

**Q(h)ubeka Trust
(IT001242/2016(G))
Annual Financial Statements
for the year ended 28 February 2021**

Q(h)ubeka Trust
Annual Financial Statements for the year ended 28 February 2021

General Information

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

Q(h)ubeka Trust
Annual Financial Statements for the year ended 28 February 2021

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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

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 28 February 2021, 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 28 February 2021, and its financial performance for the year then ended in accordance with the basis of accounting described 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 company 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 corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of accounting

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. Our opinion is not modified in respect of this matter.

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.

Independent Auditor's Report

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 the basis of accounting described in Note 1 to the annual 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.
- 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 appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

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.

Nolands Inc
Registered Auditor
Practice Number: 900583e
Per: Craig Stansfield CA(SA)
Director

Cape Town
27 August 2021

Q(h)ubeka Trust

Annual Financial Statements for the year ended 28 February 2021

Trustees' Responsibilities and Approval

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 and cash flows for the period then ended, in conformity with the basis of accounting described 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 described 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. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditors are responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on 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:



Kistan, Alicia
Aug 27 2021 4:30 PM

DocuSign

Trustee



Trustee

Johannesburg
27 August 2021

Q(h)ubeka Trust
Annual Financial Statements for the year ended 28 February 2021
Trustees' Report

The trustees submit their report on the annual financial statements of Q(h)ubeka Trust for the year ended 28 February 2021.

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.

There have been no material changes to the nature of the trust's business from the prior year.

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.

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 are not aware of any material event which occurred after the reporting date and up to the date of this report.

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.

The trustees would like to note that subsequent to the reporting period, the trust is in its final year of existence, with the priorities being completing payments to all qualifying claimants and proceeding with the winding down process, with the intended official closure being the 22nd April 2022.

Q(h)ubeka Trust

Annual Financial Statements for the year ended 28 February 2021

Statement of Financial Position as at 28 February 2021

Figures in Rand	Note(s)	2021	2020
Assets			
Non-Current Assets			
Fixed assets	2	55 185	55 007
Investments	3	-	260 817 797
		<u>55 185</u>	<u>260 872 804</u>
Current Assets			
Investments	3	239 405 527	-
Accounts receivable	4	29 317	54 907
Taxation receivable		82 595	44 584
Cash resources	5	6 521 313	3 769 993
		<u>246 038 752</u>	<u>3 869 484</u>
Total Assets		<u>246 093 937</u>	<u>264 742 288</u>
Trust capital and Liabilities			
Trust capital			
Contribution made by founder	6	200	200
Trust administration reserve	7	15 808 767	14 187 519
		<u>15 808 967</u>	<u>14 187 719</u>
Liabilities			
Non-Current Liabilities			
Available for distribution to beneficiaries	8	-	128 388 005
Approved claims for distribution to beneficiaries	9	-	118 230 636
		<u>-</u>	<u>246 618 641</u>
Current Liabilities			
Accounts payable	10	256 295	469 399
Approved claims for distribution to beneficiaries	9	230 028 675	3 466 529
		<u>230 284 970</u>	<u>3 935 928</u>
Total Liabilities		<u>230 284 970</u>	<u>250 554 569</u>
Total Equity and Liabilities		<u>246 093 937</u>	<u>264 742 288</u>

Q(h)ubeka Trust**Annual Financial Statements for the year ended 28 February 2021****Statement of Income and Expenditure**

Figures in Rand	Note(s)	2021	2020
Revenue			
Interest received		13 682 584	20 577 905
Other income			
Other income		-	19 662
Trust administration expenses			
Auditors' remuneration		98 048	125 260
Bank charges		22 641	23 069
Biometric verification costs		2 254	8 694
Catering services		-	17 720
Cleaning		-	11 080
Computer expenses		133 702	140 388
Consulting fees		514 844	192 613
Database expenses		65 917	129 766
Depreciation on property, plant and equipment		31 302	54 912
Employee costs		2 571 520	3 709 049
Fines and penalties		-	750
Insurance		52 568	46 863
Lease rentals on operating lease		335 298	422 506
Legal expenses		136 874	348 751
Loss on disposal of property, plant and equipment		-	6 176
Medical assessments		295 273	629 068
Municipal expenses		29 259	53 742
Office sundries		37 148	67 323
Printing, postage and stationery		24 134	70 439
Royalties and license fees		9 045	8 456
Small capital items		3 907	22 467
Telephone and fax		81 365	142 097
Tracing costs		12 938	19 947
Travel - local		15 734	377 125
Trustees' fees		1 440 000	1 758 514
		5 913 771	8 386 775
Surplus before taxation		7 768 813	12 210 792
Taxation	11	(6 147 565)	(9 761 220)
Surplus after taxation, before transfers and distributions		1 621 248	2 449 572
Transfer to trust administration reserve		(1 621 248)	(2 449 572)
Surplus for the year		-	-

