting their report for the year ended 30 June 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 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.



Asbestos Relief Trust

Trustees' report

for the year ended 30 June 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 30 June 2005 and the results of its activities for the year then ended.

Trustees at 30 June 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



Asbestos Relief Trust

Balance sheet

at 30 June 2005

	Note	2005 R	2004 R
Assets			
Non-current assets			
Investments	2	333 615 462	342 804 408
Equipment		643 830	46 938
		51 277 604	68 618 052
Current assets			
Accounts receivable		6 116 206	7 955 602
Cash at bank	3	45 161 398	60 662 450
		385 536 896	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		375 398 175	396 159 689
Current liabilities			
Approved claims payable		-	229 491
Accounts payable		9 467 661	711 796
Taxation payable		670 760	14 368 122
		385 536 896	411 469 398
Total trust capital and liabilities			



Asbestos Relief Trust

Income statement

for the year ended 30 June 2005

	2005 R	2004 R
Income		
Interest received	6 920 451	35 088 555
Dividends received	20 882 820	8 142 158
less: Portfolio fees	(2 601 101)	(785 454)
	(10 606 335)	(2 235 654)
Expenditure		
Claim handlers	3 619 178	532 000
Medical practitioners	1 871 603	177 246
Administration fees	2 491 401	428 119
Accounting fees	151 902	127 605
Actuarial fees	57 606	179 265
Advertising and promotions	2 565	14 018
Auditors remuneration	111 610	45 600
Current year	70 000	45 600
Prior year under provision	41 610	-
Bank charges	6 205	5 598
Computer expenses	30 320	12 335
Depreciation of computer equipment	46 822	2 506
Depreciation – office equipment	950	-
– motor vehicles	19 996	-
– office furniture	2 747	-
Electricity	4 076	-
Expenditure on equipment written off	58 335	-
Insurance	53 395	-
Internal audit fees	61 560	-
Legal expenses	35 838	9 776
Meals and refreshments	25 916	8 475
Medical equipment cost expensed	-	43 389
Petty cash expenses	25 843	-
Printing and stationery	79 948	28 951
Professional fees for setting up systems and procedures	370 495	218 052
Professional fees – Trustees	342 471	-
Rental expenses	196 045	8 556
Repairs and maintenance	37 863	3 114
Research expenses	-	15 732
Social awareness campaign	288 995	-
Telephone	90 297	-
Training	12 623	-
Travel and accommodation	322 730	175 317
Trustees fees	187 000	200 000
Net income in excess of expenditure before taxation	14 595 835	40 209 605
Taxation	-	(14 368 122)
Net income in excess of expenditure for the period	14 595 835	25 841 483



Asbestos Relief Trust

Statement of changes in trust capital and accumulated funds for the year ended 30 June 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		(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		14 595 835	14 595 835
Net income in excess of expenditure for the period transferred available for distribution to beneficiaries		(14 595 835)	(14 595 835)
Balance at 30 June 2005	300	–	300



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 year ended 30 June 2005 (continued)

		2005		2004	
		R		R	
2. Investments					
Portfolio analysis					
		2005		2004	
		Number of instruments held	Carrying value	Number of instruments held	Carrying value
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
IND530	INDWA Promissory note	7 000 000	6 870 865		
PNI0113	Newshelf Promissory note	6 000 000	7 646 205		
AUT032	Auto Loan Investments Limited	8 250 000	8 248 993		
AUT041	Auto Loan Investment Limited	980 000	980 000		
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		9 869 399	5 000 000	4 830 520
			333 615 462		342 804 408

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



Asbestos Relief Trust

Notes to the financial statements for the year ended 30 June 2005 (continued)

3. Cash at bank	2005 R	2004 R
Comprises:		
Probanker accounts	6 068 527	9 127 807
Probanker account – Gencor	5 068 279	8 751 766
Probanker account – Gefco	410 315	133 117
Probanker account – Msauli	224 917	138 017
Administration expense bank accounts	365 016	104 907
Call accounts	39 092 871	51 534 643
Call balance – Nedbank Limited	–	25 534 643
Call balance – Nedbank Financial Products – QNED1	–	5 000 000
Cash balance – Nedbank Financial Products – TRSA01	–	14 000 000
Fixed deposit – Bank of Taiwan	19 000 000	7 000 000
Call balance – RSA Newshelf	17 932 944	–
Call balance – QRMBOI	2 000 000	–
Call balance – Settlement	159 927	–
	45 161 398	60 662 450

4. Investments risk management

4.1 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.

4.2 Reconciliation of Taquanta Assets Managers statement

Disclosed as:	2005 R	2004 R
Investments	333 615 461	342 804 408
Call accounts in cash at bank	39 092 871	51 534 643
Interest and dividend accrual included in accounts receivable	6 042 372	7 851 994
Balance per statement at 30 June 2005/4	378 750 704	402 191 045