

**Q(h)ubeka Trust  
(IT001242/2016(G))  
Annual Financial Statements  
for the year ended 29 February 2020**

**Q(h)ubeka Trust**  
**Annual Financial Statements for the year ended 29 February 2020**

**General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Trustees</b>	G Aboobaker J Doidge A Kistan S Kisting-Cairncross
<b>Business address</b>	Building 1 Sherborne Square 5 Sherborne Road Parktown Johannesburg Gauteng 2193
<b>Bankers</b>	Standard Bank
<b>Auditors</b>	Nolands Inc
<b>Trust registration number</b>	IT001242/2016(G)

**Q(h)ubeka Trust**  
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The reports and statements set out below comprise the annual financial statements presented to the trustees:

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## Independent Auditor's Report

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To the trustees of Q(h)ubeka Trust

### Opinion

We have audited the annual financial statements of Q(h)ubeka Trust set out on pages 7 to 14, which comprise the statement of financial position as at 29 February 2020, the statement of income and expenditure 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, in all material respects, the financial position of Q(h)ubeka Trust as at 29 February 2020, and its financial performance for the year then ended in accordance with the basis of accounting as set out in Note 1 to the annual financial statements and the requirements of the Trust Property Control Act 57 of 1988.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the trust in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Basis of Accounting

Without modifying our opinion above, we draw attention to Note 1 of the annual financial statements, which describes the basis of accounting. The annual financial statements are prepared in accordance with the trust's own accounting policies to satisfy the financial information needs of the trustees. As a result, the annual financial statements may not be suitable for another purpose.

### Other information

The trustees are responsible for the other information. The other information comprises the trustees' report, 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.

## **Responsibilities of the trustees for the annual financial statements**

The trustees are responsible for the preparation and presentation of the annual financial statements in accordance with basis of accounting as set out in Note 1 to the financial statements and the requirements of the Trust Property Control Act 57 of 1988, 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.

*Nolands Inc.*

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**Nolands Inc**  
**Practice Number: 900583e**  
**Craig Stansfield CA(SA), RA**  
**Director**

**Cape Town**  
**27 August 2020**



**Q(h)ubeka Trust**  
**Annual Financial Statements for the year ended 29 February 2020**

**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 present in all material respects the state of affairs of the trust as at the end of the financial year and the results of its operations for the period then ended, in conformity with the basis of accounting as set out in Note 1 to the annual financial statements and in the manner required by the Trust Deed. 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 basis of accounting as set out in Note 1 to the annual financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. Those 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 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 auditor's and their report is presented on pages 3 and 4.

The annual financial statements set out on pages 6 to 14, which have been prepared on the going concern basis, were approved by the board of trustees and signed on their behalf by:

*Alicia Kistan*

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Trustee

*Christine - Carrivross*

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Trustee

Johannesburg  
27 August 2020

# Q(h)ubeka Trust Annual Financial Statements for the year ended 29 February 2020

## Trustees' Report

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The trustees submit their report on the annual financial statements of Q(h)ubeka Trust for the year ended 29 February 2020.

### 1. The trust

The trust was formed in terms of a trust settlement by Anglo American South Africa Limited and AngloGold Ashanti Limited dated 04 March 2016 and subsequently registered by the Master of the High Court on 22 April 2016.

### 2. Nature of business

Q(h)ubeka Trust was formed in South Africa with the primary objective to provide compensation to qualifying claimants and dependant claimants in respect of silica related diseases on the basis set out in the trust deed.

### 3. Review of financial results and activities

The annual financial statements have been prepared on the basis of accounting as set out in Note 1 to the annual financial statements.

Full details of the financial position, results of operations and cash flows of the trust are set out in these annual financial statements.

### 4. Trustees

The trustees in office at the date of this report are as follows:

G Aboobaker  
J Doidge  
A Kistan  
S Kisting-Cairncross

### 5. Events after the reporting period

The trustees draw attention to Note 13 of the annual financial statements.