Q(h)ubeka Trust
Annual Financial Statements for the year ended 28 February 2021
Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared on the historical cost basis and in accordance with the accounting policies as set out below. They are presented in South African Rands.

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.

These accounting policies are consistent with the previous period.

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:

Item	Depreciation method	Average useful life
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

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.

Q(h)ubeka Trust
Annual Financial Statements for the year ended 28 February 2021
Accounting Policies

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.

Taxation expenses

Taxation expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the taxation expense.

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 requested 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".

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.

Q(h)ubeka Trust
Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

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 28 February 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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2. Fixed assets

	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	181 783	(146 247)	35 536	150 304	(128 945)	21 359
Computer software	7 858	(7 858)	-	7 858	(7 858)	-
Furniture and fixtures	60 599	(43 875)	16 724	60 599	(33 776)	26 823
Medical equipment	19 500	(16 575)	2 925	19 500	(12 675)	6 825
Total	269 740	(214 555)	55 185	238 261	(183 254)	55 007

Reconciliation of fixed assets - 2021

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	21 359	31 480	(17 303)	35 536
Furniture and fixtures	26 823	-	(10 099)	16 724
Medical equipment	6 825	-	(3 900)	2 925
	55 007	31 480	(31 302)	55 185

Reconciliation of fixed assets - 2020

	Opening balance	Additions	Disposals	Depreciation	Closing balance
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
	103 947	12 148	(6 176)	(54 912)	55 007

3. Investments

Stanlib Collective Investments (RF) (Pty) Ltd	126 284 906	129 706 859
Taquantia Asset Managers (Pty) Ltd	113 120 621	131 110 938
	239 405 527	260 817 797
Non-current asset	-	260 817 797
Current asset	239 405 527	-
	239 405 527	260 817 797

4. Accounts receivable

Deposits	15 280	28 502
Prepayments	14 037	26 405
	29 317	54 907

Q(h)ubeka Trust
Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
5. Cash resources		
Cash resources consist of:		
Bank balances	6 519 706	3 768 735
Cash on hand	1 607	1 258
	6 521 313	3 769 993
6. Trust capital		
Trust capital		
Settlers contribution	200	200
7. Trust administration reserve		
Opening balance	14 187 519	11 737 947
Current year trust administration expenses	(5 913 771)	(8 386 775)
Taxation for the year	(6 147 565)	(9 761 220)
Current year investment returns	13 682 584	20 577 905
Other income	-	19 662
	15 808 767	14 187 519
<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 settlers for additional funds to settle such expenses.</p>		
8. Available for distribution to beneficiaries		
Funds available for distribution to beneficiaries	-	128 388 005
Reconciliation of funds available for distribution to beneficiaries		
Opening balance	128 388 005	155 092 558
Transfer of funds to approved claims for distribution to beneficiaries	(128 388 005)	(26 704 553)
	-	128 388 005

Q(h)ubeka Trust**Annual Financial Statements for the year ended 28 February 2021****Notes to the Annual Financial Statements**

Figures in Rand	2021	2020
9. Approved claims for distribution to beneficiaries		
Opening balance	121 697 165	115 737 251
Amount transferred from funds available for distribution to beneficiaries	128 388 005	26 704 553
Amounts paid to beneficiaries	(20 056 495)	(20 744 639)
	230 028 675	121 697 165
Non-current liability	-	118 230 636
Current liability	230 028 675	3 466 529
	230 028 675	121 697 165
10. Accounts payable		
Accrued expenses	128 207	156 659
Other payables	128 088	312 740
	256 295	469 399
11. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - current year	6 147 565	9 249 437
South African normal tax - prior period under provision	-	511 783
	6 147 565	9 761 220

12. 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.

The trustees would like to note that subsequent to the reporting period, the trust is in its final year of existence, with the priorities being completing payments to all qualifying claimants and proceeding with the winding down process, with the intended official closure being the 22nd April 2022.

13. Events after the reporting period

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.