### 6. 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.

**Q(h)ubeka Trust**  
**Annual Financial Statements for the year ended 29 February 2020**

**Statement of Financial Position as at 29 February 2020**

Figures in Rand	Note(s)	2020	2019
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed assets	2	55 007	103 947
Investments	3	260 817 797	279 441 074
		<u>260 872 804</u>	<u>279 545 021</u>
<b>Current Assets</b>			
Accounts receivable	4	54 907	53 933
Taxation receivable		44 584	-
Cash resources	5	3 769 993	5 088 764
		<u>3 869 484</u>	<u>5 142 697</u>
<b>Total Assets</b>		<u>264 742 288</u>	<u>284 687 718</u>
<b>Trust capital and Liabilities</b>			
<b>Trust capital</b>			
Contribution made by founder	6	200	200
Trust administration reserve	7	14 187 519	11 737 947
		<u>14 187 719</u>	<u>11 738 147</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Available for distribution to beneficiaries	8	128 388 005	155 092 558
Approved claims for distribution to beneficiaries	9	118 230 636	107 548 815
		<u>246 618 641</u>	<u>262 641 373</u>
<b>Current Liabilities</b>			
Accounts payable	10	469 399	1 749 673
Approved claims for distribution to beneficiaries	9	3 466 529	8 188 436
Taxation payable		-	370 089
		<u>3 935 928</u>	<u>10 308 198</u>
<b>Total Liabilities</b>		<u>250 554 569</u>	<u>272 949 571</u>
<b>Total Trust Capital and Liabilities</b>		<u>264 742 288</u>	<u>284 687 718</u>



**Q(h)ubeka Trust**  
**Annual Financial Statements for the year ended 29 February 2020**

**Statement of Income and Expenditure**

Figures in Rand	Note(s)	2020	2019
<b>Revenue</b>			
Interest received		20 577 905	23 616 725
<b>Other income</b>			
Other income		19 662	-
<b>Trust administration expenses</b>			
Auditors' remuneration		125 260	122 775
Bank charges		23 069	32 645
Biometric verification costs		8 694	17 385
Catering services		17 720	31 789
Cleaning		11 080	23 475
Computer expenses		140 388	121 828
Consulting fees		192 613	673 401
Database expenses		129 766	187 382
Depreciation on property, plant and equipment		54 912	74 235
Employee costs		3 709 049	5 207 521
Fines and penalties		750	39 110
Insurance		46 863	43 409
Lease rentals on operating lease		422 506	527 836
Legal expenses		348 751	241 233
Loss on disposal of property, plant and equipment		6 176	-
Medical assessments		629 068	2 026 525
Municipal expenses		53 742	68 981
Office sundries		67 323	52 338
Printing, postage and stationery		70 439	227 059
Royalties and license fees		8 456	7 903
Small capital items		22 467	16 768
Subscriptions		-	960
Telephone and fax		142 097	208 358
Tracing costs		19 947	151 518
Training		-	1 825
Travel - local		377 125	581 296
Trustees' fees		1 758 514	1 652 000
Verbal autopsy		-	142 502
		<b>8 386 775</b>	<b>12 482 057</b>
<b>Surplus before taxation</b>		<b>12 210 792</b>	<b>11 134 668</b>
Taxation for the year	11	(9 761 220)	(10 048 399)
<b>Surplus after taxation, before transfers and distributions</b>		<b>2 449 572</b>	<b>1 086 269</b>
Transfer to trust administration reserve		(2 449 572)	(1 086 269)
<b>Surplus for the year</b>		<b>-</b>	<b>-</b>

**Q(h)ubeka Trust**  
**Annual Financial Statements for the year ended 29 February 2020**

**Accounting Policies**

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**1. Presentation of annual financial statements**

The annual financial statements have been prepared under the historical cost basis and in accordance with the accounting policies as set out below.

Revenue and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognises revenues as they are earned and are measurable. Expenditure are the cost of goods and services acquired in the period whether or not payment has been made or invoices issued.

**1.1 Fixed assets**

Fixed assets are items which will provide service for longer than 12 months.

All fixed assets are initially recorded at cost and adjusted for any impairment in value.

Cost include costs incurred initially to acquire or construct an item of fixed assets.

The cost of purchasing an asset, is spread using the straight-line basis, across the useful life of the asset. Charging depreciation is the accounting method used to reflect this annual cost. Such charge is recognised in the statement of income and expenditure.

The categories used by the trust, and the estimated useful life for each are as follows:

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<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
Computer equipment	Straight-line	3 years
Computer software	Straight-line	2 years
Furniture and fixtures	Straight-line	6 years
Medical equipment	Straight-line	5 years

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Where an item of fixed assets is disposed of, the gain or loss recorded in the statement of income and expenditure is calculated as the difference between the sales price and the carrying amount of the asset (i.e. the assets recorded value less any accumulated depreciation).

The useful life of assets are reassessed from time to time.

**1.2 Investments**

Investments consist of holdings in managed portfolios with recognised financial institutions.

Investments are initially recorded at cost. Subsequent to initial recognition, they are carried at cost less accumulated impairment.

Impairments and reversal of impairments are recognised in the statement of income and expenditure in the year they arise.

Impairments are only recognised for permanent impairments in value for the underlying investments.

**1.3 Taxation**

**Current taxation assets and liabilities**

Current taxation for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

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**Q(h)ubeka Trust**  
**Annual Financial Statements for the year ended 29 February 2020**

**Accounting Policies**

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**1.3 Taxation (continued)**

**Taxation expenses**

Current taxes are recognised as an expense and included in the statement of income and expenditure for the period.

**1.4 Accounts receivable**

Accounts receivable are amounts which the trust has issued invoices for, but not received payment for, as at the reporting date. They are stated at their estimated realisable value, which means that the amount is the figures the trust realistically expects to receive.

**1.5 Cash resources**

The amount disclosed under cash resources represents the total of the amounts of money held on current and all call accounts for the use in the day-to-day management of the trust.

**1.6 Accounts payable**

Accounts payable are items where the goods and/or services have been received by the trust, but as at the reporting date have not yet been paid. They are stated at the amount of cash required to settle those liabilities.

**1.7 Available for distribution to beneficiaries**

Certain amounts are received pursuant to regulation or agreement and may only be used for distributions to qualifying claimants as set out in the trust deed. These amounts are initially recognised at the fair value of the cash resources received.

Subsequently the liability is stated at the amount of cash required to settle those liabilities.

Transfers to and/or from and/or between funds are an adjustment to the respective fund/reserve when approved or alternatively where required by the trust deed.

**1.8 Approved claims for distributions to beneficiaries**

Upon approval of qualifying claimants, the trust transfers an actuarial determined amount from the funds "Available for distribution to beneficiaries" to the "Approved claims for distribution to beneficiaries". Of this amount 60% is paid to the qualifying claimants and 40% is retained by the trust until such time as the final obligation to all qualifying claimants can be determined.

Claims approved but not yet paid at the reporting date are shown as a current liability.

**1.9 Distributions**

Distributions to beneficiaries are made on a discretionary basis and are accounted for when awarded and declared by the trustees.

**1.10 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the trust and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

**Investment income**

Investment income is reported as income in the period that it is earned.

**Q(h)ubeka Trust**  
**Annual Financial Statements for the year ended 29 February 2020**

**Notes to the Annual Financial Statements**

Figures in Rand 2020 2019

**2. Fixed assets**

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	150 304	(128 945)	21 359	171 867	(115 568)	56 299
Computer software	7 858	(7 858)	-	7 858	(7 858)	-
Furniture and fixtures	60 599	(33 776)	26 823	60 599	(23 676)	36 923
Medical equipment	19 500	(12 675)	6 825	19 500	(8 775)	10 725
<b>Total</b>	<b>238 261</b>	<b>(183 254)</b>	<b>55 007</b>	<b>259 824</b>	<b>(155 877)</b>	<b>103 947</b>

**Reconciliation of fixed assets - 2020**

	Opening balance	Additions	Disposals	Depreciation	Total
Computer equipment	56 299	12 148	(6 176)	(40 912)	21 359
Furniture and fixtures	36 923	-	-	(10 100)	26 823
Medical equipment	10 725	-	-	(3 900)	6 825
	<b>103 947</b>	<b>12 148</b>	<b>(6 176)</b>	<b>(54 912)</b>	<b>55 007</b>

**Reconciliation of fixed assets - 2019**

	Opening balance	Additions	Depreciation	Total
Computer equipment	86 641	26 946	(57 288)	56 299
Computer software	2 947	-	(2 947)	-
Furniture and fixtures	47 023	-	(10 100)	36 923
Medical equipment	14 625	-	(3 900)	10 725
	<b>151 236</b>	<b>26 946</b>	<b>(74 235)</b>	<b>103 947</b>

**3. Investments**

**Managed portfolio at cost**

Stanlib Collective Investments (RF) (Pty) Ltd	129 706 859	141 868 635
Taquanta Asset Managers (Pty) Ltd	131 110 938	137 572 439
	<b>260 817 797</b>	<b>279 441 074</b>

**4. Accounts receivable**

Deposits	28 502	46 919
Prepayments	26 405	7 014
	<b>54 907</b>	<b>53 933</b>

**Q(h)ubeka Trust**  
**Annual Financial Statements for the year ended 29 February 2020**

**Notes to the Annual Financial Statements**

Figures in Rand	2020	2019
<b>5. Cash resources</b>		
Cash and cash equivalents consist of:		
Bank balances	3 768 735	5 084 788
Cash on hand	1 258	3 976
	<u>3 769 993</u>	<u>5 088 764</u>
<b>6. Trust capital</b>		
<b>Trust capital</b>		
Settlors contribution	<u>200</u>	<u>200</u>
<b>7. Trust administration reserve</b>		
Opening balance	11 737 947	10 651 678
Current year trust administration expenses	(8 386 775)	(12 482 057)
Taxation for the year	(9 761 220)	(10 048 399)
Current year investment returns	20 577 905	23 616 725
Other income	19 662	-
	<u>14 187 519</u>	<u>11 737 947</u>
<p>The reserve has been established to cover trust formation costs and ongoing trust administration expenses. To the extent that such funds are exhausted, trust administration costs will be paid via the interest and investment returns that accrue to the trust, failing which application can be made to the settlors for additional funds to settle such expenses.</p>		
<b>8. Available for distribution to beneficiaries</b>		
Funds available for distribution to beneficiaries	<u>128 388 005</u>	<u>155 092 558</u>
<b>Reconciliation of funds available for distribution to beneficiaries</b>		
Opening balance	155 092 558	241 409 909
Transfer of funds to approved claims for distribution to beneficiaries	(26 704 553)	(86 317 351)
	<u>128 388 005</u>	<u>155 092 558</u>

**Q(h)ubeka Trust**  
**Annual Financial Statements for the year ended 29 February 2020**

**Notes to the Annual Financial Statements**

Figures in Rand	2020	2019
<b>8. Available for distribution to beneficiaries (continued)</b>		
As at the reporting date, the number of claims paid and/or approved for payment since The Trust was established totalled 1 782 (2019: 1 567). To the extent, that the qualifying claimants reach the following numbers, additional advances by the settlors will become due and payable within 10 business days thereof:		
Number of qualifying claimants		
3729	23 000 000	23 000 000
3949	22 000 000	22 000 000
4168	24 000 000	24 000 000
	<u>69 000 000</u>	<u>69 000 000</u>
<b>9. Approved claims for distribution to beneficiaries</b>		
Opening balance	115 737 251	77 776 096
Amount transferred from funds available for distribution to beneficiaries	26 704 553	86 317 351
Amounts paid to beneficiaries	(20 744 639)	(48 356 196)
	<u>121 697 165</u>	<u>115 737 251</u>
Non-current liability	118 230 636	107 548 815
Current liability	3 466 529	8 188 436
	<u>121 697 165</u>	<u>115 737 251</u>
<b>10. Accounts payable</b>		
Accrued expenses	156 659	146 401
Other payables	312 740	1 603 272
	<u>469 399</u>	<u>1 749 673</u>
<b>11. Taxation</b>		
<b>Major components of the tax expense</b>		
<b>Current</b>		
Local income tax - current period	9 249 437	10 048 399
Local income tax - prior year under provision	511 783	-
	<u>9 761 220</u>	<u>10 048 399</u>



## Q(h)ubeka Trust

### Annual Financial Statements for the year ended 29 February 2020

#### Notes to the Annual Financial Statements

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Figures in Rand

2020

2019

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#### 12. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

#### 13. Events after the reporting period

Subsequent to the reporting period, South Africa and the world as a whole has been faced with a pandemic outbreak known as COVID-19 (Coronavirus). This has resulted in the South African government instituting a national shutdown of most businesses and enforcing people to remain at home. This decision has and will have a significant impact on the economy and every business in it. The trustees have however performed an assessment of the risks faced by the trust on cash flows and performance and they do not anticipate any going concern threat to the trust's operations and activities. Furthermore, the trustees are satisfied with its cash resources and forecast to supplement the trust's needs in the short term until the pandemic ceases. The only effect arising from the lockdown has been a consequential delay in the operational activities of the trust, being mainly the processing and payment of qualifying claims.

The trustees are satisfied that there were no adjustments required due to this subsequent event as mentioned above.